THE SUPERVISORY BOARD REPORT OF CCC S.A. RESULTS FROM THE EVALUATION OF SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS, THE MANAGEMENT BOARD REPORT ON ACTIVITIES OF CCC S.A. AND CAPITAL GROUP CCC S.A.

FOR THE PERIOD 01.01.2017 – 31.12.2017

1. Introduction

Acting on the basis of art. 382 § 3 of the Code of Commercial Companies and § 16 item 2 paragraph 2 of the Articles of Association of CCC S.A., the Supervisory Board assessed and considered the following documents:

1) unit financial statements of CCC S.A. and the annual separate report on the activities of CCC S.A. for the period from 01.01.2017 to 31.12.2017;
2) the consolidated financial statements of the CCC S.A. Capital Group. and the annual consolidated report on the operations of the CCC S.A. Capital Group. for the period from 01.01.2017 to 31.12.2017;
3) the first non-financial report of the CCC S.A. Capital Group. for 2017;
4) independent auditor's reports on the audit of the annual financial statements;
5) independent auditor's reports on the audit of the annual consolidated financial statements;
6) Management Board proposals regarding the allocation of part of the supplementary capital to payment of the dividend and distribution of profit for 2017.

The Supervisory Board presents the results of the assessment in this report.

2. Evaluation of the unit financial report of CCC S.A. and the annual separate report on the activities of CCC S.A. for the period from 01.01.2017 – 31.12.2017

The Supervisory Board read and analysed the annual financial statements of CCC S.A. prepared in accordance with the International Financial Reporting Standards for the 2017 financial year and the independent auditor's report on the audit of the annual separate financial statements, and conducted an economic and financial analysis of the Company's operations. Certified auditor acting on behalf of Ernst & Young Sp. z o.o. issued a report on the audit of the statement of financial position, statement of profit or loss and other comprehensive income, statement of cash flows, statement of changes in equity and explanatory notes.

At the same time, in his report, the expert declared that the key statutory auditor and audit company remained independent of the Company in accordance with the provisions of the Act on Certified Auditors and the principles of professional ethics and did not provide services that are not audited, which are prohibited in accordance with Art. 136 of the Act on Certified Auditors. Selection of an audit company to carry out the report for 2017, was made by way of a resolution of the Supervisory Board on May 10th, 2016.

The expert in his report included the most important observations related to the most significant types of risk. The most significant types of risk of material misstatement (key audit issues) during the audit were identified: as at 31.12.2017 the value of inventories indicated in the statement of financial position amounted to PLN 249.8 million, while the write-down of inventories as at that date was 1.8 million; correction of errors from previous years, which reduced the position of "retained earnings" in the total amount of PLN 5.5 million.

In the prepared opinion, the expert stated that the report was prepared in all material respects, in accordance with international Accounting Standards, International Financial Reporting Standards and related interpretations announced in the form of regulations of the European Commission and adopted accounting principles (policy). The report is consistent in form and content with the applicable law and presents all information that is relevant, property and financial, as well as the entity's financial result and does not contain significant distortion caused by fraud or error. It has been prepared on the basis of properly kept accounting books and is consistent with the form and content of the Company's legal regulations and the Company's Articles of Association.

In addition, the expert declared that the report on operations was prepared in accordance with the applicable regulations and is consistent with the information contained in the financial statements. Moreover, the expert stated that according to the knowledge about the Company and its environment obtained during the audit of the financial statements, it did not report significant distortions in the activity report.
With reference to the statement on the application of corporate governance included in the report, the expert stated in the opinion that the information contained therein complies with the applicable regulations and information contained in the financial statements.
The expert report includes information that the Company published information on the preparation of a separate report on non-financial information referred to in Art. 49b section 9 of the Accounting Act.

In the reporting period from January 1st to December 31st, 2017, the revenues of the CCC Company on sales amounted to PLN 2,086.6 million, an increase of PLN 348.1 million (+ 20.0%) compared to the previous year. Retail sales increased by 19.9%, with an average increase in the area of CCC stores by 14.9%. Other sales concern only the sale of logistic and accounting services as well as the resale of goods at "eobuwie.pl" stores. Revenue per 1m2 of commercial space at CCC in 2017 amounted to PLN 8.29 thousand and was higher by 4.4% compared to the previous year. The sales value per m2 is affected by the increase in the area of opened stores (the average area of CCC stores at the end of 2017 was 544 m2 and was higher by 11.7% compared to the previous year).
Revenues from retail sales in 2017 amounted to PLN 2.020.6 billion, which represented an increase of PLN 335.8 million (+ 19.9%) compared to the previous year. In the same period, CCC stores with a total area of 39.3 thousand m2 were opened and expanded in Poland, and the stores with a total area of 7.7 thousand m2 were closed. In 2017, the net retail area in Poland increased by 31.6 thousand m2. The impact on the change in revenues of PLN 335.8 million in relation to the previous year had sales of PLN 149.0 million (12.7%) in CCC stores and PLN 187.7 million in other stores (+ 37.1%).
Gross profit on sales increased by 14.7% and in 2017 amounted to PLN 625.3 million. A part of the sales margin, which until the restructuring in 2014 was reported to CCC S.A., it was transferred to CCC.eu in exchange for the implementation of the function that the newly-started company took over. Store operation costs increased by PLN 87.1 million and reached PLN 526.7 million in 2017, which represented an increase of 19.8%, with an average increase in the area of CCC stores by 14.9%. Along with the market expansion and the opening of subsequent retail outlets, the most costly items of stores such as employee costs (+ PLN49.0 million) and rental costs (+ PLN 21.7 million) increased the most.

Other selling and administrative expenses in 2017 amounted to PLN 48.6 million and were lower by PLN 2.4 million compared to the previous year. This decrease is due to from reducing the level of other external services by PLN 10.1 million.
Other net operating costs and revenues accounted for PLN 6.6 million on the revenue side (including PLN 2.6 million in funding from The State Fund for Rehabilitation of Disabled Persons [PFRON]) compared to PLN 4.5 million in the previous year on the cost side (in including + PLN 3.0 million subsidy from The State Fund for Rehabilitation of Disabled Persons [PFRON]).

As a result of the factors described above, the CCC obtained the operating result in 2017 in the amount of 56.6 million PLN, which was 13.4% higher than in the same period of 2016.
In 2017, financial revenues amounted to PLN 15.7 million and were PLN 20.1 million lower than in the previous year. The main item constituting financial income in the reporting period was the revenue from granted loan guarantees (64.3% of the total value of financial revenues), which amounted to PLN 10.1 million - in the corresponding period

of the previous year it amounted to PLN 6.5 million. Other items of financial income were interest income (PLN 5.2 million) and other financial revenues (PLN 0.4 million).
In 2017, other financial costs amounted to PLN 22.9 million and were PLN 11.6 million higher than in the previous year. The main item that comprised financial costs in the reporting period was the result on exchange differences (52.8% of the total financial costs), which amounted to PLN 12.1 million.
Income tax in 2017 amounted to PLN 12.1 million [including: PLN 4.9 million deferred]. After taking into account financial revenues and costs as well as income tax, the net profit amounted to PLN 37.3 million and was 36.2% lower than in 2016.

Table No. 1. Individual statement of comprehensive income

	As at December 31, 2017 (PLN mln)	As at December 31, 2016 (mln PLN)
Sales revenues	**2 086,6**	**1 738,5**
Gross sales profit	**625,3**	**545,0**
Operating profit	**56,6**	**49,9**
Gross profit	**49,4**	**74,4**
Net profit	**37,3**	**58,5**

Non-current assets as at December 31st, 2017 consisted of property, plant and equipment (PLN 391.6 million), intangible assets (PLN 2.8 million), loans granted (PLN 31.0 million), investments in subsidiaries (379, PLN 2 million) and deferred tax assets (PLN 1.8 million). The value of fixed assets in comparison to December 31st, 2016 increased by 11.3% to PLN 806.4 million, the main reason being the increase in investments in property, plant and equipment related to the plant and distribution (+ PLN 45.5 million).
Current assets as at December 31, 2017 amounted to PLN 799.6 million and consisted of from inventories (PLN 249.8 million), cash and cash equivalents (PLN 300.4 million), loans granted (PLN 169.2 million), income tax receivables (PLN 26.0 million) and receivables from customers and other receivables (PLN 54.2 million). The value of current assets, as compared to December 31, 2016, increased by 97.5% from PLN 404.8 million, the main reason being the increase in cash
(PLN 262,4 million).
As at December 31st, 2017, CCC's equity compared to the end of 2016 increased by PLN 470.0 million (69.0%), mainly due to the share issue for 2016, + 525.8 million, with simultaneous payment dividends for 2016 in the amount of PLN 101.4 million.
Short-term liabilities as at December 31, 2017 amounted to PLN 221.2 million, increasing by PLN 8.5 million (4.0%) from PLN 212.7 million as at December 31st, 2016. On the total amount of short-term liabilities at the end of 2017 consisted of debt liabilities PLN 0.7 million; liabilities to suppliers, which amounted to PLN 166.8 million (increase by 45.3% compared to the end of 2016); other liabilities, which amounted to PLN 50.6

million (a 1.9% decrease compared to the end of 2016); provisions, which amounted to PLN 0.7 million and subsidies, which amounted to PLN 2.4 million and decreased by 7.7% compared to the end of 2016.

Non-current liabilities as at December 31st, 2017 amounted to PLN 233.4 million and were lower by PLN 1.7 million (-0.7%) as compared to December 31st, 2016. The total amount of non-current liabilities at the end of 2017 consisted of mainly long-term debt liabilities PLN 210.0 million; provisions of PLN 0.7 million and subsidies received, which amounted to PLN 2.4 million.

Table 2. Report on the financial situation

	As at December 31, 2017 (mln PLN)	As at December 31, 2016 (mln PLN)
ASSETS		
Fixed assets	**806,4**	**724,4**
Current assets	**799,6**	**404,8**
TOTAL ASSETS	**1 606,0**	**1 129,2**
LIABILITIES		
Total equity	**1 151,4**	**681,4**
Current liabilities	**221,2**	**212,7**
Non-current liabilities	**233,4**	**235,1**
TOTAL LIABILITIES	**1 606,0**	**1 129,2**

Table 3. Report on changes in equity

	Year ended on 31st December 2017 (mln PLN)	Year ended on 31 of December 2016 (mln PLN)
Equity at the beginning of the period	**681,4**	**654,9**
Equity at the end of the period	**1 151,4**	**681,4**

Net flows from operating activities in 2017 amounted to -PLN 14.7 million and were lower by PLN 168.9 million compared to 2016. Net flows from investing activities in 2017 they amounted to -118,7 million PLN. Net flows from financing activities in 2017 amounted to PLN 395.8 million, increasing by PLN 429.5 million from PLN -33.7 million achieved in 2016. The company ended the year 2017 with a cash level of PLN 300.4 million, which meant an increase of PLN 262.4 million (+ 690.0%) compared to the end of 2016.

Table No. 4. Separate statement on cash flows.

	As at December 31st, 2017 r. (mln PLN)	As at December 31st, 2016 r. (mln PLN)
Net cash from operating activities	**(14,7)**	**154,2**
Net cash from investing activities	**(118,7)**	**(263,3)**
Net cash from financing activities	**395,8**	**(33,7)**
Net increase in cash and cash equivalents	**262,4**	**(142,8)**
Cash at the beginning of the period	**38,0**	**180,8**
Cash at the end of the period	**300,4**	**38,00**

The Supervisory Board does not bring any comments or reservations to the presented statement of cash flows.
Report on the operations of the CCC S.A. in 2017 should be considered complete. This report includes information about the economic and financial situation of the Company and describes more important events having a significant impact on the Company's operations in the reporting period. This report has been prepared in accordance with the Company's books and documents and the factual state, and contains necessary, synthetic information on the operation of CCC S.A.
The Management Board in the financial statements declared that the report and comparative data were prepared in accordance with the applicable accounting principles, they reflect in a true, reliable and clear manner the property and financial situation of the Company and its result. The activity report contains a true picture of the development and achievements and situation of the Company, including a description of the basic risks and threats. The Supervisory Board considers the statements described as accurately reflecting the actual state and properly presenting the Company's situation in the reporting period.

3. Analysis of the annual consolidated financial statements and reports on the operations of the CCC S.A. Capital Group. in 2016

The Supervisory Board read and analysed the annual consolidated financial statements prepared in accordance with international financial reporting standards for 2017 and the auditor's report on the audit of the annual consolidated financial statements including the consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated report from changes in equity, consolidated statement of cash flows and explanatory notes. The expert in his report stated that the key statutory auditor and audit firm remained independent of the entities forming the Capital Group in accordance with the provisions of the Act on Certified Auditors and the principles of professional ethics, as well as that they did not provide non-audit services that are prohibited provisions of art. 136 of the Act on Experts.

The choice of the audit company to audit the report for 2017 was made by the resolution of the supervisory board on 10 May 2017.
The auditor identified significant risks of material misstatement (key audit matters), including those caused by fraud, and developed appropriate audit procedures for these risks. The most important observations related to significant risks were included in the expert opinion. As at December 31, 2017, the valuation of inventories recognized in the consolidated statement of financial position was PLN 1.417,7 million identified as the key risk issue, while the write-down of inventories as at that date amounted to PLN 12.2 million. Another key issue of the audit was the valuation of the option regarding the acquisition of a minority shareholding in the Company eobuwie.pl S.A. As at December 31, 2017, there was a liability under option in the amount of PLN 777.9 million in the consolidated financial statements. Another key issue was the issue of correction of previous years' errors. The Company included in the attached consolidated financial statements, prepared as at 31 December 2017, corrections of previous years' errors, reducing the "retained earnings" item in the total amount of PLN 265.1 million.

In the prepared opinion, the expert stated that the report presents a reliable and clear picture of the financial position and financial position of the Group and its financial result for 2017, in accordance with International Accounting Standards, International Financial Reporting Standards and related interpretations announced in the form of regulations of the European Commission and accepted principles of accounting policy. The report is consistent in form and content with the applicable laws and the Company's articles of association.

In addition, the expert stated that the report on the Group's operations was prepared in accordance with the applicable accounting regulations and other applicable laws and is consistent with the information contained in the consolidated financial statements. In addition, the expert stated that according to the knowledge about the Group and its environment obtained during the audit of the consolidated financial statements, it did not report significant distortions in the activity report.
With reference to the statement on the application of corporate governance contained in the report, the expert stated in the opinion that the information contained therein complies with the applicable regulations and information contained in the consolidated financial statements.
The expert report includes information that the Company has included in the report on the Group's operations information on the preparation of a separate report on non-financial information referred to in art. 49b par. 9 of the Accounting Act.

In 2017, sales revenues amounted to PLN 4,190.0 million, an increase of PLN 1,008.7 billion (31.7%) compared to the previous year. The increase in sales was mainly influenced by the development of operations and expansion on individual retail markets, in particular in Poland. In total, revenues from retail sales in 2017 accounted for 81.0% of total sales from external customers, at 4.6% of wholesale sales and 14.4% of e-commerce sales. In relation to the previous year, revenues from sales to external customers increased in all markets. The Group maintains high retail sales per 1 m2 - during the last year this sale increased to 6.84 thousand PLN/m2 (In 2016 - PLN 6.43 thousand / m2), with the average surface area of the CCC store increasing +8.9% to the level of 583 m2. The amount of revenue generated is affected by the change in sales in existing outlets and changes resulting from the opening and closing of retail stores. The largest sales market is Poland, whose share in total sales in 2017 was 48.3% compared to 53.0% in 2016.

Revenues from retail sales in 2017 amounted to PLN 2,026,5 billion, an increase of PLN 337.4 million (+ 20.0%) compared to the previous year. In the same period, CCC stores with a total area of 39.3 thousand m2 were opened and expanded in Poland, and stores with a total area of 7.7 thousand m2 net were closed, in 2017 in Poland the floor space increased by 31.6 thousand m2. The impact on the change in revenues of PLN 337.4

million compared to the previous year was in sales of comparable CCC stores of 149.0 million (12.7%) and sales in stores of the remaining PLN 188.4 million (+ 36.8%).
The consolidated gross profit on sales of the Group increased by 28.0% and amounted to PLN 2,149.9 million in 2017. Higher increase in the costs of own sales + 35.8% in comparison to sales revenues + 31.7%, the gross margin on sales decreased by 1.4 pp compared to the previous year. The higher dynamics of own cost than revenues is connected, among others, with the functioning of the e-commerce channel, which realizes a gross margin of 41.2%. In 2017, the margin in the retail segment amounted to 54.3% and was lower by 0.6 pp. compared to last year.

The generated gross profit covers the costs of store operations and creates the segment result. In 2017, compared to the previous year, store operating costs increased by PLN 227.3 million, and the result of the retail segment increased by PLN 38.6 million.
In 2017, the most important cost item of the CCC Group was the operating costs of stores, which in comparison to the previous year increased by PLN 227,3 million (24.4%) to PLN 1,158.6 million. The main reason for the increase in the operating costs of stores was the increase in floor space by 70.6 thousand. m2. Along with market expansion and opening new stores, all items of store operating costs increased, and the most significant were rental costs and staff costs, which accounted for 40.3% and 37.8% of the total operating costs of stores, respectively.

Other operating expenses and revenues accounted for PLN 33.2 million and PLN 19.8 million, respectively, which in net terms amounted to PLN 13.4 million on the cost side compared to PLN 26.2 million on the revenue side in the previous year. The main reason for the change 2017 to 2016 was, among others the negative impact of exchange rate differences (PLN -42.6 million). As a result of the described factors, the CCC Group generated the operating result in 2017 in the amount of PLN 404.5 million, which was 8.3% higher (+ PLN 31.7 million) compared to the corresponding period of 2016.

In 2017, financial revenues amounted to PLN 3.2 million and were PLN 0.9 million higher than in the previous year. In 2017, financial costs amounted to PLN 66.9 million and were PLN 35.4 million higher compared to the previous year (112.4%). The main item comprising financial expenses in the reporting period were interest on debt (44.5% of the total financial costs), which amounted to PLN 29.8 million and were higher by PLN 8.8 million (41.9%) than in the previous year. . The other financial costs were primarily a negative result on exchange differences (PLN 19.2 million), commissions paid (PLN 1.3 million), other financial costs (PLN 2.7 million) and valuation of the option to buy non-controlling interests (13.9 million PLN). Income tax in 2017 amounted to PLN 38.5 million, negatively affecting net profit. Current tax amounted to PLN 43.1 million and deferred tax was PLN 4.6 million. After taking into account financial revenues and costs as well as income tax, the net profit amounted to PLN 302.3 million and was by 406.4% higher than in 2016.

Table No. 5. Consolidated statement of comprehensive income

	As at December 31st, 2017 (mln PLN)	As at December 31st, 2016 (mln PLN)
Sales revenues	**4 194,0**	**3 185,3**
Gross sales profit sales	**2 149,9**	**1 680,1**
Operating profit	**404,5**	**373,4**
Gross profit	**340,8**	**346,0**

Net profit	**302,3**	**59,7**

Non-current assets as at December 31, 2017 consisted of property, plant and equipment (PLN 787.0 million), intangible assets (PLN 197.5 million), goodwill (PLN 106.2 million) and deferred tax assets (63 PLN 4 million). The value of non-current assets, as compared to December 31, 2016, increased by 12.4%, up to PLN 1,154.1 billion, the main reason being the increase in investment expenses related to the opening of new stores and the expansion of the logistics centre.

Tangible fixed assets as at December 31st, 2017 amounted to PLN 787.0 million and increased by PLN 107.4 million (15.8%) compared to 2016, which resulted mainly from capital expenditures on stores (PLN + 34.4 million) and surface increase by another 70.6 thousand. m2 and increase in the value of fixed assets in production and logistics activities, which were by PLN 71.9 million higher than at the end of 2016 and amounted to PLN 323.8 million. Deferred tax assets recognized as at December 31st, 2017 related to the recognition of trademark assets (PLN 27.7 million), tax losses (PLN 15.8 million) and provisions (PLN 8.3 million).

Current assets as at December 31st, 2017 amounted to PLN 2,215.8 million and comprised inventories (PLN 1,417.9 million), cash and cash equivalents (PLN 511.6 million), loans granted (PLN 9.1 million PLN) and trade and other receivables (PLN 277,4 million). The value of current assets as compared to December 31, 2016 increased by 61.3% from PLN 1,373.8 billion. The main reason for the increase in the value of current assets was the increase in the value of inventories (increase by PLN 398.0 million, i.e. 39.0%), which at the end of the year had a value of PLN 1,417.7 billion.

Table No. 6. Consolidated statement of financial position

	As at December 31, 2017 (mln PLN)	As at December 31, 2016 r. (mln PLN)
ASSETS		
Fixed assets	**1 154,1**	**1 027,1**
Current assets	**2 215,8**	**1 373,8**
TOTAL ASSETS	**3 369,9**	**2 400,9**
LIABILITIES		
Total equity	**1 168,3**	**971,1**
Current liabilities	**923,8**	**769,4**
Non-current liabilities	**1 277,8**	**660,4**
TOTAL LIABILITIES	**3 369,9**	**2400,9**

Non-current liabilities as at December 31st, 2017 amounted to PLN 1,277.8 million, increasing by PLN 617.4 million (93.5%) from PLN 660.4 million as at December 31st,

2016. On the total amount of non-current liabilities at the end of 2017 consisted of long-term debt liabilities PLN 436.0 million, liabilities due to buy-out of minority shares eobuwie.pl PLN 777.9 million, provisions of PLN 9.4 million, deferred tax liabilities, which amounted to PLN 33.2 million PLN and received subsidies PLN 21.3 million.
Short-term liabilities as at 31 December 2017 amounted to PLN 923.8 million, increasing by PLN 154.4 million (20.1%) from PLN 769.4 million as at December 31, 2016.

As at December 31, 2017, the equity of the CCC Group in comparison to December 31, 2016 increased by PLN 197.2 million (20.3%), mainly due to the issue of series H shares.

Table No. 7. Consolidated statement of changes in equity

	Year ended on 31 December 2017 (mln PLN)	Year ended at 31 December 2016 (mln PLN)
Equity at the beginning of the period	**971,1**	**1 113,2**
Equity at the end of the period	**1 168,3**	**971,1**

Consolidated net cash flows from operating activities in 2017 amounted to PLN 78.2 million and resulted, among others, from increased demand for working capital and earned profit for 2017. The consolidated net cash flows from investing activities in 2017 amounted to PLN 222.3 million. Consolidated net flows from financial activities in 2017 amounted to PLN 514.8 million.

Table No. 8. Consolidated cash flow statement

	As at 31 December 2017 (mln PLN)	As at 31 December 2016 (mln PLN)
Net cash from operating activities	**78,2**	**174,7**
Net cash from investing activities	**(222,3)**	**(362,0)**
Net cash from financing activities	**514,8**	**(9,9)**
Net increase in cash and cash equivalents	**370,7**	**(197,2)**
Cash at the beginning of the period	**143,4**	**340,6**
Cash at the end of the period	**514,1**	**143,4**

Report on the operations of the CCC S.A. Capital Group in 2017 should be considered complete. This report includes information about the economic situation and the Group and describes more important events that have a significant impact on its operations during the reporting period. This report has been prepared in accordance with the Company's books and documents as well as the factual state and contains necessary, synthetic information on the functioning of the Capital Group.

The Management Board in the consolidated financial statements declared that the report and comparative data were prepared in accordance with the applicable accounting principles, reflect in a true, reliable and clear manner the property and financial situation of the Group and its result. The report contains a true picture of the development and achievements of the Group, including a description of the basic risks and threats. The Supervisory Board considers the statements described as accurately reflecting the actual state and presenting the Group's situation in the reporting period.

4. Conclusions from the analysis of reports and recommendations for the General Meeting

Summarizing the 2017 financial year, the Supervisory Board concluded that the CCA S.A. conducted by the activity brought very good economic results, which led to strengthening the position of the Company and the entire Group on the financial market and economic and asset value growth.
Strategy of the CCC S.A. Capital Group assumes a consistent expansion of the sales network and opening new stores, both at home and abroad, carefully selected in terms of expected profitability and return.
In 2017, the CCC Group increased the pace of expansion, gaining a leading position in Central and Eastern Europe and opening new showrooms in Western Europe. In 2017, the CCC Capital Group increased its net trading area by 77.2 thousand m2,
from 458.6 thousand m2 to 535.8 thousand m2. The change in space resulted from the enlargement of the existing retail space by opening stores with a total area of 70,000 sq. m and modernization and extension of the existing retail space by 19.5 thousand m2. Retail sales in the network of own and agency stores in 2017 took place in Poland, the Czech Republic, Slovakia, Austria, Slovenia, Croatia, Bulgaria, Germany, Hungary, Russia and Serbia. The total number of own and agency stores as at December 31, 2017 amounted to 782. The average area of these stores increased by 48 m2 to 583 m2 (535 m2 in 2016). The total area of own and agency CCC stores as at December 31st, 2017 amounted to PLN 496.3 thousand m2 and increased by 16.6% in relation to 2016 (425.7 thousand m2).A key element of the CCC Group's strategy is the continuation of a very successful expansion on the markets of Central and Eastern Europe, gaining a leader in each of the national footwear markets in the region and achieving sustainable profitability on the Austrian and German markets in the coming years. The brand is entering a new dimension and creating new horizons of its development, thanks to its recognition in the market environment of the Group both in Poland and in other countries. With a view to ensuring further stable development of the Company, the Supervisory Board states that the adopted development directions are properly and successively implemented by the Management Board. The economic and financial results presented in the reports, as well as their analysis made by the Supervisory Board, allow a positive assessment of the Company's operations in 2017 and highly evaluate the work of its Management Board.

The Supervisory Board, after analyzing the submitted reports and the results of CCC S.A. and the CCC S.A. Capital Group. in 2017, acting in accordance with the principles of the Code of Best Practice for WSE Listed Companies, positively assesses the Company's operations and financial standing from January 1, 2017 to December 31, 2017. In the opinion of the Supervisory Board, there are no threats to the continuation of CCC S.A. as well as the Capital Group, and the actions taken are a guarantee of further development of the Company in the future.
The Supervisory Board accepts the proposal submitted by the Management Board of CCC S.A. as to allocating part of the supplementary capital for dividend payment, distribution of profits for 2017, and separate and consolidated financial statements for 2017 and requests the General Meeting to approve them.

In connection with the above, after the assessment, the Supervisory Board decides to propose, to the Ordinary General Meeting of Shareholders, the following resolutions regarding:

1. approval of the unit financial report and report
on the operations of the CCC S.A. for the financial year 2017;
2. approval of the financial statements and reports on the operations of the CCC S.A. Capital Group. for the financial year 2017;
3. allocating part of the supplementary capital to dividend payment;
4. distribution of the generated profit for 2017;
5. granting a vote of approval to the Management Board of the Company for performing its duties in 2017.

Polkowice, 10th of May 2018

Chairman of the Supervisory Board - Wiesław Oleś ………………………………………………...

Member of the Supervisory Board - Marcin Murawski ………………………………………..…………

Member of the Supervisory Board - Jerzy Suchnicki ……………………………..……………………

Member of the Supervisory Board - Waldemar Jurkiewicz ..………………………………………………….

Member of the Supervisory Board - Piotr Nowjalis …………………………..…………………………