



CCC
SHOES & BAGS

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
OF THE GROUP CCC S.A.
FOR Q1 2019**

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**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR Q1 2019**

[in PLN million unless otherwise stated]

SELECTED FINANCIAL AND OPERATING DATA OF CAPITAL GROUP CCC S.A.

FINANCIAL ACTIVITY	IN MLN PLN		IN MLN EUR	
Selected data from the consolidated statement of profit or loss and other comprehensive income	01.2019–03.2019	01.2018–03.2018	01.2019–03.2019	01.2018–03.2018
Sales revenue	1 038,6	658,7	241,7	157,7
Poland	368,7	289,3	85,8	69,2
CEE	195,5	132,8	45,5	31,8
Western Europe	126,7	22,4	29,5	5,4
Other countries	23,8	16,1	5,5	3,9
Retail activity	714,7	460,6	166,3	110,2
E-commerce	289,1	168,6	67,3	40,4
Wholesale	34,7	29,4	8,1	7,0
Manufacturing	0,1	0,1	0,0	0,0
Other	—	—	—	—
Gross profit (loss) on sale	492,3	312,1	114,5	74,8
Gross sale margin	47,4%	47,4%	47,4%	47,4%
Result on segments	—	—	—	—
Poland	(24,9)	(16,1)	(5,8)	(3,8)
CEE	(23,3)	(21,9)	(5,4)	(5,2)
Western Europe	(46,2)	(16,3)	(10,7)	(3,9)
Other countries	(12,8)	(5,1)	(3,0)	(1,2)
Retail activity	(107,2)	(59,4)	(24,9)	(14,1)
E-commerce	31,2	17,6	7,3	4,2
Wholesale	3,0	4,8	0,7	1,1
Manufacturing	0,1	(0,3)	0,0	(0,1)
Profit (loss) on operating activity	(148,6)	(78,0)	(34,6)	(18,7)
Profit (loss) before tax	(174,8)	(93,6)	(40,7)	(22,4)
NET PROFIT (LOSS) FROM CONTINUING OPERATIONS	(153,8)	(99,8)	(35,8)	(23,9)
ADJUSTED NET PROFIT (LOSS) FROM CONTINUING OPERATIONS	(143,5)	(89,4)	(33,4)	(21,4)
Selected data of the consolidated statement of financial position	31.03.2019	31.12.2018	31.03.2019	31.12.2018
Fixed assets	4 002,7	3 574,1	930,6	831,2
Current assets, including:	2 917,6	3 161,9	678,3	735,3
Inventories	2 079,8	1 806,1	483,5	420,0
Cash	210,7	375,8	49,0	87,4
TOTAL ASSETS	6 920,3	6 736,0	1 608,9	1 566,5
Non-current liabilities including:	2 616,0	2 650,9	608,2	616,5
Debt liabilities	210,0	210,0	48,8	48,8
Current liabilities including:	3 312,4	2 937,3	770,1	683,1
Debt liabilities	1 242,7	806,8	288,9	187,6
TOTAL LIABILITIES	5 928,4	5 588,2	1 378,3	1 299,6
EQUITY	991,9	1 147,8	230,6	266,9

[in PLN million unless otherwise stated]

FINANCIAL ACTIVITY	IN MLN PLN		IN MLN EUR	
Selected data from the consolidated statement of cash flows	01.2019–03.2019	01.2018–03.2018	01.2019–03.2019	01.2018–03.2018
Net cash flows from operating activities	(196,8)	(243,3)	(45,8)	(58,2)
Net cash flows from investing activities	(261,4)	(64,6)	(60,8)	(15,5)
Net cash flows from financing activities	293,6	(69,3)	68,3	(16,6)
TOTAL CASH FLOWS	(164,6)	(377,2)	(38,3)	(90,3)

OPERATIONAL DATA	31.03.2019	31.12.2018
Number of stores CCC	1 196	1 125
Floor space of stores (thousand m ²)	674,3	660,3
Number of markets with online sales	15	15

	01.2019–03.2019	01.2018–03.2018	01.2019–03.2019	01.2018–03.2018
Capital expenditures (in mln)	(117,4)	(81,1)	(27,3)	(19,4)
Average revenue per m ² of floor space ^[1]	1,1	1,0	0,3	0,2

[1] Revenue per 1m² of the floor space is calculated by dividing the value of retail revenue for the 3 months of a given year by the number of m² of retail floor space at the balance sheet date.

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

- particular items of assets and liabilities in the interim condensed consolidated statement of financial position were converted in accordance with the average NBP exchange rate announced as of:
 - exchange rate on 31.03.2019 amounted to 1 EUR – 4.3013 PLN
 - exchange rate on 31.12.2018 amounted to 1 EUR – 4.3000 PLN
 - exchange rate on 31.03.2018 amounted to 1 EUR – 4.2085 PLN
- particular items of the interim condensed consolidated financial statements and other comprehensive income and interim condensed consolidated statement of cash flows were converted in accordance with the exchange rate which constitutes an arithmetic average of NBP exchange rates for Euro effective on the last day of each month of the reporting period:
 - the average exchange rate in the period 01.01.2019 – 31.03.2019 was 1 EUR – 4.2978 PLN
 - the average exchange rate in the period 01.01.2018 – 31.03.2018 was 1 EUR – 4.1784 PLN

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

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR Q1 2019**

[in PLN million unless otherwise stated]

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT AND OTHER COMPREHENSIVE INCOME

	01.2019–03.2019	01.2018–03.2018
Sales revenue	1 038,6	658,7
Cost of sale of goods	(546,3)	(346,7)
Gross profit (loss) on sale	492,3	312,1
Cost of operating stores	(365,6)	(244,0)
Other cost of sale	(199,6)	(105,4)
Administrative expenses	(72,4)	(36,3)
Other cost and operating revenue	(3,4)	(4,4)
Operating profit (loss)	(148,6)	(78,0)
Finance revenue	8,7	6,5
Finance cost	(24,6)	(22,1)
Share of net profit (loss) of associates accounted for using the equity method	(10,3)	—
Profit (loss) before tax	(174,8)	(93,6)
Income tax	21,0	(6,2)
NET PROFIT (LOSS) FROM CONTINUING OPERATIONS	(153,8)	(99,8)
DISCONTINUED OPERATION		
NET LOSS FROM DISCONTINUED OPERATION	(12,6)	(44,3)
NET PROFIT (LOSS)	(166,4)	(144,1)
Attributable to shareholders of the parent company	(152,6)	(145,7)
Attributable to non – controlling interests	(13,8)	1,6
Other comprehensive income from continuing operations		
Attributable to be reclassified to profit – exchange rate differences upon conversion of reports of foreign entities	(2,3)	1,7
Other comprehensive income from discontinued operation		
Attributable to be reclassified to profit – exchange rate differences upon conversion of reports of foreign entities	(0,3)	(0,3)
Total net comprehensive income	(2,6)	1,4
TOTAL COMPREHENSIVE INCOME	(169,0)	(142,7)
Total comprehensive income attributable to:		
Shareholders of the parent company from:		
– continuing operations	(155,2)	(144,3)
– discontinued operation	(12,9)	(44,6)
Non-controlling interests	(13,8)	1,6
Weighted average number of ordinary shares (mln pcs)	41,2	41,2
Basic earnings per share from continuing operations (in PLN)	(3,73)	(2,42)
Diluted earnings per share from continuing operations (in PLN)	(3,73)	(2,42)
Basic earnings per share from discontinued operation (in PLN)	(0,30)	(1,07)
Diluted earnings per share from discontinued operation (in PLN)	(0,30)	(1,07)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31.03.2019	31.12.2018
Intangible assets	277,5	261,7
Goodwill	300,8	202,5
Tangible fixed assets – investments in stores	658,4	615,4
Tangible fixed assets – factory and distribution	463,0	427,2
Tangible fixed assets – other	104,2	101,7
Right to use	1 866,9	1 870,1
Deferred tax assets	96,9	74,8
Loans granted	150,1	—
Financial instruments	10,2	10,1
Investments accounted for using the equity method	50,5	0,2
Long-term receivables	24,2	10,4
Total non-current assets	4 002,7	3 574,1
Inventories	2 079,8	1 806,1
Trade receivables	198,3	124,4
Income tax receivables	7,9	6,8
Loans granted	0,2	37,7
Other receivables	372,0	306,4
Cash and cash equivalents	210,7	375,8
Derivative financial instruments	39,1	1,3
Assets classified as held for sale	9,6	503,4
Total current assets	2 917,6	3 161,9
TOTAL ASSETS	6 920,3	6 736,0
Debt liabilities	210,0	210,0
Deferred tax liabilities	34,3	34,2
Liabilities to employees	10,4	12,7
Provisions	11,2	12,1
Grants received	18,6	19,2
Obligation to repurchase non-controlling interests	885,5	878,7
Lease liabilities	1 446,0	1 484,0
Total non-current liabilities	2 616,0	2 650,9
Debt liabilities	1 242,7	806,8
Trade liabilities	1 008,5	864,2
Other liabilities	486,5	274,3
Income tax liabilities	21,6	29,0
Provisions	19,6	17,2
Grants received	6,3	2,4
Lease liabilities	461,4	425,2
Liabilities directly associated with assets classified as held for sale	65,8	518,2
Total current liabilities	3 312,4	2 937,3
TOTAL LIABILITIES	5 928,4	5 588,2

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR Q1 2019**

[in PLN million unless otherwise stated]

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION, CONT.

	31.03.2019	31.12.2018
NET ASSETS	991,9	1 147,8
Equity		
Share capital	4,1	4,1
Share premium	645,1	645,1
Exchange rate differences from the translations	1,0	2,9
Actuarial valuation of employee benefits	(0,3)	(0,3)
Retained earnings	221,1	369,1
Equity attributable to the shareholders of the parent entity	871,0	1 020,9
Non-controlling interests	120,9	126,9
TOTAL EQUITY	991,9	1 147,8
TOTAL LIABILITIES AND EQUITY	6 920,3	6 736,0



INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	01.2019–03.2019	01.2018–03.2018
Profit before tax	(186,9)	(137,8)
Amortization and depreciation	167,2	136,2
Loss on investment activity	(2,0)	(0,4)
Cost of borrowings	15,4	14,3
Other adjustments to profit before tax	1,1	(79,9)
Income tax paid	(4,7)	(36,5)
Cash flow before changes in working capital	(9,9)	(104,1)
Changes in working capital		
Change in inventory and inventory write-downs	(217,3)	(299,2)
Change in receivables	(154,9)	16,4
Change in current liabilities, excluding borrowings	185,3	143,6
Net cash flows from operating activities	(196,8)	(243,3)
Proceeds from the sale of tangible fixed assets	21,0	7,4
Repayment of loans granted and interest	—	9,1
Purchase of intangible and tangible fixed assets	(117,4)	(81,1)
Loans granted	(52,1)	—
Payment related to purchase of Adler enterprise	(2,5)	—
Purchase of investment in associate	(110,4)	—
Net cash flows from investing activities	(261,4)	(64,6)
Proceeds from borrowings	499,7	49,7
Repayment of borrowings	(75,0)	—
Lease payments	(117,5)	(113,4)
Interest paid	(13,6)	(5,6)
Net cash flows from finance activities	293,6	(69,3)
TOTAL CASH FLOWS	(164,6)	(377,2)
Net increase/decrease of cash and cash equivalents	(165,1)	(377,8)
Exchange rate changes on cash and cash equivalents	(0,5)	(0,6)
Cash and cash equivalents at beginning of period	374,3	511,6
Cash and cash equivalents at the end of period	209,7	134,4

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR Q1 2019**

[in PLN million unless otherwise stated]

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	SHARE CAPITAL	SHARE PREMIUM	RETAINED EARNINGS	EXCHANGE RATE DIFFERENCES UPON CONVERSION OF FOREIGN ENTITIES	ACTUARIAL VALUATION OF EMPLOYEE BENEFITS	NON-CONTROLLING INTERESTS	TOTAL EQUITY
	ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY						
As of 31.12.2018 (01.01.2019)	4,1	645,1	369,1	2,9	(0,3)	126,9	1 147,8
Net profit for the period	—	—	(166,4)	—	—	—	(166,4)
Net profit attributable to non-controlling interests	—	—	14,1	—	—	(14,1)	—
Exchange rate differences from the translations	—	—	—	(1,9)	—	(0,7)	(2,6)
Total comprehensive income	—	—	(152,3)	(1,9)	—	(14,8)	(169,0)
Valuation of employee option scheme	—	—	4,3	—	—	—	4,3
Purchase of shares	—	—	—	—	—	8,8	8,8
Total transactions with owners	—	—	4,3	—	—	8,8	13,1
As of 31.03.2019 (01.04.2019)	4,1	645,1	221,1	1,0	(0,3)	120,9	991,9
As of 01.01.2018	4,1	644,9	453,1	(1,3)	(0,3)	67,8	1 168,3
Net profit for the period	—	—	56,7	—	—	—	56,7
Net profit attributable to non-controlling interests	—	—	2,6	—	—	(2,6)	—
Exchange rate differences from the translations	—	—	—	4,2	—	1,6	5,8
Total comprehensive income	—	—	59,3	4,2	—	(1,0)	62,5
Dividend payment	—	—	(94,7)	—	—	—	(94,7)
Valuation of employee option scheme	—	—	25,4	—	—	—	25,4
Issue of shares	—	0,2	—	—	—	—	0,2
Purchase of shares	—	—	—	—	—	60,1	60,1
Total transactions with owners	—	0,2	(69,3)	—	—	60,1	(9,0)
Obligation to purchase of own shares of subsidiary	—	—	(74,0)	—	—	—	(74,0)
As of 31.12.2018 (01.01.2019)	4,1	645,1	369,1	2,9	(0,3)	126,9	1 147,8

[in PLN million unless otherwise stated]

SELECTED FINANCIAL AND OPERATING DATA CCC S.A.

FINANCIAL ACTIVITY	IN MLN PLN		IN MLN EUR	
Selected data from the statement of profit or loss and other comprehensive income	01.2019–03.2019	01.2018–03.2018	01.2019–03.2019	01.2018–03.2018
Sales revenue	377,2	310,1	87,6	74,2
Gross profit (loss) on sale	169,6	147,1	39,4	35,2
Profit (loss) on operating activity	4,5	6,7	1,0	1,6
Profit before tax	(8,5)	0,4	(2,0)	0,1
NET PROFIT	(9,0)	(1,9)	(2,1)	(0,5)
Selected data of the statement of financial position	31.03.2019	31.12.2018	31.03.2019	31.12.2018
Fixed assets	2 001,3	1 697,8	465,3	394,8
Current assets, including:	713,2	574,6	165,8	133,6
Inventories	355,3	303,8	82,6	70,7
Cash	52,7	104,3	12,3	24,3
TOTAL ASSETS	2 714,5	2 272,4	631,1	528,5
Non-current liabilities including:	845,8	706,4	196,6	164,3
Debt liabilities	321,8	210,0	74,8	48,8
Current liabilities including:	829,4	524,1	192,8	121,9
Debt liabilities	9,1	7,1	2,1	1,7
TOTAL LIABILITIES	1 675,2	1 230,5	389,5	286,2
EQUITY	1 039,3	1 041,9	241,6	242,3

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR Q1 2019**

[in PLN million unless otherwise stated]

FINANCIAL ACTIVITY	IN MLN PLN		IN MLN EUR	
Selected data from the statement of cash flows	01.2019–03.2019	01.2018–03.2018	01.2019–03.2019	01.2018–03.2018
Net cash flows from operating activities	155,3	(130,6)	36,1	(31,3)
Net cash flows from investing activities	(269,8)	(86,3)	(62,8)	(20,7)
Net cash flows from financing activities	62,9	(47,6)	14,6	(11,3)
TOTAL CASH FLOWS	(51,6)	(264,5)	(12,1)	(63,3)

OPERATIONAL DATA	31.03.2019	31.12.2018
Number of stores CCC	467	466
Floor space of stores (thousand m ²)	288,6	285,8

	IN MLN PLN		IN MLN EUR	
	01.2019–03.2019	01.2018–03.2018	01.2019–03.2019	01.2018–03.2018
Capital expenditures (in mln)	(26,6)	(49,5)	(6,2)	(11,6)
Average revenue per m ² of floor space ^[1]	1,2	1,3	0,3	0,3

[1] Revenue per 1m² of the floor space is calculated by dividing the value of retail revenue for the 3 months of a given year by the number of m² of retail floor space at the balance sheet date.

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

- particular items of assets and liabilities in the separate statement of financial position were converted in accordance with the average NBP exchange rate announced as of:
 - exchange rate on 31.03.2019 amounted to 1 EUR – 4.3013 PLN
 - exchange rate on 31.12.2018 amounted to 1 EUR – 4.3000 PLN
 - exchange rate on 31.03.2018 amounted to 1 EUR – 4.2085 PLN

- particular items of the separate financial statements and other comprehensive income and interim separate statement of cash flows were converted in accordance with the exchange rate which constitutes an arithmetic average of NBP exchange rates for Euro effective on the last day of each month of the reporting period:
 - the average exchange rate in the period 01.01.2019 – 31.03.2019 was 1 EUR – 4.2978 PLN
 - the average exchange rate in the period 01.01.2018 – 31.03.2018 was 1 EUR – 4.1784 PLN

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

[in PLN million unless otherwise stated]

INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS AND OTHER COMPREHENSIVE INCOME

	01.2019–03.2019	01.2018–03.2018
Sales revenue	377,2	310,1
Cost of sale of goods	(207,6)	(163,0)
Gross profit (loss) on sale	169,6	147,1
Cost of operating stores	(138,3)	(124,8)
Other cost of sale	(7,4)	(4,5)
Administrative expenses	(19,5)	(12,9)
Other cost and operating revenue	0,1	1,9
Operating profit (loss)	4,5	6,8
Finance revenue	3,0	2,3
Finance cost	(5,3)	(8,7)
Share of net profit (loss) of associates accounted for using the equity method	(10,7)	—
Profit (loss) before tax	(8,5)	0,4
Income tax	(0,5)	(2,3)
NET PROFIT (LOSS)	(9,0)	(1,9)
Other comprehensive income	—	—
Total net comprehensive income	—	—
TOTAL COMPREHENSIVE INCOME	(9,0)	(1,9)
Weighted average number of ordinary shares (mln pcs)	41,2	41,2
Basic earnings per share (in PLN)	(0,22)	(0,05)
Diluted earnings per share (in PLN)	(0,22)	(0,05)

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR Q1 2019**

[in PLN million unless otherwise stated]

INTERIM CONDENSED SEPARATE STATEMENT OF FINANCIAL POSITION

	31.03.2019	31.12.2018
Intangible assets	2,0	2,2
Goodwill	48,8	48,8
Tangible fixed assets – investments in stores	258,4	255,1
Tangible fixed assets – factory and distribution	232,6	221,7
Tangible fixed assets – other	60,4	60,9
Right of use	659,6	615,0
Deferred tax assets	8,4	8,4
Loans granted	276,6	44,6
Long-term investments	454,5	441,1
Total non-current assets	2 001,3	1 697,8
Inventories	355,3	303,8
Trade receivables	27,0	8,1
Derivative financial instruments	39,1	—
Loans granted	100,9	90,0
Other receivables	138,2	68,4
Cash and cash equivalents	52,7	104,3
Total current assets	713,2	574,6
TOTAL ASSETS	2 714,5	2 272,4
Debt liabilities	321,8	210,0
Provisions	2,2	2,2
Grants received	18,6	19,2
Employees liabilities	6,9	5,5
Lease liabilities	496,3	469,5
Total non-current liabilities	845,8	706,4
Debt liabilities	9,1	7,1
Trade liabilities	347,1	184,4
Other liabilities	272,8	73,9
Income tax liabilities	5,0	6,7
Provisions	0,9	77,3
Grants received	2,4	2,4
Lease liabilities	192,1	172,3
Total current liabilities	829,4	524,1
TOTAL LIABILITIES	1 675,2	1 230,5
NET ASSETS	1 039,3	1 041,9
Equity		
Share capital	4,1	4,1
Share premium	645,1	645,1
Retained earnings	390,1	392,7
TOTAL EQUITY	1 039,3	1 041,9
TOTAL LIABILITIES AND EQUITY	2 714,5	2 272,4

INTERIM CONDENSED SEPARATE STATEMENT OF CASH FLOWS

	01.2019–03.2019	01.2018–03.2018
Profit before tax	(8,5)	0,4
Amortization and depreciation	59,6	56,6
Profit (loss) on investment activity	9,0	(0,6)
Cost of borrowings	4,8	3,7
Other adjustments to profit before tax	2,1	(15,8)
Income tax paid	(2,3)	(2,8)
Cash flow before changes in working capital	64,7	41,5
Changes in working capital		
Change in inventory and inventory write-downs	(51,5)	(109,0)
Change in receivables	(115,6)	1,6
Change in current liabilities, excluding borrowings	257,7	(64,7)
Net cash flows from operating activities	155,3	(130,6)
Proceeds from the sale of tangible fixed assets	4,7	6,6
Repayment of loans granted and interest	11,6	31,2
Purchase of intangible and tangible fixed assets	(26,6)	(49,5)
Loans granted	(144,1)	(74,6)
Purchase of investment in associate	(110,4)	—
Expenses related to purchase of Adler enterprise	(5,0)	—
Net cash flows from investing activities	(269,8)	(86,3)
Proceeds from borrowings	111,8	1,7
Payment due to leasing	(45,9)	(47,6)
Interest paid	(3,0)	(1,7)
Net cash flows from finance activities	62,9	(47,6)
TOTAL CASH FLOWS	(51,6)	(264,5)
Net increase/decrease of cash and cash equivalents	(51,6)	(264,5)
Cash and cash equivalents at beginning of period	104,3	300,3
Cash and cash equivalents at the end of period	52,7	35,8

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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[in PLN million unless otherwise stated]

INTERIM CONDENSED SEPARATE STATEMENT OF CHANGES IN EQUITY

	SHARE CAPITAL	RETAINED EARNINGS	SHARE PREMIUM	TOTAL EQUITY
As of 31.12.2018 (01.01.2019)	4,1	392,7	645,1	1 041,9
Net profit for the period	—	(9,0)	—	(9,0)
Total comprehensive income	—	(9,0)	—	(9,0)
Valuation of employee option scheme	—	6,4	—	6,4
Total transactions with owners	—	6,4	—	6,4
As of 31.03.2019 (01.04.2019)	4,1	390,1	645,1	1 039,3
As of 01.01.2018	4,1	502,5	644,9	1 151,5
Net profit 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



EXPLANATORY NOTES

1. GENERAL INFORMATION

Name of the company:	CCC Spółka Akcyjna (Joint-Stock Company)
Headquarters:	ul. 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 Group's primary corporate purpose according to the European Classification of Economic Activities is wholesale and retail trade of clothing and footwear (ECEA 5142).

STRUCTURE OF THE CAPITAL GROUP CCC S.A.

As of 31 March 2019 Capital Group CCC S.A. was composed of the dominant entity CCC S.A. with its headquarters in Polkowice and the following subsidiaries and associates:

SUBSIDIARIES OF CCC S.A.	HEADQUARTER/COUNTRY	TYPE OF BUSINESS ACTIVITY	
CCC Factory sp. z o.o.	Polkowice, Poland	manufacturing	
CCC Czech s.r.o.	Prague, Czech Republic	commercial	
CCC Slovakia s.r.o.	Bratislava, Slovakia	commercial	
CCC Hungary Shoes Kft.	Budapest, Hungary	commercial	
CCC Austria Ges.m.b.H	Graz, Austria	commercial	
CCC Obutev d.o.o.	Maribor, Slovenia	commercial	
CCC Hrvatska d.o.o.	Zagreb, Croatia	commercial	
CCC Shoes Ayakkabıcılık Limited Sirketi	Istanbul, Turkey	commercial	
CCC Isle of Man Ltd.	Douglas, Isle of Man	service	
CCC.eu sp. z o.o.	Polkowice, Poland	purchase and selling	
CCC Shoes & Bags sp. z o.o.	Polkowice, Poland	investment	
CCC Shoes Bulgaria EOOD	Sofia, Bulgaria	commercial	
eobuwie.pl S.A.	Zielona Góra, Poland	commercial	
eschuhe.de GmbH	Zielona Góra, Poland	commercial	
eobuwie.pl Logistics Sp z o.o.	Zielona Góra, Poland	logistics	
NG2 Suisse sarl	Zug, Switzerland	service	
CCC Shoes & Bags d.o.o. Beograd	Belgrade, Serbia	commercial	
CCC Russia OOO	Moscow, Russia	commercial	
Shoe Express S.A.	Bucharest, Romania	commercial	
Karl Voegele AG	Uznach, Switzerland	commercial	
DeeZee Sp. z o.o.	Cracow, Poland	commercial	
Gino Rossi SA	Słupsk, Poland	commercial	
SIMPLE CREATIVE PRODUCTS S.A.	Warsaw, Poland	commercial	
GARDA Sp. z o.o.	Słupsk, Poland	commercial	
Gino Rossi SRO	Prague, Czech Republic	commercial	
GR Trade Mark Sp. z o.o.	Słupsk, Poland	service	
S Trade Mark Sp. z o.o.	Warsaw, Poland	service	
Gino Rossi sp. z o.o.	Słupsk, Poland	service	
Gino Rossi Sp. z o.o. sp. komandytowa	Słupsk, Poland	manufacturing	
Simple Creative Products Sp. z o.o.	Warsaw, Poland	service	
Simple Creative Products Sp. z o.o. Sp. komandytowa	Warsaw, Poland	manufacturing	
MB SHOPS Sp. z o.o. w likwidacji	Słupsk, Poland	in liquidation	
ASSOCIATES	HEADQUARTER/COUNTRY	TYPE OF BUSINESS ACTIVITY	SHARES
HR Group Holding S.a.r.l.	Luksemburg	commercial	30,55%
Pronos Sp. z o.o.	Wroclaw, Poland	service	10,00%

CCC GROUP

manufacturing activity	distribution activity		other activity	associates
CCC S.A.				
CCC Factory Sp. z o.o. 100% Poland	Shoe Express 100% Romania	CCC Shoes Bulgaria 100% Bulgaria	NG2 Suisse S.a.r.l. 100% Switzerland	HR Group Holding S.a.r.l. 30.55% Luxemburg
	CCC Czech s.r.o. 100% Czech Republic	CCC Obutev d.o.o. 100% Slovenia	CCC Isle of Man Ltd. 100% Isle of Man	Pronos Sp. z o.o. 10% Poland
	CCC Austria Ges.M.b.H 100% Austria	CCC Slovakia s.r.o. 100% Slovakia	CCC Shoes and Bags sp. z o.o. 100% Poland	
	CCC Hrvatska d.o.o. 100% Croatia	CCC Shoes Ayakkabıcılık Ticaret Limited Sirketi 100% Turkey	eobuwie.pl Group 74.99% Poland	
	CCC.eu sp. z o.o. ^[1] 100% Poland	CCC Hungary Shoes Kft. 100% Hungary	eobuwie.pl Logistics Sp z o.o.	
	CCC Russia sp. z o.o. 75% Russia	CCC Shoes & Bags d.o.o. Beograd – Stari Grad 100% Serbia	eschuhe.de GmbH	
	Karl Voegele 70% Switzerland	DeeZee 51% Poland	Branded Shoes&Bags Sp. z o.o.	
	Gino Rossi Group 66.13% Poland			

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

BASIS FOR PREPARATION

Capital Group CCC S.A. presents the condensed consolidated interim financial statement for the Q1 2019 beginning on 1st January 2019 and ending on 31st March 2019.

This condensed interim financial statement was prepared in accordance with IAS 34 "Interim Financial Reporting".

The financial statements have been prepared in accordance with the historical cost principle.

The interim condensed financial statements of the Group cover the three-month period ended 31 March 2019 and include comparative data for the three months ended 31 March 2018 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 31 March 2019 and the comparative data for the 3-month period ended 31 March 2018 were not reviewed or audited by an auditor.

The interim condensed consolidated financial statements have been prepared in accordance with going concern assumption by the Group in foreseeable future, i.e. at least one year from the balance sheet date. As at the date of publication of the condensed consolidated financial statements, there are no circumstances indicating a threat for business going concern of the Entity in the period of at least one year from the balance sheet date.

This statement does not cover all the information and disclosures required in the annual financial statements and should be read together with the financial statements for the period from 01.01.2018 to 31.12.2018 and published on 14.03.2019.

BASIS FOR CONSOLIDATION

This condensed consolidated interim financial statement contains the statement of the dominant entity CCC S.A. and the statements of the subsidiaries.

The subsidiaries are subject to consolidation in the period from the date of taking control by the Group until the date of cessation of control.

All entities constituting the Capital Group underwent the audit during the entire reporting period. All transactions, balances, revenues and costs between the consolidated subsidiaries are subject to consolidation exemptions.

FUNCTIONAL CURRENCY AND CURRENCY OF THE FINANCIAL STATEMENTS

Items contained in the Capital Group's condensed consolidated interim financial statements are valued in the currency of the primary business environment in which each entity operates ("functional currency"). The consolidated financial statement is presented in Polish zloty (PLN), which is the Group's functional currency and its presentation currency.

APPLIED ACCOUNTING PRINCIPLES

The accounting principles applied by CCC S.A. Capital Group companies did not change compared to the accounting principles applied in the financial statement prepared for the financial year from 1 January to 31 December 2018.

INFORMATION ON USED AVERAGE EXCHANGE RATES OF POLISH ZLOTY IN THE PERIOD COVERED BY THE FINANCIAL STATEMENTS AND COMPARATIVE FINANCIAL DATA IN RELATION TO EURO, ESTABLISHED BY THE NBP

PERIOD (EUR/PLN)	HIGHEST	LOWEST	THE END OF THE PERIOD	AVERAGE
01.2019–03.2019	4,3402	4,2862	4,3013	4,2978
01.2018–03.2018	4,2416	4,1423	4,2085	4,1784
01.2018–12.2018	4,3978	4,1423	4,3000	4,2669

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

- particular items of assets and liabilities in the interim consolidated and separate statement of financial position were converted in accordance with the average NBP exchange rate announced as of:
 - exchange rate on 31.03.2019 amounted to 1 EUR – 4.3013 PLN
 - exchange rate on 31.12.2018 amounted to 1 EUR – 4.3000 PLN
 - exchange rate on 31.03.2018 amounted to 1 EUR – 4.2085 PLN

- particular items of the interim consolidated and separate financial statements and other comprehensive income and interim consolidated and separate statement of cash flows were converted in accordance with the exchange rate which constitutes an arithmetic average of NBP exchange rates for Euro effective on the last day of each month of the reporting period:

- the average exchange rate in the period 01.01.2019 – 31.03.2019 was 1 EUR – 4.2978 PLN
- the average exchange rate in the period 01.01.2018 – 31.03.2018 was 1 EUR – 4.1784 PLN

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

2. REPORTING SEGMENTS

Operating segments are presented in a manner consistent with internal reporting submitted to the chief operating decision-maker, on the basis of which he shall evaluate the results and decide on the allocation of resources. The main operating decision-maker is the Board of the Parent Company.

The Management Board verifies Group's performance from the geographical and product perspective:

- From a geographical perspective, the Management Board analyses the activities in Poland, the European Union and other countries;
- From the perspective of product, the Management Board examines the e-commerce, wholesale and retail activities in each of these geographic areas.

THE GROUP IDENTIFIES THE FOLLOWING OPERATING AND REPORTING SEGMENTS:

REPORTING SEGMENT	DESCRIPTION OF THE REPORTING SEGMENT AND USED MEASURES OF THE RESULT	PREMISES OF AGGREGATION OF OPERATING SEGMENTS INTO REPORTING SEGMENTS, INCLUDING ECONOMIC CIRCUMSTANCES TAKEN INTO ACCOUNT IN ASSESSING THE SIMILARITY OF THE ECONOMIC CHARACTERISTICS OF THE OPERATING SEGMENTS
Distribution activities – retail in Poland. Distribution activities – retail in the European Union – Central and Eastern Europe (Czech Republic, Slovakia, Hungary, Croatia, Slovenia, Bulgaria, Romania) Distribution activities – retail in the European Union – Western Europe (Austria and Switzerland). Distribution activities – retail in other countries (Russia, Serbia) For the distribution activity – retail stores operate in the CCC, Eobuwie, KVAG and Gino Rossi.	Each own individual store operating in the said country constitutes the operating segment. Stores sell footwear handbags shoe care products, small leather goods and clothing in their own facilities, within the chain CCC. Measures of the result is the gross sales profit calculated in relation to the external sales and the segment's operating profit being the difference between the sales, cost of goods sold, direct selling costs relating to the operations of the retail chain (stores operating costs) and the cost of organizational units supporting the sale.	The financial information was aggregated in total for the chain CCC by geographic markets due to: <ul style="list-style-type: none"> • Similarity of long-term average gross margins, • Similar nature of the goods (such as footwear, handbags, shoe care accessories, clothing accessories), • Similar way of distributing the goods, • Similar categories of customers (sale made in own facilities and directed to retail customers)
Distribution activities – e-commerce	The whole activity is conducted by the companies: eobuwie.pl S.A., DeeZee sp. z o.o., Karl Voegelé AG and Gino Rossi S.A. dealing with the distribution of goods via the Internet. The Companies sell footwear, handbags, shoe care accessories, small fashion finery, etc. to domestic and foreign retailers. Measures of the result is the gross sales profit calculated in relation to the external sales and the operating result of the segment, which is the difference between the sale, the cost of goods sold and the direct sales costs related to the functioning of the sales channel (e.g. logistics costs).	
Distribution activities – wholesale	The whole activity is carried out by CCC.eu dealing with the distribution of goods to the companies of the Group. The Company sells footwear, handbags, shoe care products, clothing accessories to domestic and foreign franchisees and other wholesale customers. Measures of result is the gross sales profit calculated in relation to the external sales and the segment's operating profit being the difference between the sales, cost of goods sold and direct selling costs relating to the operation of the distribution network (including logistics costs).	
Manufacturing activities	Manufacturing of leather shoes for women is carried out in Poland. Measures of result is the result of operating segment being the difference between the sales, cost of goods sold and direct costs of sales.	

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01.2019–03.2019	DISTRIBUTION ACTIVITY							TOTAL	DISCON- TINUED OPERATION
	RETAIL				E-COMMERCE	WHOLESALE	MANUFAC- TURING ACTIVITY		
	POLAND	UE – CEE	UE – WESTERN EUROPE	OTHER COUNTRIES					
Total sales revenue	368,7	195,5	126,7	23,8	289,1	455,1	41,6	1 500,5	11,6
Revenue from sales to other segments	—	—	—	—	—	(420,4)	(41,5)	(461,9)	—
Revenue from sales from external customers	368,7	195,5	126,7	23,8	289,1	34,7	0,1	1 038,6	11,6
Gross profit on sale	180,8	110,5	66,8	10,7	115,8	7,6	0,1	492,3	5,3
Gross margin	49,0%	56,5%	52,7%	44,5%	40,1%	21,9%	—	47,4%	45,9%
PROFIT OF SEGMENT	(24,9)	(23,3)	(46,2)	(12,8)	31,2	3,0	0,1	(72,9)	(14,5)
Assets of segments	13,7%	10,6%	-16,8%	-2,0%	10,0%	25,7%	100,0%	-7,0%	-125,6%
Fixed assets except deferred tax asset and granted loans	1 482,3	877,8	573,0	138,7	442,0	326,2	70,8	3 910,8	—
Deferred tax assets	8,6	—	—	0,9	1,8	42,5	3,7	57,5	—
Inventories	414,8	253,2	191,1	52,7	352,7	820,7	47,3	2 132,5	—
Outlays on tangible fixed assets and intangibles	604,9	267,1	99,4	46,6	317,9	101,4	70,8	1 508,1	—
Other revenue/costs:									
Amortization and depreciation	(67,0)	(40,6)	(36,1)	(5,2)	(2,0)	(0,1)	(0,6)	(151,6)	—
Impairment loss of tangible fixed assets and intangibles	—	—	—	—	—	—	—	—	—

CAPITAL GROUP CCC S.A. CONSOLIDATED INTERIM REPORT
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[in PLN million unless otherwise stated]

01.2018–03.2018	DISTRIBUTION ACTIVITY							TOTAL	DISCON- TINUED OPERATION
	RETAIL				E-COMMERCE	WHOLESALE	MANUFAC- TURING ACTIVITY		
	POLAND	UE – CEE	UE – WESTERN EUROPE	OTHER COUNTRIES					
Total sales revenue	289,3	132,8	22,4	16,1	168,6	428,7	61,5	1 119,4	35,4
Revenue from sales to other segments	—	—	—	—	—	(399,3)	(61,4)	(460,7)	—
Revenue from sales from external customers	289,3	132,8	22,4	16,1	168,6	29,4	0,1	658,7	35,4
Gross profit on sale	144,0	76,8	13,3	6,9	63,1	8,3	(0,3)	312,1	19,9
Gross margin	49,8%	57,8%	59,4%	42,9%	37,4%	28,2%	nd	47,4%	56,3%
PROFIT OF SEGMENT	(16,1)	(21,9)	(16,3)	(5,1)	17,6	4,8	(0,3)	(37,3)	(40,2)
	-5,6%	-16,5%	-73,0%	-31,7%	10,4%	16,3%	-300,0%	-5,7%	-113,6%
Assets of segments									
Fixed assets except deferred tax asset and granted loans	1 036,6	558,1	1 373,5	103,6	338,9	39,6	89,4	3 539,7	—
Deferred tax assets	1,5	—	—	1,0	4,4	17,8	4,7	29,4	—
Inventories	358,7	189,8	105,8	30,8	243,6	793,4	38,0	1 760,1	—
Outlays on tangible fixed assets and intangibles	418,9	140,8	79,3	29,1	232,7	39,6	89,4	1 029,8	—
Other revenue/costs:									
Amortization and depreciation	(54,2)	(29,2)	(12,9)	(3,3)	(0,8)	(0,2)	(0,8)	(101,4)	(29,3)
Impairment loss of tangible fixed assets and intangibles	—	—	—	—	—	—	—	—	—

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	01.2019–03.2019			01.2018–03.2018		
	AGGREGATED SEGMENT DATA	CONSOLIDATION ADJUSTMENTS	CONSOLIDATED FINANCIAL STATEMENT	AGGREGATED SEGMENT DATA	CONSOLIDATION ADJUSTMENTS	CONSOLIDATED FINANCIAL STATEMENT
Total sales revenue	1 500,5	(461,9)	1 038,6	1 119,4	(460,7)	658,7
Sales revenue not allocated to the segment	—	—	—	—	—	—
Sales revenue in the financial statement	—	—	1 038,6	—	—	658,7
Cost of goods sold in the financial statement	—	—	(546,3)	—	—	(346,6)
Gross profit on sale	492,3	—	492,3	312,1	—	312,1
Gross margin	(565,2)	—	(565,2)	(349,4)	—	(349,4)
Performance of segment	(72,9)	—	(72,9)	(37,3)	—	(37,3)
Not allocated cos of sale	—	—	—	—	—	—
Administrative expenses	—	—	(72,4)	—	—	(36,3)
Other cost and operating revenue	—	—	(13,7)	—	—	(4,4)
Finance revenue	—	—	8,7	—	—	6,5
Finance cost	—	—	(24,6)	—	—	(22,1)
Share in profits (losses) of associated entities	—	—	(10,3)	—	—	(10,3)
Profit before tax	—	—	(174,9)	—	—	(93,6)
Assets of segments						
Fixed assets except deferred tax asset and granted loans	3 910,8	(5,0)	3 905,8	3 539,7	(3,8)	3 535,9
Deferred tax assets	57,5	39,4	96,9	29,4	37,0	66,4
Inventories	2 132,5	(52,7)	2 079,8	1 760,1	(43,2)	1 716,9
Outlays on tangible fixed assets and intangibles	1 508,1	(5,0)	1 503,1	1 029,8	(3,8)	1 026,0
Other revenue/costs:						
Amortization and depreciation	(151,6)	(15,7)	(167,3)	(101,4)	(6,2)	(107,6)
Impairment loss of tangible fixed assets and intangibles	—	—	—	—	—	—

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	SALES REVENUE		FIXED ASSETS (EXCEPT FINANCIAL INSTRUMENTS AND DEFERRED TAX)	
	01.2019–03.2019	01.2018–03.2018	01.2019–03.2019	01.2018–03.2018
CONTINUING OPERATIONS				
Poland	368,7	289,3	1 874,6	1 161,8
Switzerland	104,4	—	309,3	—
Czech Republic	56,4	49,5	213,3	135,9
Hungary	42,6	34,8	198,9	207,2
Slovakia	30,6	26,2	109,9	81,0
Austria	22,3	22,4	263,3	450,5
Romania	39,9	17,2	208,3	—
Russia	19,2	13,8	86,2	67,9
Croatia	12,3	10,9	69,0	62,7
Slovenia	8,6	7,2	31,3	37,4
Bulgaria	4,9	4,1	47,2	33,9
Serbia	4,5	2,3	52,5	35,7
Others	35,1	12,3	—	—
e-commerce	289,1	168,6	442,0	338,9
DISCONTINUED OPERATION				
Germany	11,6	35,4	—	923,0
Total	1 050,2	694,1	3 905,8	3 535,9
Deferred tax			96,9	66,4
Financial instruments			—	—
Total assets			4 002,7	3 602,3

3.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND OTHER COMPREHENSIVE INCOME

3.1 COSTS BY TYPE CONSOLIDATED DATA

01.2019–03.2019	COST OF SALE OF GOODS	COST OF OPERATING STORES	OTHER COST OF SALE	ADMINISTRATIVE EXPENSES	TOTAL
Cost of purchase of goods sold	(515,1)	—	—	—	(515,1)
<i>including discontinued operation:</i>	(6,3)	—	—	—	(6,3)
Consumption of materials and energy	(29,3)	(15,3)	(6,8)	(2,5)	(53,9)
<i>including discontinued operation:</i>	—	(0,5)	—	—	(0,5)
Provision for inventories	0,9	—	—	—	0,9
Remuneration and employee benefits	(10,3)	(135,1)	(56,3)	(19,3)	(221,0)
<i>including discontinued operation:</i>	—	(6,6)	(0,6)	(0,3)	(7,6)
Cost of incentive program	—	—	—	(10,1)	(10,1)
Agent services	—	(0,4)	—	(0,1)	(0,5)
Transportation services	(0,2)	(0,7)	(35,2)	(0,1)	(36,2)
Lease costs	—	(41,7)	(10,0)	(3,9)	(55,6)
<i>including discontinued operation:</i>	—	(8,3)	(0,4)	(0,1)	(8,8)
Other outsourcing services	(0,1)	(37,0)	(49,7)	(19,7)	(106,5)
<i>including discontinued operation:</i>	—	(0,7)	(0,2)	(0,1)	(1,0)
Amortization	(0,6)	(148,4)	(7,0)	(11,3)	(167,3)
Taxes and charges	(0,3)	(1,9)	(1,4)	(2,0)	(5,6)
<i>including discontinued operation:</i>	—	—	—	—	—
Other flat costs	—	(3,2)	(34,9)	(4,0)	(42,1)
<i>including discontinued operation:</i>	—	(2,0)	(0,6)	—	(2,6)
Change in products and production in progress	2,4	—	—	—	2,4
Total	(552,6)	(383,7)	(201,3)	(73,0)	(1 210,6)
<i>including discontinued operation:</i>	(6,3)	(18,1)	(1,7)	(0,6)	(26,7)

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01.2018–03.2018	COST OF SALE OF GOODS	COST OF OPERATING STORES	OTHER COST OF SALE	ADMINISTRATIVE EXPENSES	TOTAL
Cost of purchase of goods sold	(292,0)	—	—	—	(292,0)
<i>including discontinued operation:</i>	(15,4)	—	—	—	(15,4)
Consumption of materials and energy	(47,4)	(11,6)	(6,5)	(1,4)	(66,9)
<i>including discontinued operation:</i>	—	(1,1)	(0,1)	—	(1,2)
Provision for inventories	(10,5)	—	—	—	(10,5)
Remuneration and employee benefits	(12,5)	(106,9)	(34,0)	(11,9)	(165,3)
<i>including discontinued operation:</i>	—	(17,5)	(2,1)	(1,1)	(20,7)
Cost of incentive program	—	—	—	(9,5)	(9,5)
Agent services	—	(8,3)	—	—	(8,3)
Transportation services	(0,3)	(0,4)	(23,1)	—	(23,8)
Lease costs	—	(21,6)	(2,7)	(0,9)	(25,2)
<i>including discontinued operation:</i>	—	(3,8)	(0,5)	(0,3)	(4,7)
Other outsourcing services	(0,4)	(16,3)	(29,1)	(9,7)	(55,5)
<i>including discontinued operation:</i>	—	(1,1)	(0,7)	(0,5)	(2,3)
Amortization	(0,6)	(128,4)	(5,2)	(2,7)	(136,9)
<i>including discontinued operation:</i>	—	(29,2)	(0,1)	(0,1)	(29,3)
Taxes and charges	(0,3)	(2,1)	(0,1)	(1,0)	(3,5)
<i>including discontinued operation:</i>	—	—	—	—	—
Other flat costs	—	(4,5)	(8,7)	(1,3)	(14,5)
<i>including discontinued operation:</i>	—	(3,3)	(0,6)	(0,1)	(3,9)
Change in products and production in progress	1,9	—	—	—	1,9
Total	(362,1)	(300,1)	(109,4)	(38,4)	(810,0)
<i>including discontinued operation:</i>	(15,4)	(56,1)	(4,0)	(2,1)	(77,6)

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**3.2 OTHER INCOME AND OPERATING AND FINANCIAL COSTS
CONSOLIDATED DATA**

	01.2019–03.2019	01.2018–03.2018
Total other costs		
Loss on disposal of tangible fixed assets	(6,2)	(0,1)
Stocktaking net losses	(1,1)	(0,8)
Other net operating cost	(3,0)	(2,0)
<i>including discontinued operation:</i>	(3,0)	—
Loss on exchange rate differences on items other than debt	(1,8)	(6,5)
Total other operating costs	(12,1)	(9,4)
<i>including discontinued operation:</i>	(3,0)	—
Total other income		
Compensations	0,4	0,4
Subsidy of SFRDP remuneration	0,9	0,9
Gain on sale of CCC Germany	6,2	—
<i>including discontinued operation:</i>	6,2	—
Other net operating income	4,4	4,5
<i>including discontinued operation:</i>	—	0,8
Total other operating income	11,9	5,8
<i>including discontinued operation:</i>	6,2	0,8
Total other operating costs and income	(0,2)	(3,6)
<i>including continuing operations:</i>	(3,4)	(4,4)
<i>including discontinued operation:</i>	3,2	0,8
	01.2019–03.2019	01.2018–03.2018
Finance cost		
Interest on borrowings	(16,8)	(13,4)
<i>including discontinued operation:</i>	(0,1)	(2,7)
Result on exchange rates	—	(1,2)
Commissions paid	(0,5)	(0,8)
Valuation of non-realized put option of non-controlling interests	(6,8)	(6,3)
Other finance cost	(0,6)	(3,1)
Total finance cost	(24,7)	(24,8)
<i>including discontinued operation:</i>	(0,1)	(2,7)
Finance revenue		
Interest from current account and other	1,4	0,5
Result on exchange rates	6,1	4,0
Other finance revenue	1,2	2,0
Total finance revenue	8,7	6,5

3.3 PROVISIONS CONSOLIDATED DATA

	PROVISION FOR JUBILEE AWARDS AND RETIREMENT BENEFITS	PROVISIONS FOR WARRANTY REPAIRS	OTHER PROVISIONS	TOTAL
As of 31.12.2018	12,5	12,8	4,0	29,3
Current	1,5	12,8	2,9	17,2
Non-current	11,0	—	1,1	12,1
As of 01.01.2019	12,5	12,8	4,0	29,3
Establishment	1,6	0,3	0,4	2,3
Utilisation	(0,1)	—	—	(0,1)
Release	—	—	(0,4)	(0,4)
Exchange rate differences	(0,1)	—	(0,2)	(0,3)
As of 31.03.2019	13,9	13,1	3,8	30,8
Current	3,1	13,1	3,4	19,6
Non-current	10,8	—	0,4	11,2



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**3.4 DEFERRED TAX ASSETS AND LIABILITIES
CONSOLIDATED DATA**

	31.03.2019	CREDITING TO /(CHARGING) FINANCIAL RESULT	31.12.2018	CREDITING TO /(CHARGING) FINANCIAL RESULT	01.01.2018
Assets					
Trademarks	22,6	(1,0)	23,6	(4,1)	27,7
Inventories – adjustment of margin on intragroup sale	10,0	1,5	8,5	1,5	7,0
Impairment of assets	4,8	1,1	3,7	1,2	2,5
Provisions for liabilities	11,8	(0,6)	12,4	4,8	7,6
Special economical zone relief	2,6	—	2,6	2,6	—
Others	5,5	(0,3)	5,8	(2,5)	8,3
Tax losses	48,1	19,9	28,2	12,4	15,8
Leasing valuation	5,3	2,1	3,3	3,3	—
Total before offsetting	110,7	22,6	88,1	19,2	68,9
Liabilities					
Accelerated tax depreciation of tangible fixed assets	9,3	(0,3)	9,6	5,1	4,5
Others	5,5	0,9	4,6	1,9	2,7
Purchase of intangible assets revealed during acquisition of subsidiaries	33,2	(0,1)	33,3	1,6	31,7
Total before offsetting	48,1	0,6	47,5	8,6	38,9
Offsetting	13,8	0,5	13,3	7,6	5,7
Balance of deferred tax in the balance sheet:					
Assets	96,9	22,1	74,8	8,3	66,5
Liabilities	34,3	0,1	34,2	1,0	33,2

3.5 CHANGE IN WRITE-DOWNS ON CURRENT RECIVABLES CONSOLIDATED DATA

	01.01.2019 – 31.03.2019	01.01.2018 – 31.12.2018	01.01.2018 – 31.03.2018
At the beginning of the period	1,4	0,9	0,9
Increase	—	0,5	0,1
Decrease	—	—	—
At the end of the period	1,4	1,4	1,0

3.6 CHANGE IN WRITE-DOWNS ON INVENTORIES CONSOLIDATED DATA

	01.01.2019 – 31.03.2019	01.01.2018 – 31.12.2018	01.01.2018 – 31.03.2018
At the beginning of the period	41,5	12,2	12,2
Establishing in cost of goods sold	2,4	5,1	1,0
Utilization	—	(6,7)	—
Release in cost of goods sold	—	—	—
Increase as a result of acquisition of a subsidiary	—	30,9	—
At the end of the period	43,9	41,5	13,2

3.7 CHANGE IN WRITE-DOWNS ON IMPAIRMENT OF TANGIBLE FIXED ASSETS CONSOLIDATED DATA

	01.01.2019 – 31.03.2019	01.01.2018 – 31.12.2018	01.01.2018 – 31.03.2018
At the beginning of the period	63,8	—	—
Increase	—	63,8	—
Decrease	(4,0)	—	—
At the end of the period	59,8	63,8	—

3.8. EARNINGS PER SHARE

In the reporting period basic and diluted earnings per share amounted to PLN (3.73). The existence of A-series subscription warrants granted under the incentive scheme does not significantly affect the calculation of diluted earnings per share.

4. NOTES TO THE INTERIM CONDENSED SEPARATE STATEMENT OF FINANCIAL POSITION AND OTHER COMPREHENSIVE INCOME

4.1 COSTS BY TYPE SEPARATED DATA

01.2019–03.2019	COST OF SALE OF GOODS	COST OF OPERATING STORES	OTHER COST OF SALE	ADMINISTRATIVE EXPENSES	TOTAL
Cost of purchase of goods sold	(207,6)	—	—	—	(207,6)
Consumption of materials and energy	—	(2,6)	(1,1)	(0,1)	(3,8)
Provision for inventories	—	—	—	—	—
Remuneration and employees benefits	—	(47,5)	(5,0)	(4,3)	(56,8)
Cost of incentive program	—	—	—	(4,2)	(4,2)
Agent services	—	—	—	—	—
Transportation services	—	—	—	—	—
Lease costs	—	(21,5)	—	(0,9)	(22,4)
Other outsourcing services	—	(8,2)	(1,1)	(5,5)	(14,8)
Amortization	—	(58,4)	—	(1,8)	(60,2)
Taxes and charges	—	—	—	(0,7)	(0,7)
Other flat costs	—	(0,1)	(0,2)	(2,0)	(2,3)
Total	(207,6)	(138,3)	(7,4)	(19,5)	(372,8)

[in PLN million unless otherwise stated]

01.2018–03.2018	COST OF SALE OF GOODS	COST OF OPERATING STORES	OTHER COST OF SALE	ADMINISTRATIVE EXPENSES	TOTAL
Cost of purchase of goods sold	(160,2)	—	—	—	(160,2)
Consumption of materials and energy	—	(2,9)	(0,5)	(0,4)	(3,8)
Provision for inventories	(2,8)	—	—	—	(2,8)
Remuneration and employees benefits	—	(44,3)	(3,7)	(3,8)	(51,8)
Cost of incentive program	—	—	—	(4,2)	(4,2)
Agent services	—	(8,3)	—	—	(8,3)
Transportation services	—	—	—	—	—
Lease costs	—	(13,2)	—	(0,8)	(14,0)
Other outsourcing services	—	(2,6)	(0,2)	(1,5)	(4,3)
Amortization	—	(53,1)	—	(1,1)	(54,2)
Taxes and charges	—	—	—	(0,5)	(0,5)
Other flat costs	—	(0,4)	(0,1)	(0,6)	(1,1)
Total	—	—	—	—	—
Razem	(163,0)	(124,8)	(4,5)	(12,9)	(305,2)

4.2 OTHER INCOME AND OPERATING AND FINANCIAL COSTS SEPARATED DATA

	01.2019–03.2019	01.2018–03.2018
Total other costs		
Loss on disposal of tangible fixed assets	(1,6)	—
Stocktaking net losses	(0,3)	(0,5)
Other net operating cost	—	(0,3)
Total other costs	(1,9)	(0,8)
Total other income		
Profit on disposal of tangible fixed assets	—	0,6
Compensations	0,3	0,3
Subsidy of SFRDP remuneration	0,8	0,8
Other net operating income	0,8	1,0
Total other income	2,0	2,7
Total other operating costs and income	0,1	1,9

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	01.2019–03.2019	01.2018–03.2018
Total finance cost		
Interest on borrowings (recognised in costs)	(4,8)	(3,7)
Result on exchange rates	—	(4,7)
Other finance cost	(0,5)	(0,3)
Total finance cost	(5,3)	(8,7)
Total finance revenue		
Interest from current account and other	1,1	1,3
Result on exchange rates	1,2	0,9
Other finance revenue	0,7	0,1
Total finance revenue	3,0	2,3

**4.3 PROVISIONS
SEPARATED DATA**

	PROVISION FOR JUBILEE AWARDS AND RETIREMENT BENEFITS	PROVISIONS FOR WARRANTY REPAIRS	PROVISION FOR LITIGATION	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	—	—	—	—	—
Utilisation	—	—	—	(76,4)	(76,4)
Release	—	—	—	—	—
Exchange rate differences	—	—	—	—	—
As of 31.03.2019	3,1	—	—	—	3,1
Current	0,9	—	—	—	0,9
Non-current	2,2	—	—	—	2,2

4.4 DEFERRED TAX ASSETS AND LIABILITIES SEPARATED DATA

NOTA	31.03.2019	CREDITING TO /(CHARGING) FINANCIAL RESULT	31.12.2018	CREDITING TO /(CHARGING) FINANCIAL RESULT	01.01.2018
Assets					
Impairment of assets	1,9	1,0	0,9	0,4	0,5
Provisions for liabilities	5,7	(1,1)	6,8	4,2	2,6
Others	1,6	0,2	1,4	0,1	1,3
Total before offsetting	9,2	0,1	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	0,1	—	0,1	(0,1)	0,2
Total before offsetting	0,8	0,1	0,7	(1,9)	2,6
Offsetting	(0,8)	(0,1)	(0,7)	1,9	(2,6)
Balance of deferred tax in the balance sheet:					
Assets	8,4	—	8,4	6,6	1,8
Liabilities	—	—	—	—	—

4.5 CHANGE IN WRITE-DOWNS ON CURRENT RECIVABLES SEPARATED DATA

	01.01.2019 – 31.03.2019	01.01.2018 – 31.12.2018	01.01.2018 – 31.03.2018
At the beginning of the period	0,9	0,8	0,8
Increase	0,1	—	—
Decrease	—	(2,1)	—
At the end of the period	1,0	0,9	0,8

4.6. CHANGE IN WRITE-DOWNS ON IMPAIRMENT OF TANGIBLE FIXED ASSETS SEPARATED DATA

There were no changes in write-downs on impairment during the reporting period.

4.7.CHANGE IN WRITE-DOWNS ON INVENTORIES SEPARATED DATA

There were no changes in write-downs on inventories during the reporting period.



5. OTHER INFORMATION

A BRIEF DESCRIPTION OF CONSIDERABLE ISSUER'S ACHIEVEMENTS OR FAILURES IN Q1 2019

In the first quarter of 2019, the Capital Group CCC S.A.:

- increased CCC sales network by more than 14.0 thousand m²
- reported an increase in sales revenue by 58% compared to the first quarter of 2018
- achieved the EBITDA result of PLN 18.4 million (a decrease of PLN 11.1 million compared to the first quarter of 2018)
- acquired 66.13% of shares in Gino Rossi S.A.
- closed the acquisition of a 30.55% stake in HR Group Holding S.à.r.l. with the simultaneous sale of 100% stake in CCC Germany GmbH

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SALES REVENUE

Sales revenue developed as follows:

	SALES REVENUE ^[1]		CHANGE %	REVENUE PER 1M ² OF FLOOR SPACE (IN THOUSAND PLN) ^[2]	
	01.2019–03.2019	01.2018–03.2018		01.2019–03.2019	01.2018–03.2018
Poland	368,7	289,3	27%	1,2	1,2
CEE	195,5	132,8	47%	1,0	0,9
Western Europe	126,7	22,4	>100%	1,1	0,8
Other countries	23,8	16,1	48%	0,6	0,8
Retail activities	714,7	460,6	55%	1,1	1,0
Wholesale	34,7	29,4	18%	2,0	0,7
E-commerce	289,1	168,6	71%		
Manufacturing	0,1	0,1	0%		
Total	1 038,6	658,7	58%		

[1] Revenues from sales apply only to sales to external customers.

[2] Revenue per 1m² of the floor space is calculated by dividing the value of revenue for the 3 months of a given year by the number of m² of floor space at the balance sheet date.

The above data include sales of acquired companies in 2018–2019 (KVAG, Shoe Express, Gino Rossi)

Revenue from sales for the period 01-03.2019 amounted to PLN 1038.6 million, an increase of PLN 379.9 million (58%) compared to the corresponding period of the previous year. The increase in revenues excluding the acquired companies – KVAG, Shoe Express, DeeZee and Gino Rossi amounted to PLN 213.2 million (+32%) compared to the previous year. Total retail sales revenue for the period 01-03.2019 accounted for 69% of total sales, 3% of wholesale, 28% of sales in the e-commerce channel. Poland is still the largest market in retail sales in physical stores whose share in total sales for the period 01-03.2019 amounted to 52% compared to 63% in first quarter of 2018 (decrease in the share is due to the dynamic expansion in foreign markets and an increase in the share of sales in the e-commerce channel). Retail sales per 1m² – for the period 01-03.2019 amounted to 1.10 thous. PLN/m² (0.37 thous. PLN/m² per month), 1.04 thous. PLN/m² in the same period of 2018, (0.35 thous. PLN/m² per month) with the average floorspace of store increasing by 1.5% y/y.

The size of the generated revenue is affected by a change in the sales in existing units and the changes resulting from the opening and closing of retail stores. Increases of sales were recorded on markets: Poland +14%; Central and Eastern Europe +9% and decrease of sales in Western Europe -11%.



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GROSS SALES PROFIT

Gross profit by particular segments was as follows:

	GROSS PROFIT ON SALE		CHANGE %	GROSS MARGIN	
	01.2019–03.2019	01.2018–03.2018		01.2019–03.2019	01.2018–03.2018
Poland	180,8	144,0	26%	49,0%	49,8%
CEE	110,5	76,8	44%	56,5%	57,8%
Western Europe	66,8	13,3	>100%	52,7%	59,2%
Other countries	10,7	6,9	55%	44,5%	42,9%
Retail activity	368,8	241,0	53%	51,6%	52,6%
E-commerce	115,8	63,1	84%	40,1%	37,4%
Wholesale	7,6	8,3	-8%	21,9%	28,2%
Manufacturing	0,1	(0,3)	—	nd.	nd.
Total	492,3	312,1	58%	47,4%	47,4%
Unallocated to segments	—	—			
Total	492,3	312,1	58%	47,4%	47,4%

The consolidated gross profit on sales in the period from 01-03.2019 amounted to PLN 492.3 million and increase of 58% compared to the corresponding period of the previous year. Margin in offline channel amounted to PLN 368.8 million (51.6%) in the period 01-03.2019 decreased by 1.0 pp compared to the corresponding period. The gross margin for period 01-03.2019 amounted 47.4% and was the same as last year due to increased in e-commerce channel (despite the increasing sales share in that channel).

COSTS OF OPERATING STORES

Costs of operating stores were as follows:

	01.2019–03.2019	01.2018–03.2018	ZMIANA %
Remuneration and employee benefits	(128,5)	(89,4)	43,7%
Agent services	(0,4)	(8,3)	-95,2%
Lease costs	(33,4)	(17,8)	87,9%
Amortization	(148,4)	(99,2)	49,6%
Taxes and charges	(1,9)	(2,1)	-9,4%
Consumption of materials and energy	(14,8)	(10,5)	41,7%
Transportation services	(0,7)	(0,4)	75,0%
Other outsourcing services	(36,3)	(15,2)	>100%
Other flat costs	(1,2)	(1,2)	—
Total	(365,6)	(244,0)	49,8%

In the period 01-03.2019, the most significant cost item of CCC Group were costs of operating stores which amounted PLN 365.6 million and increased by PLN 121.6 million (+49.8%) with increasing of retail space by 46%. Together with the market expansion and the opening of new retail outlets, the majority of the store operating costs increased.

The largest increase compared to the previous year (+87.9% – lease costs) is mainly due to the companies acquired: KVAG, Shoe Express and Gino Rossi (PLN 23.8 million). The largest decrease in costs (-95.2% – agency services) is related to the acquisition of Adler International Sp. z o.o. in July last year. The most important cost groups are depreciation costs (81.3% of the value refers to depreciation of the right to use leased assets, i.e. the lease of store space) and remuneration and employee benefits on stores, which accounted for 40.5% and 35.1% of total costs, respectively of the costs of operating stores.

In order to analyse and compare the performance of individual stores, the Group uses the ratio of the cost incurred per square meter of the floor space.

To preserve the comparability of the analysis, only the companies operating in the Group were taken into account in both quarters, i.e. without discontinued operations of CCC Germany and the companies acquired: KVAG, Shoe Express and Gino Rossi. In aggregate, the cost of operating stores per square meter in the period 01-03.2019 amounted 0.55 thous. PLN/m² (0.18 thous. PLN/m² per month) and in the period 01-03.2018: 0.55 thous. PLN/m² (0.18 thous. PLN/m² per month). This ratio is most favourable in Poland, while the highest cost/m² is incurred in Western Europe.

OTHER INCOME AND OPERATING AND FINANCIAL COSTS

In the period 01-03.2019 other costs and operating income accounted for respectively PLN 9.1 million and PLN 5.7 million, which in terms of net accounted for PLN 3.4 million on the cost compared with PLN 4.4 million in the previous year on the cost. The main reason for the change in 2019 compared to the same period of 2018 were loss on foreign exchange differences PLN -1.8 million,

The CCC Group generated the operating result in the first quarter of 2019 in the amount of PLN -148.6 million, which was 90.5% lower than in the analogous period of 2018.

In the period 01-03.2018 financial income amounted PLN 8.7 million and increased of PLN 2.2 million compared to the corresponding period of the previous year.

The main reason for the change from the same period of the previous year was the increase in foreign exchange differences by PLN 2.1 million. Financial expenses in the first quarter of 2019 amounted to PLN 24.7 million and were PLN 2.5 million higher than in the previous year. The main item comprising financial expenses in the reported period were interest on debt (68% of the total financial costs), which amounted to PLN 16.7 million and were higher by PLN 6.1 million (+56%) compared to the previous year.

INCOME TAX

Income tax in the period 01-03.2019 amounted to PLN 21.0 million (in the period 01-03.2018 amounted to PLN -6.2 million). This amount, in addition to the current tax, was affected by the recognition of the deferred tax assets against tax loss and impairment of assets in the amount of PLN 26.0 million (in the corresponding period of 2018 PLN 13.5 million).

NET PROFIT AND ADJUSTED NET PROFIT

After taking into account income and financial costs and income tax, the net profit for the period 01-03.2019 amounted to PLN -153.8 million and was lower by PLN 54.0 million than in the period 01-03.2018.

Adjusted net profit (loss) is calculated based on the net profit adjusted for items which, according to the Management Board, are of one-off event nature and are not taken into account when assessing performance and when making decisions.

Below there is a list of items excluded from net result together with an explanation:

NON-CASH POSITIONS:

- deferred tax related to the trademark and goodwill – this item refers to temporary differences resulting from the business restructuring of the CCC Group
- deferred tax related to investment relief – this item applies to temporary differences arising from investments held by the CCC Group
- the cost of the incentive scheme – this item includes the cost of the incentive scheme existing in the CCC Group

APPROVAL OF ADJUSTED NET PROFIT

	01.2019–03.2019	01.2018–03.2018
NET PROFIT (LOSS) FROM CONTINUING OPERATIONS	(153,8)	(99,8)
Recognition of a deferred tax asset relating to the trademark, goodwill and investment relief	(0,3)	(0,9)
Costs of the incentive program	(10,1)	(9,5)
Adjusted net income	(143,4)	(89,4)

OVERVIEW OF THE MAIN ITEMS IN OUR CONSOLIDATED STATEMENT OF FINANCIAL POSITION IS AS FOLLOWS:

	31.03.2019	31.12.2018	CHANGE %
Fixed assets, and including:	4 002,7	3 574,1	12,0%
Tangible fixed assets	1 225,6	1 144,3	7,1%
Deferred tax assets	1 866,9	1 870,1	-0,2%
Current assets, and including:	2 917,6	3 161,9	-7,7%
Inventories	2 079,8	1 806,1	15,2%
Cash and cash equivalents	210,7	375,8	-43,9%
TOTAL ASSETS	6 920,3	6 736,0	2,7%
Non-current liabilities, and including:	2 616,0	2 650,9	-1,3%
Debt liabilities	210,0	210,0	-
Lease liabilities	1 446,0	1 484,0	-2,6%
Current liabilities, and including:	3 312,4	2 937,3	12,8%
Debt liabilities	1 242,7	806,8	54,0%
Trade liabilities and other liabilities	1 495,0	1 138,5	31,3%
Lease liabilities	461,4	425,2	8,5%
TOTAL LIABILITIES	5 928,4	5 588,2	6,1%
EQUITY	991,9	1 147,8	-13,6%

Total balance sheet as of 31 March 2019 amounted to PLN 6 903.4 million and increase by PLN 167.4 million (+2.7%) in relation to 31 December 2018. The value of assets was primarily affected by a decrease in the value of the Group's assets held for sale by PLN 493.8 million related to the transaction of disposal of CCC Germany GmbH and an increase in inventories by PLN 273.7 million.

The increase in the balance sheet total as at March 31, 2019 versus December 31, 2018, on the liabilities side was mainly due to the increase in debt liabilities by PLN 435.9 million (+54.0%) and the increase in liabilities to suppliers by PLN 144.3 million (+16.7%).

Total debt ratio is used by the Capital Group CCC S.A. for assessment of the financing structure of assets.

Overall debt ratio is calculated as the ratio of net debt to total capital employed. Net debt is calculated as total borrowings (including current and non-current loans and issued bonds indicated in the consolidated statement of financial position) less cash and cash equivalents. Total capital employed is calculated as equity recognized in the consolidated statement of financial position with a net debt.

The calculation of the debt ratio is as follows:

	31.03.2019	31.12.2018
Net debt		
Loan liabilities	1 235,8	800
(+) Bonds liabilities	216,9	216,9
= Debt liabilities	1 452,7	1 016,8
(-) Cash and cash equivalents	210,7	375,8
= Net debt	1 242,0	641,1
Debt ratio		
Total equity	991,9	1 147,8
(+) Net debt	1 242,0	641,1
= Capital employed	2 233,9	1 788,9
The debt ratio (net debt/capital employed)	56%	36%

The debt ratio as at 31.03.2019 amounted to 56% and is related to the increase in net debt to PLN 1 242.0 million.

Despite this, the CCC Group maintains a stable financial liquidity and has the ability to timely settle its liabilities.

AN OVERVIEW OF THE MAIN ITEMS FROM OUR CONSOLIDATED STATEMENT OF TOTAL CASH FLOWS IS AS FOLLOWS:

The decrease in cash and cash equivalents by PLN 165.1 million resulted from negative cash flows from operating activities PLN -196.8 million, negative cash flows from investing activities PLN -261.4 million and positive cash flows from financing activities PLN 293.6 million, and from exchange rate differences from cash valuation PLN -0.5 million.

NET CASH FLOWS FROM OPERATING ACTIVITIES

Consolidated net flows from operating activities for the period 01-03.2019 amounted to PLN -196.8 million and resulted from the change in working capital PLN -186.9 million (including change in inventories and impairment losses on inventories PLN -217.3 million), the result adjusted by non-cash positions from operating activities.

NET CASH FLOWS FROM INVESTING ACTIVITIES

Consolidated net cash flows from investing activities for the period 01-03.2019 amounted to PLN -261.4 million. The investing activity was influenced by the increase in expenditure on tangible fixed assets and intangible assets related to the implementation of the strategy of market expansion and the increase of retail space in Poland and abroad – these expenditures in the analyzed period amounted to PLN 117.4 million. The second largest item affecting the investment activity was the acquisition of financial assets.

NET CASH FLOWS FROM FINANCE ACTIVITIES

Consolidated cash net flows from finance activities for the period 01-03/2019 amounted to PLN 293.6 million. This value comprised primarily proceeds from taking credits and loans in the amount of PLN 499.7 million, while on the outflow side costs related to the repayment of loans and interest in the amount of PLN 88.6 million and lease payments amounting to PLN 117.5 million.

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR Q1 2019**

[in PLN million unless otherwise stated]

SALES NETWORK OF THE CAPITAL GROUP CCC S.A.

The first quarter of 2019 was marked by further expansion in foreign and domestic markets. The Group opened 2 stores in Russia and 1 store in Romania, Slovakia and Bulgaria.

In addition, the Group took over the Gino Rossi company, which increased the sales network by 72 stores of this brand.

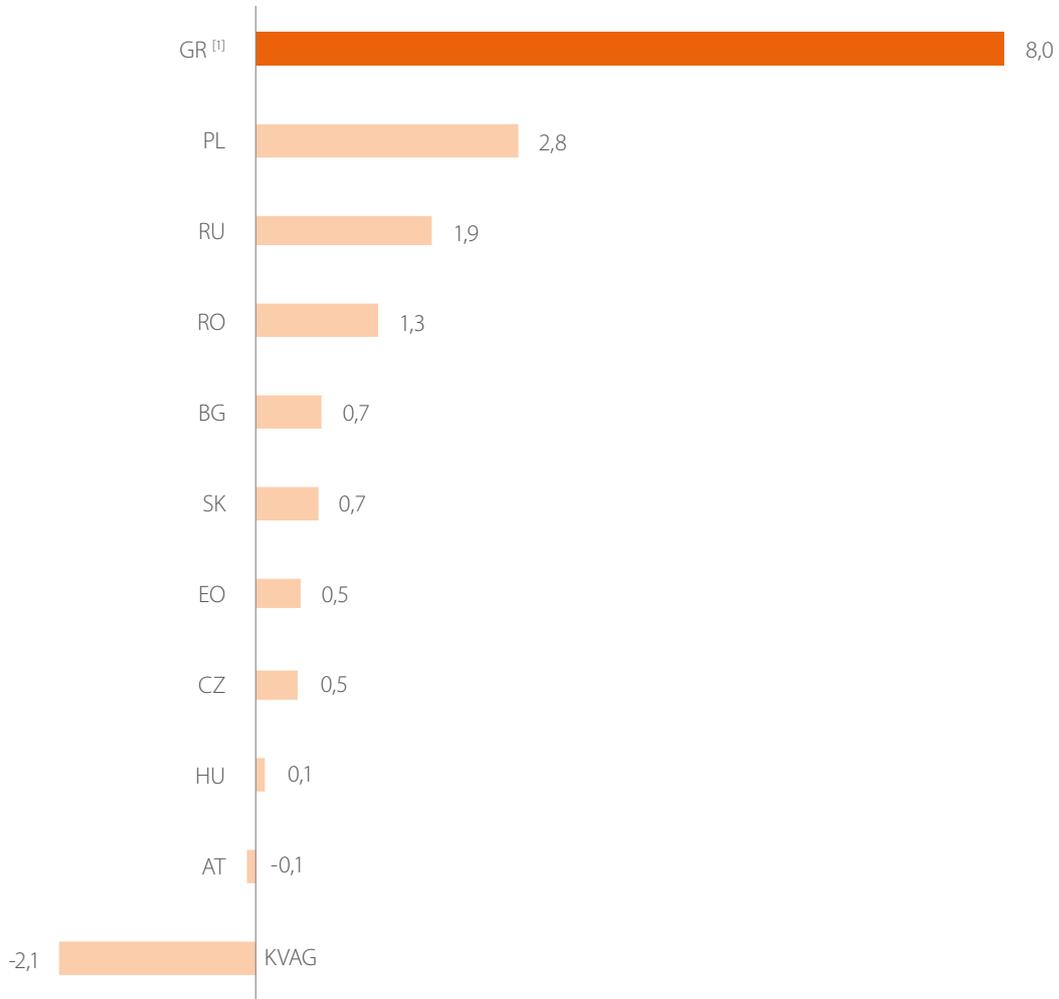
As of 31 March 2019, the sales network of the Capital Group CCC S.A. comprised of 1196 CCC stores, which consisted of:

	31.12.2017		31.03.2018		30.06.2018		30.09.2018		31.12.2018		31.03.2019	
	m ²	NUMBER	m ²	NUMBER	m ²	NUMBER	m ²	NUMBER	m ²	NUMBER	m ²	NUMBER
Poland, including:	243 839	448	252 293	450	268 063	462	273 867	465	285 782	466	288 575	467
• own	222 947	409	231 162	411	246 033	423	273 329	464	285 244	465	288 575	467
• agency	20 892	39	21 131	39	22 030	39	538	1	538	1	—	—
Czech Republic	44 701	88	44 589	87	44 989	87	46 827	88	51 497	93	51 953	93
Hungary	45 247	73	46 148	73	47 620	74	51 036	76	51 843	76	51 945	76
Austria	27 431	45	27 908	46	28 351	46	30 239	49	30 378	49	30 268	48
Slovakia	28 198	50	29 546	51	29 581	50	30 566	51	31 500	51	32 170	52
Croatia	13 561	23	14 018	24	14 018	24	14 018	24	16 061	25	16 061	25
Russia	13 923	19	16 675	22	18 168	24	20 655	27	28 041	35	29 925	37
Slovenia	7 687	13	7 687	13	7 687	13	8 528	14	8 528	14	8 528	14
Bulgaria	6 562	10	6 562	10	6 562	10	6 562	10	7 430	11	8 116	12
Serbia	4 078	6	4 078	6	6 061	9	7 382	10	8 237	11	8 237	11
Romania	—	—	—	—	28 005	55	29 562	57	34 762	62	36 060	63
CCC Own	435 227	775	449 504	782	499 105	854	519 242	871	554 059	893	561 838	898
Romania	27 148	54	28 005	55	—	—	—	—	—	—	—	—
Ukraine	3 827	6	3 827	6	5 027	7	5 840	8	7 147	11	7 147	11
Latvia	4 409	7	4 409	7	4 409	7	4 409	7	4 409	7	4 409	7
Lithuania	2 657	4	2 657	4	2 657	4	2 657	4	2 657	4	2 657	4
Estonia	724	1	724	1	1 774	2	1 774	2	2 629	3	2 629	3
Moldova	740	1	740	1	740	1	740	1	740	1	740	1
CCC Franchise	39 505	73	40 362	74	14 607	21	15 420	22	17 582	26	17 582	26
e-obuwie	348	1	2 298	2	2 298	2	3 012	4	5 256	9	5 726	10
KVAG	—	—	—	—	86 774	208	88 126	205	83 299	197	81 149	190
Gino Rossi	—	—	—	—	—	—	—	—	—	—	7 972	72
CCC TOTAL	475 079	849	492 164	858	602 784	1 085	625 799	1 102	660 196	1 125	674 267	1 196

The floor space of the Group on 31.03.2019 amounted 674.3 thousand m² and increased by 14.1 thousand m² (compared to 31.12.2018), which consisted of the increase in the net area of CCC stores (+7.78 thousand m²) and the acquisition of Gino Rossi (+7.97 thousand m²).

The floor space in own stores of the CCC network increased by 1.4% and amounted to 561.8 thousand m² on 31.03.2019 (including 285.8 thousand m² in Poland) as compared to 554.1 thousand m² on 31.12.2018 (including 285.6 thousand m² in Poland). The floor space in franchises has not changed and as at 31.03.2019 it is 17.6 thousand m².

**CHANGES TO THE FLOOR SPACE OF CCC S.A. CAPITAL GROUP SHOPS.
in period 01.01.2019-31.03.2019 [in thous. m²]**



**DESCRIPTION OF FACTORS AND CIRCUMSTANCES,
INCLUDING NON-TYPICAL FACTORS AND
CIRCUMSTANCES, WHICH MATERIALLY
AFFECTED THE ACHIEVED FINANCIAL RESULTS**

In the period covered by this statement there were no non-typical occurrences that would materially affect the achieved financial results.

**FACTORS THAT IN THE ISSUER'S VIEW
WILL AFFECT ITS RESULTS WITHIN A TIME
SPAN OF AT LEAST THE NEXT QUARTER**

In the Issuer's view, the major factors that will affect its performance in the near future are:

1. the volume of sales achieved and margins generated,
2. further development of the retail chain in Poland and abroad,
3. existing weather conditions,
4. currency exchange rates.

**INFORMATION ABOUT THE NATURE AND SCOPE
OF ALL MATERIAL LIMITATIONS OF CAPACITY
OF THE SUBSIDIARIES TO FORWARD FUNDS TO
THE DOMINANT ENTITY IN THE FORM OF CASH
DIVIDENDS OR TO REPAY LOANS OR CREDITS**

To the knowledge of the Management Board of the dominant entity, there are no material limitations of capacity of the subsidiaries to forward funds to the dominant entity.

**INFORMATION ON SIGNIFICANT TANGIBLE
FIXED ASSETS PURCHASE AND SALE
TRANSACTIONS, SIGNIFICANT LIABILITIES
DUE TO THE PURCHASE OF TANGIBLE
FIXED ASSETS PURCHASE, SIGNIFICANT
SETTLEMENTS DUE TO COURT PROCEEDINGS**

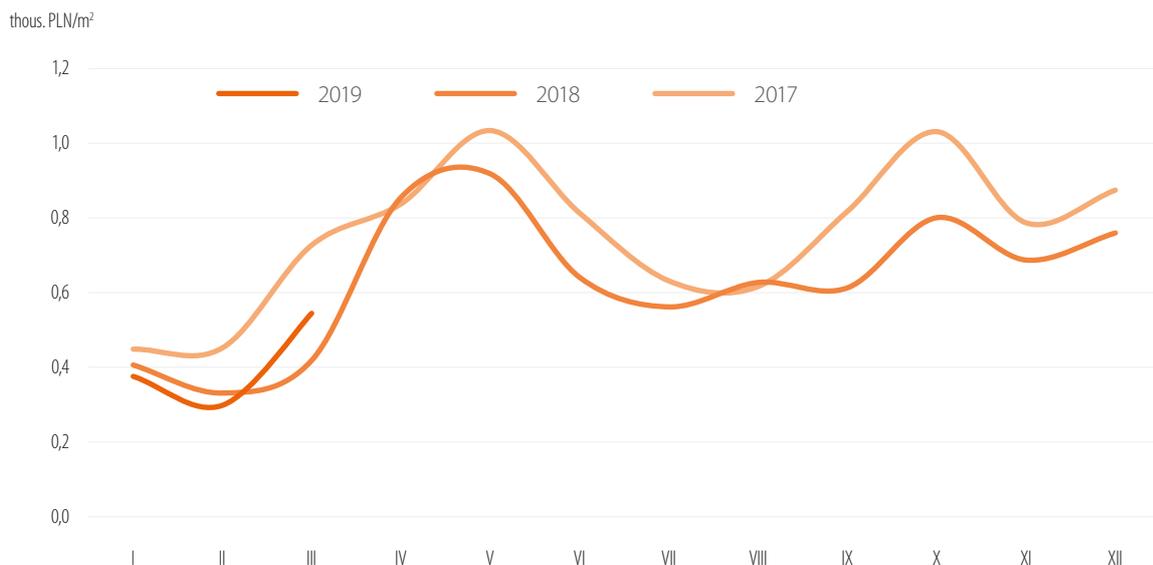
Not applicable.

EXPLANATIONS CONCERNING SEASONALITY AND CYCLICALITY OF THE ISSUER'S ACTIVITIES DURING THE PRESENTED PERIOD.

In the case of the companies of Capital Group CCC S.A., we are dealing with seasonal sales. The seasonality of CCC S.A. Capital Group's sales is significant, just as in the entire clothing and footwear industry. There are two primary high sales periods: Q2 and Q4. Furthermore, throughout the year, sales are tied closely to weather conditions. Weather may disrupt such seasonality pattern, by accelerating or postponing the periods of lower or higher sales, respectively.

Seasonal fluctuations for the past three years are presented in the diagram below.

Seasonality of sales in CCC chain network
2017-2019



**INFORMATION ABOUT THE ISSUE,
REDEMPTION AND REPAYMENT OF
DEBT AND EQUITY SECURITIES.**

Not applicable.

**INFORMATION ON DIVIDENDS PAID (OR
DECLARED) IN TOTAL PER SHARE**

Not applicable.

**DESCRIPTION OF EVENTS WHICH
OCCURRED AFTER THE DAY ON WHICH THE
FINANCIAL STATEMENT WAS PREPARED,
NOT INCLUDED IN THIS STATEMENT BUT
WHICH MIGHT SIGNIFICANTLY AFFECT THE
ISSUER'S FUTURE FINANCIAL RESULTS**

Not applicable.



**INFORMATION CONCERNING CHANGES IN
 CONTINGENT LIABILITIES OR CONTINGENT
 ASSETS WHICH OCCURRED SINCE THE
 END OF THE LAST FINANCIAL YEAR**

Changes in contingent liabilities and assets are described in the table below.

	31.03.2019	31.12.2018	31.03.2018
Guarantees and sureties received	47,5	47,5	47,5
Total contingent assets	47,5	47,5	47,5
Customs guarantees and sureties	17,0	17,0	27,0
Other forms of collateral	138,1	129,5	100,3
Total contingent liabilities	155,1	146,5	127,3

Customs bonds provide a security for the repayment of customs liabilities due to the Group's operation of customs warehouses, and their maturity date is on 30.04.2019.

Other guarantees constitute a collateral of concluded agreements for the lease of premises, and their maturity date is on 30.06.2020.

RESULTS OF CHANGES IN THE STRUCTURE OF THE BUSINESS ENTITY, INCLUDING RESULTS OF BUSINESS COMBINATIONS, ACQUISITIONS OR SALES OF ENTITIES OF THE ISSUER'S CAPITAL GROUP, LONG-TERM INVESTMENTS, DEMERGERS, RESTRUCTURINGS AND DISCONTINUED OPERATIONS

With reference to the current report No. 5/2019 of 31 January 2019 on 30 and 31 January 2019 the following transactions were closed: (i) the Issuer acquired a minority stake in HR Group Holding S.à r.l. with its registered office in Luxembourg ("HR Group"), and (ii) the Issuer sold 100% of shares in its subsidiary, CCC Germany GmbH.

With the closing of the transaction on 31 January 2019, the remaining transaction agreements concluded by the Issuer came into force, of which the Issuer informed in current report No. 52/2018 of 24 November 2018, i.e. operational contribution agreement, shareholders' agreement and option agreement.

Additionally, in performance of the operational contribution agreement, on 31 January 2019, the Issuer and HR Group entered into a loan agreement on the basis of which HR Group will be granted a loan up to EUR 41,500,000.00 which will bear interest at 8% per annum. HR Group will use such resources to effect the integration of CCC Germany GmbH with HR Group consisting in the closing down of selected loss-making shops run by CCC Germany GmbH, the rebranding of selected shops operated by CCC Germany under the "CCC" brand to the "RENO" brand, which will continue to operate, and the integration of the remaining operations of CCC Germany GmbH headquarters with HR Group. The loan will be disbursed in tranches, in accordance with the conditions provided for by the parties in the operational contribution agreement and the loan agreement.

As a result of the transaction, the Issuer acquired in aggregate 30.55% shares in the share capital of HR Group carrying in total 30.55% of the total number of votes at the Shareholders' Meeting.

The process of allocating the acquisition price to the purchased assets and acquired liabilities has not been completed due to the ongoing process of integration and verification of risks and assets portfolio. Particularly, the process of fair value estimation of property, plant and equipment and intangible assets (including among others, trademark, customer database) has not been completed. Provisional values have been recognized based on statutory accounting records.

Due to the significant impact of this group on the results in the share in profits (losses) of units and in investments in affiliates.

With reference to the current report No. 9/2019 of 25 February 2019 the Management Board of CCC S.A. hereby informs that on February 15, 2019, subscriptions for the sale of shares in Gino Rossi S.A. with its registered office in Słupsk was finalized as part of a call to subscribe for sale of 50.333.095 ordinary bearer shares, i.e. all shares issued by the Company, entitling to 100% of the total number of votes at the general meeting of the Company at 0.55 PLN (fifty-five groszy) for each share, announced on the basis of art. 74 par. 1 of the Act of July 29, 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading, and Public Companies (Journal of Laws of 2018, item 512) and in accordance with the Regulation of the Minister of Development and Finance as of 14 September 2017 on the templates of calls to subscribe for the sale or exchange of shares of a public company, the detailed manner of their publication and the conditions for acquiring shares as a result of such calls (Journal of Laws of 2017, item 1748).

Following the Call Settlement CCC S.A. holds 33,283,510 Shares representing in total 66.13% of Gino Rossi S.A. share capital and entitling to 33,283,510 votes at the General Meeting of Gino Rossi S.A., representing 66.13% of the total number of votes at the General Meeting of Gino Rossi S.A..

The purchase price amounted to PLN 27.7 million.

The process of allocating the acquisition price to the purchased assets and acquired liabilities has not been completed due to the ongoing process of integration and verification of risks and assets portfolio. Particularly, the process of fair value estimation of property, plant and equipment and intangible assets (including among others, trademark, customer database) has not been completed. Accordingly,

the consolidated financial statements of the CCC Group include the assets and liabilities of Gino Rossi according to their values resulting from the financial statements of Gino Rossi S.A. This approach is provisional and will be changed when the purchase price allocation process is completed. The disclosed amount of the payment made and the non-controlling interest (PLN -8.7 million) and the goodwill (total PLN 98.3 million) are also similar in relation to the acquisition.

PROJECTIONS OF FINANCIAL RESULTS

No projections for 2019 were published.

CONTENTIOUS ISSUES

The companies of CCC S.A. Capital Group are not a party to any court proceedings in which the value of the subjects of dispute would exceed 10% of the Group's equities.

INFORMATION ON THE ECONOMIC SITUATION AND THE CONDITIONS OF CONDUCTING BUSINESS ACTIVITY WHICH HAVE A MATERIAL EFFECT ON THE FAIR VALUE OF THE FINANCIAL ASSETS AND FINANCIAL LIABILITIES OF AN ENTITY

Not applicable.

INFORMATION ON TOTAL LOAN SURETIES OR WARRANTIES GRANTED BY THE ISSUER OR ITS SUBSIDIARY TO A SINGLE ENTITY OR THAT ENTITY'S SUBSIDIARY, IF THE TOTAL VALUE OF THE EXISTING SURETIES OR GUARANTEES CONSTITUTES AN EQUIVALENT OF AT LEAST 10% OF THE ISSUER'S OWN FUNDS

Not applicable.

INFORMATION ON A FAILURE TO REPAY A CREDIT OR LOAN OR A MATERIAL BREACH OF THE PROVISIONS OF THE CREDIT OR LOAN AGREEMENT, WHICH WERE NOT SUBJECT TO ANY REMEDIES TILL THE END OF THE REPORTING PERIOD

Not applicable.

**SHAREHOLDERS HOLDING, DIRECTLY OR
INDIRECTLY THROUGH SUBSIDIARIES, AT
LEAST 5% OF THE TOTAL NUMBER OF VOTES
AT THE ISSUER'S GENERAL MEETING**

Summary of shareholders holding at least 5% of votes at the General Meeting of Shareholders on the date of submitting the report QSr – I/2019.

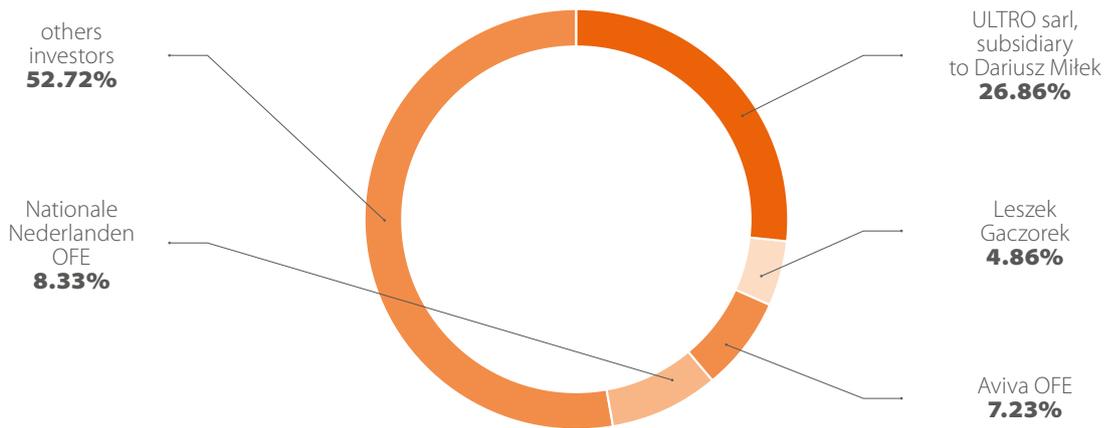
THE LIST OF SHAREHOLDERS HOLDING SIGNIFICANT BLOCKS OF SHARES OF CCCS.A.

SHAREHOLDER	NUMBER OF SHARES HELD	% SHARE IN SHARE CAPITAL	NUMBER OF VOTES AT THE GENERAL MEETING OF SHAREHOLDERS	% SHARE IN THE NUMBER OF VOTES AT THE GENERAL MEETING OF SHAREHOLDERS
ULTRO sarl subsidiary to Dariusz Miłek and Dariusz Miłek	11 060 000	26,86%	16 520 000	34,55%
Leszek Gaczorek	2 000 000	4,86%	3 040 000	6,36%
Aviva OFE ^[1]	2 975 750	7,23%	2 975 150	6,22%
Nationale-Nederlanden OFE ^[1]	3 429 086	8,33%	3 429 086	7,17%
Other investors ^[2]	21 703 164	52,72%	21 853 764	45,70%
TOTAL	41 168 000	100,00%	47 818 000	100,00%

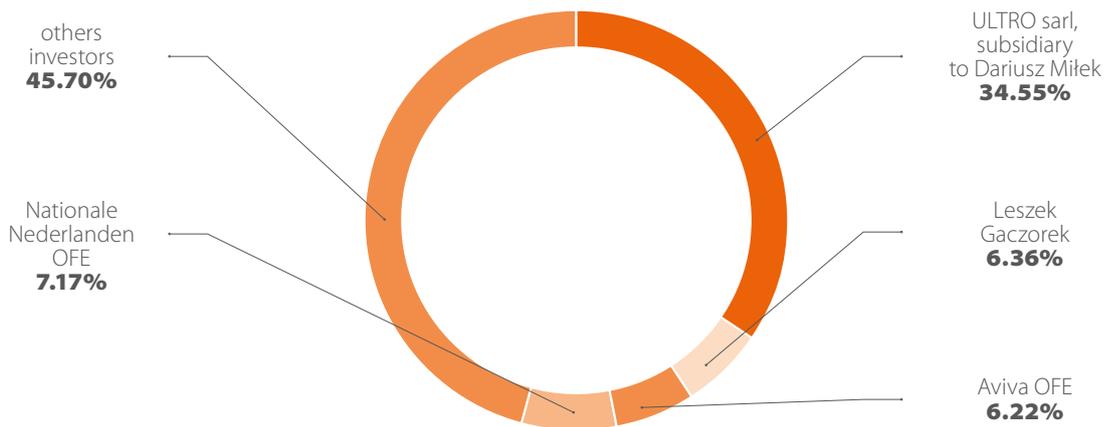
[1] data comes from the annual information on the structure of the Fund's assets as at December 31, 2018

[2] Other investors holding less than 5% of votes at the General Meeting of Shareholders

Shareholders by number of shares



Shareholders by number of votes



At the date of submitting the report for the first quarter of 2018, the Company is not aware of other shareholders who have held at least 5% of votes at the General Meeting of Shareholders.

THE SHARES OF THE DOMINANT ENTITY AND SUBSIDIARIES BY MANAGING AND SUPERVISING PERSONS OF THE ISSUER

To the Issuer's best knowledge, the shareholding by managing and supervising persons is as follows:

AKCJONARIUSZ	NUMBER OF SHARES AT THE SUBMISSION DATE OF REPORT [PCS]	NOMINAL VALUE OF SHARES AT THE SUBMISSION DATE OF REPORT [PLN]
Management Board Members		
President Dariusz Miłek ^{[1][2]}	11 060 000	1 106 000
Vice-President Mariusz Gnych	257 112	25 711
President Marcin Czyczerski ^[2]	5 100	510
Vice-President Karol Pótorak	5 500	550

[1] indirectly as the dominant entity in the company Ultro Sarl

[2] On March 8, 2019 MR. Marcin Czyczerski will serve the function of the President of the Management Board at the very moment of appointing Mr. Dariusz Miłek the Chairman of the Supervisory Board

INFORMATION ON CONCLUSION BY THE ISSUER OR ITS SUBSIDIARY OF ONE OR MORE RELATED PARTY TRANSACTIONS, IF THEY ARE INDIVIDUALLY OR JOINTLY MATERIAL AND WERE CONCLUDED ON NON-MARKET TERMS

Not applicable.

INFORMATION ON THE CHANGE OF FINANCIAL INSTRUMENTS APPRAISAL METHOD (EXPRESSED SO FAR IN FAIR VALUE)

Not applicable.

INFORMATION ON THE FINANCIAL ASSETS CLASSIFICATION CHANGE DUE TO THE CHANGE OF AIM OR USE OF THE SAID ASSETS

Not applicable.

INFORMATION THAT, IN THE ISSUER'S VIEW, IS CRITICAL FOR THE ASSESSMENT OF THE STAFFING, ASSET AND FINANCIAL SITUATION, THE FINANCIAL RESULT AND ANY CHANGES THERETO, AS WELL AS INFORMATION THAT IS CRITICAL FOR THE ASSESSMENT OF THE ISSUER'S ABILITY TO PERFORM ITS LIABILITIES

With reference to the current report No. 10/2019 of 28 February 2019 Mr. Dariusz Miłek filed his resignation from the position of the President of the Management Board and from the membership in the Management Board of the Company. This shall be effective as at the date of the Extraordinary Shareholders Meeting (11 April 2019) that will include an appointment of supervisory board members on its agenda.

The rationale for the resignation is Mr. Dariusz Miłek's intention to lead the Company's affairs from the level of the Supervisory Board, and he will propose his candidacy as the Chairman of the Supervisory Board at the above mentioned extraordinary shareholders meeting.

Simultaneously, Mr. Dariusz Miłek proposed the candidacy of Mr. Marcin Czyczerski (currently the Vice President for Finance) as the new President of the Management Board.

The Supervisory Board of the Company on March 8, 2019 adopted a resolution regarding the appointment of the current Vice President of the Management Board of the Company, Mr. Marcin Czyczerski as the President of the Management Board.

Mr. Marcin Czyczerski will serve the function of the President with the very moment of appointing Mr. Dariusz Miłek the Chairman of the Supervisory Board.

EVENTS AFTER A BALANCE SHEET DATE

With reference to the current report No. 22/2019 of 11 April 2019 The Management Board of CCC S.A. (the "Company") announces that on April 11, 2019 Mr. Jerzy Suchnicki was removed from the Company's Supervisory Board and from the function of the Chairman of the Supervisory Board, Mr. Wiesław Oleś under the resolution of the Extraordinary General Meeting

The Extraordinary General Meeting also passed resolutions to appoint the following persons to the Supervisory Board:

- Dariusz Miłek – as the chairman of the Supervisory Board
- Filip Gorczyca – as the member of the Supervisory Board

The resolutions to remove and appoint members of the Supervisory Board took effect from the date of its approval.

At the same time, in accordance with a resolution of the Supervisory Board on March 8, 2019 Mr. Marcin Czyczerski will serve the function of the President of the Management Board at the very moment of appointing Mr. Dariusz Miłek the Chairman of the Supervisory Board.

Board of Gino Rossi S.A. based in Słupsk informs that 10 May 2019 it concluded with FORUM 82 Fundusz Inwestycyjny Zamknięty with a registered office in Krakow represented by FORUM Towarzystwo Funduszy Inwestycyjnych S.A. with a registered office in Kraków, a conditional agreement for the sale of 100% shares in the share capital of Simple Creative Products S.A. with its registered office in Warsaw.

The sale price of Simple Shares is PLN 1.00. The sale price will be paid by Forum 82, being the buyer, within 3 business days from the day of transferring the ownership of Simple Shares to Forum 82.

The contract was concluded subject to the following conditions precedent:

- obtaining a written consent of the pledgee, ie the Bank Powszechna Kasa Oszczędności Bank Polski S.A. with registered office in Warsaw for the sale of Simple Shares in favor of Forum 82, the condition will be considered fulfilled upon the transfer of the aforementioned consent to the buyer,
- obtaining the consent of the Issuer's Supervisory Board for the sale of Simple Shares.

If any condition precedent is not met by 30 June 2019, Forum 82 is entitled to withdraw from the Agreement within the next 30 business days. In addition, both parties are entitled to withdraw from the Agreement if, despite the fulfillment of conditions precedent, the other party will not proceed with the transfer of Simple Shares unless such a breach is repaired within 3 business days of the call to transfer the Simple Shares. The declaration of withdrawal referred to in the preceding sentence may be submitted within 5 months from the date of concluding the Agreement.

The Issuer will inform about the fulfillment of both suspending conditions in a separate current report.

On 9 May 2019, the Management Board adopted a resolution on submitting a recommendation to the General Meeting of Shareholders to allocate a portion of the supplementary capital (created from profit that may be distributed) in the amount of PLN 19,760,640.00 for distribution to shareholders through payment of a dividend. The total amount of the dividend recommended by the Management Board for distribution to shareholders is PLN 19,760,640.00. The proposed dividend per share is PLN 0.48.

The Company's Management Board recommended setting the dividend day (day D) as 17 September 2019 and the payout date (day P) as 1 October 2019.

On 9 May 2019 Management Board adopted a resolution on appointing the Management Board of the Company for the VI term of office for the years 2019 - 2021, commencing on the day of the General Meeting of Shareholders approving the financial statements for the year 2018, in the current three-person composition comprising the following persons:

- Mr. Marcin Czyczerski
– as President of the Management Board;
- Mr. Mariusz Gnych
– as Vice-President of the Management Board;
- Mr. Karol Półtorak
– as Vice-President of the Management Board.

On 10 May 2019, the subsidiary of the Issuer, eobuwie.pl S.A. (hereinafter: the Company) with its registered office in Zielona Góra, received an annex signed on 9 May 2019 to a multi-purpose loan limit agreement as of 26 October 2017 with Bank Polska Kasa Opieki Spółka Akcyjna (hereinafter: the Bank) with its registered office in Warsaw at 53/57 Grzybowska Street.

This annex increased the credit limit up to a total of PLN 260,000,000.00, in words: two hundred and sixty million zlotys, 00/100 (the previous value of PLN 160,000,000.00), under which the Bank granted the Company a limit in the form of an overdraft facility to the total amount not exceeding 250,000,000.00 PLN (previous value: 150,000,000.00 PLN) and in the form of bank guarantees and letters of credit up to a total amount not exceeding PLN 20,000,000.00. (CR no. 29/2019)

The condensed consolidated interim financial statements of Capital Group CCC S.A. was approved for publication by the Management Board of the Dominant Entity on 15 May 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 MEMBERS OF THE MANAGEMENT BOARD		
Marcin Czyczerski	President of the Management Board	
Mariusz Gnych	Vice President of the Management Board	
Karol Półtorak	Vice President of the Management Board	

Polkowice, 15 May 2019