

**CONSOLIDATED INTERIM  
FINANCIAL STATEMENTS  
OF THE GROUP CCC S.A.  
FOR Q1 2017**



**CCC**  
SHOES & BAGS



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INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR Q1 2017

[in mln PLN unless otherwise stated]

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

FINANCIAL ACTIVITY	IN MLN PLN			IN MLN EUR		
	01.2017 – 03.2017	01.2017 – 03.2017	01.2016 – 03.2016	01.2017 – 03.2017	01.2017 – 03.2017	01.2016 – 03.2016
	RESTATED	ISSUED		RESTATED	ISSUED	
<b>Selected data from the consolidated statement of profit or loss and other comprehensive income</b>						
<b>Sales revenue</b>	720,4	720,4	534,6	168,0	168,0	122,7
Poland	343,4	343,4	285,3	80,1	80,1	65,5
CEE	146,6	146,6	120,6	34,2	34,2	27,7
Western Europe	70,1	70,1	48,9	16,3	16,3	11,2
Other countries	11,1	11,1	1,7	2,6	2,6	0,4
<b>Retail activity</b>	571,2	571,2	456,5	133,2	133,2	104,8
E-commerce	110,8	110,8	44,7	25,8	25,8	10,3
Wholesale	38,2	38,2	33,4	8,9	8,9	7,7
Manufacturing	0,2	0,2	—	0,0	—	—
Other	—	—	—	—	—	—
<b>Gross profit (loss) on sale</b>	350,7	350,7	269,4	81,8	81,8	61,8
Gross sale margin	48,7%	48,7%	50,4%	48,7%	48,7%	50,4%
<b>Result on segments</b>						
Poland	24,8	24,8	18,2	5,8	5,8	4,2
CEE	(6,5)	(6,5)	2,9	(1,5)	(1,5)	0,7
Western Europe	(36,8)	(36,8)	(23,4)	(8,6)	(8,6)	(5,4)
Other countries	(0,6)	(0,6)	(0,8)	(0,1)	(0,1)	(0,2)
<b>Retail activity</b>	(19,1)	(19,1)	(3,1)	(4,5)	(4,5)	(0,7)
E-commerce	17,9	17,9	11,0	4,2	4,2	2,5
Wholesale	7,8	7,8	6,1	1,8	1,8	1,4
Manufacturing	0,2	0,2	—	0,1	0,1	—
<b>Profit on operating activity</b>	(16,1)	(16,1)	(4,8)	(3,8)	(3,8)	(1,1)
Profit before tax	(34,6)	(34,6)	(14,7)	(8,1)	(8,1)	(3,4)
<b>NET PROFIT (LOSS)</b>	(37,6)	(47,4)	(17,8)	(8,7)	(11,1)	(4,1)
<b>ADJUSTED NET PROFIT (LOSS) <sup>(1)</sup></b>	(35,5)	(35,5)	(18,0)	(8,3)	(8,3)	(4,1)

FINANCIAL REPORT OF CAPITAL GROUP CCC S.A.  
**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR Q1 2017**  
[in mIn PLN unless otherwise stated]

	IN MLN PLN				IN MLN EUR			
	31.03.2017	31.03.2017	31.12.2016	31.12.2016	31.03.2017	31.03.2017	31.12.2016	31.12.2016
	RESTATED	ISSUED	RESTATED	ISSUED	RESTATED	ISSUED	RESTATED	ISSUED
<b>Selected data of the consolidated statement of financial position</b>								
<b>Fixed assets</b>	1 038,3	1 279,6	1 036,2	1 287,3	246,1	303,2	234,2	291,0
<b>Current assets, including:</b>	1 861,8	1 861,8	1 381,8	1 381,8	441,2	441,2	312,3	312,3
Inventories	1 285,1	1 285,1	1 034,9	1 034,9	304,6	304,6	233,9	233,9
Cash	302,3	302,3	143,4	143,4	71,6	71,6	32,4	32,4
<b>TOTAL ASSETS</b>	2 900,1	3 141,4	2 418,0	2 669,2	687,3	744,4	546,5	603,3
<b>Non-current liabilities including:</b>	732,1	732,1	660,4	660,4	173,5	173,5	149,3	149,3
Debt liabilities	436	436	366,0	366,0	103,3	103,3	82,7	82,7
<b>Current liabilities including:</b>	1 226,7	1 221,5	777,7	772,6	290,7	289,5	175,8	174,6
Debt liabilities	854,5	854,5	429,5	429,5	202,5	202,5	97,1	97,1
<b>TOTAL LIABILITIES</b>	1 958,8	1 953,6	1 438,1	1 433,0	464,2	463,0	325,1	323,9
<b>EQUITY</b>	941,3	1 187,8	979,9	1 236,1	223,1	281,5	221,5	279,4

FINANCIAL ACTIVITY	IN MLN PLN		IN MLN EUR	
	01.2017 – 03.2017	01.2016 – 03.2016	01.2017 – 03.2017	01.2016 – 03.2016
<b>Selected data from the consolidated statement of cash flows</b>				
Net cash flows from operating activities	(322,2)	(208,9)	(75,1)	(48,0)
Net cash flows from investing activities	(12,3)	(156,9)	(2,9)	(36,0)
Net cash flows from financing activities	493,4	179,6	115,0	41,2
<b>TOTAL CASH FLOWS</b>	158,9	(186,3)	37,0	(42,8)

	IN MLN PLN		IN MLN EUR	
OPERATIONAL DATA	31.03.2017	31.12.2016	31.03.2017	31.12.2016
Number of stores CCC	870	862	—	—
Floor space of stores (thousand m <sup>2</sup> )	471,3	458,6	—	—
Number of markets with online sales	8	8	—	—

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR Q1 2017**

[in mln PLN unless otherwise stated]

	IN PLN		IN EUR	
	01.2017 – 03.2017	01.2016 – 03.2016	01.2017 – 03.2017	01.2016 – 03.2016
Capital expenditures (in mln)	(22,2)	(158,9)	(5,2)	(36,5)
Average revenue per m <sup>2</sup> of floor space (in thous.) <sup>[2]</sup>	1,3	1,3	0,3	0,3

<sup>[2]</sup> Revenue per 1 m<sup>2</sup> 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 m<sup>2</sup> of retail floor space at the balance sheet date.

Selected data from the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the consolidated statement of cash flows were calculated into euro in accordance with the prevailing conversion method:

- individual items of assets and liabilities in the consolidated statement of financial position were calculated at the exchange rate prevailing on the last day of the reporting period:
  - exchange rate on 31.03.2017 amounted to 1 EUR – 4,2198 PLN
  - exchange rate on 31.12.2016 amounted to 1 EUR – 4,4240 PLN
  - exchange rate on 31.03.2016 amounted to 1 EUR – 4,2684 PLN

- individual items of the consolidated statement of profit and loss and other comprehensive income and consolidated statement of cash flows were calculated at exchange rates representing the arithmetic average of exchange rates announced by the Polish National Bank for EUR prevailing on the last day of each month during the reporting period:

- the average exchange rate in the period 01.01.2017 – 31.03.2017 was 1 EUR – 4,2891 PLN
- the average exchange rate in the period 01.01.2016 – 31.03.2016 was 1 EUR – 4,3559 PLN

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

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL RESULT AND OTHER COMPREHENSIVE INCOME

	01.2017 – 03.2017 RESTATED	01.2017 – 03.2017 ISSUED	01.2016 – 03.2016
Sales revenue	720,4	720,4	534,6
Cost of goods sold	(369,7)	(369,7)	(265,2)
<b>Gross profit (loss) on sale</b>	350,7	350,7	269,4
gross margin	48,70%	48,70%	50,40%
Cost of operating stores	(256,5)	(256,5)	(203,9)
Other cost of sale	(87,4)	(87,4)	(51,5)
Administrative expenses	(22,4)	(22,4)	(23,8)
Other cost and operating revenue	(0,5)	(0,5)	5,0
<b>Operating profit (loss)</b>	(16,1)	(16,1)	(4,8)
Finance revenue	0,3	0,3	0,4
Finance cost	(18,8)	(18,8)	(10,3)
<b>Profit (loss) before tax</b>	(34,6)	(34,6)	(14,7)
Income tax	(3,0)	(12,8)	(3,1)
<b>NET PROFIT (LOSS)</b>	(37,6)	(47,4)	(17,8)
Attributable to shareholders of the parent company	(40,8)	(50,6)	(19,5)
Attributable to non-controlling interest	3,2	3,2	1,7
<b>Other comprehensive income</b>	—	—	—
Attributable to be reclassified to profit - exchange rate differences upon conversion of reports of foreign entities	(2,3)	(2,3)	(3,9)
Total net comprehensive income	(2,3)	(2,3)	(3,9)
<b>TOTAL COMPREHENSIVE INCOME</b>	(39,9)	(49,7)	(21,7)
<b>Weighted average number of ordinary shares (mIn pcs)</b>	39,2	39,2	38,4
<b>Basic and diluted earnings per share (in PLN)</b>	(1,02)	(1,19)	(0,56)

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR Q1 2017**

[in mln PLN unless otherwise stated]

**CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT**

	01.2017 – 03.2017	01.2016 – 03.2016
<b>Profit (loss) before tax</b>	(34,6)	(14,7)
Amortization and depreciation	19,6	16,2
Loss on investment activity	0,2	(1,9)
Cost of borrowings	6,6	2,6
Other adjustments to profit before tax	(3,0)	(3,9)
Income tax paid	(23,9)	(12,9)
Minority profit (loss)	3,2	1,7
<b>Cash flow before changes in working capital</b>	(31,9)	(12,9)
<b>Changes in working capital</b>	—	—
Change in inventory and inventory write-downs	(250,3)	(165,8)
Change in receivables	(57,6)	52,2
Change in current liabilities, excluding borrowings	17,6	(82,5)
<b>Net cash flows from operating activities</b>	(322,2)	(209,0)
Proceeds from the sale of tangible fixed assets	3,0	1,8
Repayment of loans granted and interest	—	0,2
Purchase of intangible and tangible fixed assets	(22,2)	(158,9)
Loans granted	—	—
Expenses on capital increase in subsidiaries	1,9	—
Purchase of investment in eobuwie.pl S.A.	5,0	—
<b>Net cash flows from investing activities</b>	(12,3)	(156,9)
Proceeds from borrowings	500,1	182,6
Issue of bonds	—	—
Dividends and other payments to owners	—	—
Repayment of borrowings	(0,1)	(0,4)
Interest paid	(6,6)	(2,6)
Proceeds from the issue of shares	—	—
<b>Net cash flows from finance activities</b>	493,4	179,6
<b>TOTAL CASH FLOWS</b>	158,9	(186,3)
Net increase/decrease of cash and cash equivalents	158,9	(186,3)
Exchange rate changes on cash and cash equivalents	—	—
<b>Cash and cash equivalents at beginning of period</b>	143,4	340,6
<b>Cash and cash equivalents at the end of period</b>	302,3	154,3



## CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

	31.03.2017	31.03.2017	31.12.2016	31.12.2016
	RESTATED	ISSUED	RESTATED	ISSUED
Intangible assets	181,2	181,2	181,2	181,2
Goodwill	106,2	106,2	106,2	106,2
Tangible fixed assets - investments in stores	354,3	354,3	358,6	358,6
Tangible fixed assets - factory and distribution	257,2	257,2	251,9	251,9
Tangible fixed assets - other	67,7	67,7	69,1	69,1
Deferred tax assets	71,7	313,0	69,2	320,3
Loans granted	—	—	—	—
<b>Total non-current assets</b>	<b>1 038,3</b>	<b>1 279,6</b>	<b>1 036,2</b>	<b>1 287,3</b>
Inventories	1 285,1	1 285,1	1 034,9	1 034,9
Trade receivables	120,4	120,4	91,7	91,7
Income tax receivables	25,4	25,4	12,1	12,1
Loans granted	11,1	11,1	11,1	11,1
Other receivables	117,5	117,5	88,6	88,6
Cash and cash equivalents	302,3	302,3	143,4	143,4
<b>Total current assets</b>	<b>1 861,8</b>	<b>1 861,8</b>	<b>1 381,8</b>	<b>1 381,8</b>
<b>TOTAL ASSETS</b>	<b>2 900,1</b>	<b>3 141,4</b>	<b>2 418,0</b>	<b>2 669,1</b>
Debt liabilities	436,0	436,0	366,0	366,0
Deferred tax liabilities	34,6	34,6	34,1	34,1
Provisions	7,2	7,2	7,2	7,2
Grants received	22,9	22,9	23,5	23,5
Liabilities arising from the obligation to purchase minority interests	231,4	231,4	229,6	229,6
<b>Total non-current liabilities</b>	<b>732,1</b>	<b>732,1</b>	<b>660,4</b>	<b>660,4</b>
Debt liabilities	854,5	854,5	429,5	429,5
Trade liabilities	264,0	264,0	182,3	182,3
Other liabilities	68,1	68,1	125,9	125,9
Income tax liabilities	17,4	12,2	22,9	17,8
Provisions	17,0	17,0	12,7	12,7
Grants received	5,7	5,7	4,4	4,4
<b>Total current liabilities</b>	<b>1 226,7</b>	<b>1 221,5</b>	<b>777,7</b>	<b>772,6</b>
<b>TOTAL LIABILITIES</b>	<b>1 958,8</b>	<b>1 953,6</b>	<b>1 438,1</b>	<b>1 433,0</b>
<b>NET ASSETS</b>	<b>941,3</b>	<b>1 187,8</b>	<b>979,9</b>	<b>1 236,1</b>
<b>Equity</b>				
Share capital and share premium	123,1	123,1	123,1	123,1
Exchange rate differences upon conversion of reports of foreign entities	(2,2)	(2,2)	1,8	1,8
Retained earnings	764,8	1 011,3	802,6	1 058,8
Non-controlling shares resulting from acquisition of a subsidiary	55,6	55,6	52,4	52,4
<b>TOTAL EQUITY</b>	<b>941,3</b>	<b>1 187,8</b>	<b>979,9</b>	<b>1 236,1</b>

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR Q1 2017**

[in mln PLN unless otherwise stated]

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY CAPITAL**

	SHARE CAPITAL AND SHARE PREMIUM	RETAINED EARNINGS	EXCHANGE RATE DIFFERENCES UPON CONVERSION OF FOREIGN ENTITIES	NON-CONTROLLING SHARES RESULTING FROM ACQUISITION OF A SUBSIDIARY	TOTAL EQUITY
<b>As of 01.01.2016</b>	78,4	1 047,2	(2,0)	—	1 123,6
Net profit for the period	—	315,5	—	—	315,5
Profit allocated to minority interest	—	(9,0)	—	9,0	—
Exchange rate differences from the translations	—	(1,3)	3,8	—	2,5
Total comprehensive income	—	305,2	3,8	9,0	318,0
Dividend payment	—	(85,7)	—	—	(85,7)
Valuation of employee option scheme	—	14,5	—	—	14,5
Issue of shares	44,7	—	—	—	44,7
Total transactions with owners	44,7	(71,2)	—	—	(26,5)
Commitment to purchase own shares of eobuwie.pl S.A.	—	(222,4)	—	—	(222,4)
Non-controlling shares resulting from acquisition of a subsidiary	—	—	—	43,4	43,4
<b>As of 31.12.2016 (01.01.2017)</b>	123,1	1 058,8	1,8	52,4	1 236,1
adjustment of errors from preceding years	—	(256,2)	—	—	(256,2)
<b>As of 31.12.2016 (01.01.2017) after adjustment</b>	123,1	802,6	1,8	52,4	979,9
Net profit (loss) for the period - issued	—	(47,4)	—	—	(47,4)
adjustment of net profit (loss)	—	9,8	—	—	9,8
Net profit (loss) for the period - restated	—	(37,6)	—	—	(37,6)
Profit allocated to minority interest	—	(3,2)	—	3,2	—
Exchange rate differences from the translations	—	1,7	(4,0)	—	(2,3)
Total comprehensive income	—	(39,1)	(4,0)	3,2	(39,9)
Dividend payment	—	—	—	—	—
Valuation of employee option scheme	—	—	—	—	—
Issue of shares	—	—	—	—	—
Total transactions with owners	—	—	—	—	—
Commitment to purchase own shares of eobuwie.pl S.A.	—	1,3	—	—	1,3
Non-controlling shares resulting from acquisition of a subsidiary	—	—	—	3,2	3,2
<b>As of 31.03.2017 (01.04.2017)</b>	123,1	764,8	(2,2)	55,6	941,3

## SELECTED FINANCIAL AND OPERATING DATA CCC S.A.

FINANCIAL ACTIVITY	IN MLN PLN		IN MLN EUR	
<b>Selected data from the statement of profit or loss and other comprehensive income</b>	01.01.2017 – 31.03.2017	01.01.2016 – 31.03.2016	01.01.2017 – 31.03.2017	01.01.2016 – 31.03.2016
Sales revenue	356,9	297,3	83,2	68,3
Gross profit on sale	130,8	116,8	30,5	26,8
Profit on operating activity	10,8	10,0	2,5	2,3
Profit before tax	1,8	9,1	0,4	2,1
<b>NET PROFIT</b>	<b>1,5</b>	<b>6,1</b>	<b>0,3</b>	<b>1,4</b>
<b>Selected data of the statement of financial position</b>	31.03.2017	31.12.2016	31.03.2017	31.12.2016
Fixed assets	733,7	724,4	171,1	166,3
Current assets, including	537,1	404,8	125,2	92,9
Inventories	287,5	149,6	67,0	34,3
Cash	19,6	38,0	4,6	8,7
<b>TOTAL ASSETS</b>	<b>1270,8</b>	<b>1129,2</b>	<b>296,3</b>	<b>259,2</b>
Non-current liabilities including:	234,5	235,1	54,7	54,0
Debt liabilities	210,0	210,0	49,0	48,2
Current liabilities including:	347,9	207,2	81,1	47,6
Debt liabilities	39,6	37,8	9,2	8,7
<b>TOTAL LIABILITIES</b>	<b>582,4</b>	<b>442,3</b>	<b>135,8</b>	<b>101,5</b>
<b>EQUITY</b>	<b>688,4</b>	<b>686,9</b>	<b>160,5</b>	<b>157,7</b>
<b>FINANCIAL ACTIVITY</b>	<b>IN MLN PLN</b>		<b>IN MLN EUR</b>	
<b>Selected data from the statement of cash flows</b>	01.01.2017 – 31.03.2017	01.01.2016 – 31.03.2016	01.01.2017 – 31.03.2017	01.01.2016 – 31.03.2016
Net cash flows from operating activities	7,4	(69,3)	1,7	(15,9)
Net cash flows from investing activities	(27,5)	(114,4)	(6,4)	(26,3)
Net cash flows from financing activities	1,7	24,9	0,4	5,7
<b>TOTAL CASH FLOWS</b>	<b>(18,4)</b>	<b>(158,8)</b>	<b>(4,3)</b>	<b>(36,5)</b>
<b>OPERATIONAL DATA</b>	31.03.2017	31.12.2016	31.03.2017	31.12.2016
Number of stores CCC	433	436	—	—
Floor space of stores (thous. m <sup>2</sup> )	214,7	212,2	—	—
<b>FINANCIAL ACTIVITY</b>	<b>IN MLN PLN</b>		<b>IN MLN EUR</b>	
	01.01.2017 – 31.03.2017	01.01.2016 – 31.03.2016	01.01.2017 – 31.03.2017	01.01.2016 – 31.03.2016
Capital expenditures (in mln)	(11,1)	(12,9)	(2,6)	(3,0)

Selected data from the statement of profit or loss and other comprehensive income, statement of financial position and the statement of cash flows were calculated into euro in accordance with the prevailing conversion method:

- individual items of assets and liabilities in the statement of financial position were calculated at the exchange rate prevailing on the last day of the reporting period:
  - exchange rate on 31.03.2017 amounted to 1 EUR – 4,2198 PLN
  - exchange rate on 31.12.2016 amounted to 1 EUR – 4,4240 PLN
  - exchange rate on 31.03.2016 amounted to 1 EUR – 4,2684 PLN

- individual items of the statement of profit and loss and other comprehensive income and statement of cash flows were calculated at exchange rates representing the arithmetic average of exchange rates announced by the Polish National Bank for EUR prevailing on the last day of each month during the reporting period:

- the average exchange rate in the period 01.01.2017 – 31.03.2017 was 1 EUR – 4,2891 PLN
- the average exchange rate in the period 01.01.2016 – 31.03.2016 was 1 EUR – 4,3559 PLN

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



## CONDENSED INTERIM STATEMENT OF FINANCIAL RESULTS AND OTHER COMPREHENSIVE INCOME

	01.2017 – 03.2017	01.2016 – 03.2016
Sales revenue	356,9	297,3
Cost of goods sold	(226,1)	(180,5)
<b>Gross profit on sale</b>	<b>130,8</b>	<b>116,8</b>
gross margin	37%	39%
Cost of operating stores	(111,6)	(97,2)
Other cost of sale	(2,4)	(3,5)
Administrative expenses	(6,2)	(6,1)
Other cost and operating revenue	0,2	—
<b>Operating profit</b>	<b>10,8</b>	<b>10,0</b>
Finance revenue	1,2	1,5
Finance cost	(10,2)	(2,4)
<b>Profit before tax</b>	<b>1,8</b>	<b>9,1</b>
Income tax	(0,3)	(3,0)
<b>NET PROFIT</b>	<b>1,5</b>	<b>6,1</b>
<b>Other comprehensive income</b>	<b>—</b>	<b>—</b>
Attributable to be reclassified to profit – exchange rate differences upon conversion of reports of foreign entities	—	—
Non-attributable to be reclassified to result – other	—	—
<b>Total net comprehensive income</b>	<b>—</b>	<b>—</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>1,5</b>	<b>6,1</b>
Weighted average number of ordinary shares (mIn pcs)	39,2	38,4
Basic and diluted earnings per share (in PLN)	0,04	0,16

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[in mln PLN unless otherwise stated]

**CONDENSED INTERIM CASH FLOW STATEMENT**

	01.2017 – 03.2017	01.2016 – 03.2016
<b>Profit before tax</b>	1,8	9,1
Amortization and depreciation	9,8	9,3
Loss on investment activity	(0,3)	(0,5)
Cost of borrowings	0,1	0,1
Other adjustments to profit before tax	7,5	—
Income tax paid	(14,2)	(5,6)
<b>Cash flow before changes in working capital</b>	4,7	12,4
<b>Changes in working capital</b>		
Change in inventory and inventory write-downs	(137,9)	(133,4)
Change in receivables	(10,9)	36,3
Change in current liabilities, excluding borrowings	151,5	15,4
<b>Net cash flows from operating activities</b>	7,4	(69,3)
Proceeds from the sale of tangible fixed assets	2,7	0,6
Repayment of loans granted and interest	2,7	56,5
Purchase of intangible and tangible fixed assets	(11,1)	(12,9)
Loans granted	(18,3)	(28,6)
Expenses on capital increase in subsidiaries	(3,5)	(130,0)
<b>Net cash flows from investing activities</b>	(27,5)	(114,4)
Proceeds from borrowings	0,1	26,2
Dividends and other payments to owners	—	—
Repayment of borrowings	1,7	(1,2)
Interest paid	(0,1)	(0,1)
<b>Net cash flows from finance activities</b>	1,7	24,9
<b>TOTAL CASH FLOWS</b>	(18,4)	(158,8)
Net increase/decrease of cash and cash equivalents	(18,4)	(158,8)
Exchange rate changes on cash and cash equivalents	—	—
<b>Cash and cash equivalents at beginning of period</b>	38,0	180,8
<b>Cash and cash equivalents at the end of period</b>	19,6	22,0

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

	31.03.2017	31.12.2016
Intangible assets	2,8	3,1
Tangible fixed assets – investments in stores	148,0	148,0
Tangible fixed assets – factory and distribution	123,3	123,3
Tangible fixed assets – other	41,9	42,8
Deferred tax assets	6,6	6,7
Loans granted	36,5	29,4
Long-term investments	374,6	371,1
<b>Total non-current assets</b>	<b>733,7</b>	<b>724,4</b>
Inventories	287,5	149,6
Trade receivables	10,3	14,5
Income tax receivables	21,1	7,0
Loans granted	174,3	172,3
Other receivables	24,3	23,4
Cash and cash equivalents	19,6	38,0
<b>Total current assets</b>	<b>537,1</b>	<b>404,8</b>
<b>TOTAL ASSETS</b>	<b>1 270,8</b>	<b>1 129,2</b>
Debt liabilities	210,0	210,0
Provisions	1,6	1,6
Grants received	22,9	23,5
<b>Total non-current liabilities</b>	<b>234,5</b>	<b>235,1</b>
Debt liabilities	39,6	37,8
Trade liabilities	281,9	114,8
Other liabilities	22,0	49,1
Income tax liabilities	1,4	2,5
Provisions	0,4	0,4
Grants received	2,6	2,6
<b>Total current liabilities</b>	<b>347,9</b>	<b>207,2</b>
<b>TOTAL LIABILITIES</b>	<b>582,4</b>	<b>442,3</b>
<b>NET ASSETS</b>	<b>688,4</b>	<b>686,9</b>
<b>Equity</b>		
Share capital and share premium	123,1	123,1
Retained earnings	565,3	563,8
<b>TOTAL EQUITY</b>	<b>688,4</b>	<b>686,9</b>

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**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**

	SHARE CAPITAL AND SHARE PREMIUM	RETAINED EARNINGS	EXCHANGE RATE DIFFERENCES UPON CONVERSION OF FOREIGN ENTITIES	TOTAL EQUITY
<b>As of 01.01.2016</b>	78,4	576,5	—	654,9
Net profit for the period	—	58,5	—	58,5
Total comprehensive income	—	58,5	—	58,5
Dividend payment	—	(85,7)	—	(85,7)
Valuation of employee option scheme	—	14,5	—	14,5
Issue of shares	44,7	—	—	44,7
Total transactions with owners	44,7	(71,2)	—	(26,5)
<b>As of 31.12.2016 (01.01.2017)</b>	123,1	563,8	—	686,9
Net profit for the period	—	1,5	—	1,5
Total comprehensive income	—	1,5	—	1,5
Dividend payment	—	—	—	—
Valuation of employee option scheme	—	—	—	—
Issue of shares	—	—	—	—
Total transactions with owners	—	—	—	—
<b>As of 31.03.2017 (01.04.2017)</b>	123,1	565,3	—	688,4





## 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 2017 Capital Group CCC S.A. was composed of the dominant entity CCC S.A with its headquarters in Polkowice and the following subsidiaries:

SUBSIDIARIES OF CCC S.A.	HEADQUARTERS/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 Germany G.m.b.h.	Frankfurt, Germany	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
NG2 Suisse sarl	Zug, Switzerland	in liquidation
CCC Shoes & Bags d.o.o. Beograd	Belgrade, Serbia	commercial
eschuhe.de UG	Frankfurt, Germany	commercial
Traf Logistics sp. z o.o.	Zielona Góra, Poland	logistics
CCC Russia sp. z o.o.	Moscow, Russia	commercial

## CCC Group



<sup>[1]</sup> 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%)

<sup>[2]</sup> eobuwie.pl S.A. has been a subsidiary since 15 January 2016

<sup>[3]</sup> CCC Russia sp. z o.o. has been a subsidiary since 20 September 2016

## **BASIS FOR PREPARATION**

Capital Group CCC S.A. presents the condensed consolidated interim financial statement for the Q1 2017 beginning on 1st January 2017 and ending on 31st March 2017.

This condensed interim financial statement was prepared in accordance with IAS 34 "Interim Financial Reporting". 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 01.01.2016 to 31.12.2016 which were prepared pursuant to the International Financial Reporting Standards approved by the European Union.

## **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 (PLN), which is the Group's functional currency and its presentation currency.

## **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.

## **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 2016, except for the application of the new standards.

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

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PERIOD (EUR/PLN)	HIGHEST	LOWEST	END OF THE PERIOD	AVERAGE
01.2017 – 03.2017	4,4157	4,2198	4,2198	4,2891
01.2016 – 03.2016	4,4987	4,2445	4,2684	4,3559
01.2016 – 12.2016	4,5035	4,2355	4,4240	4,3757

Selected data from the statement of profit or loss and other comprehensive income, statement of financial position and the statement of cash flows were calculated into euro in accordance with the prevailing conversion method:

- individual items of assets and liabilities in the statement of financial position were calculated at the exchange rate prevailing on the last day of the reporting period:
  - exchange rate on 31.03.2017 amounted to 1 EUR – 4,2198 PLN
  - exchange rate on 31.12.2016 amounted to 1 EUR – 4,4240 PLN
  - exchange rate on 31.03.2016 amounted to 1 EUR – 4,2684 PLN

- individual items of the statement of profit and loss and other comprehensive income and statement of cash flows were calculated at exchange rates representing the arithmetic average of exchange rates announced by the Polish National Bank for EUR prevailing on the last day of each month during the reporting period:

- the average exchange rate in the period 01.01.2017 – 31.03.2017 was 1 EUR – 4,2891 PLN
- the average exchange rate in the period 01.01.2016 – 31.03.2016 was 1 EUR – 4,3559 PLN

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

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
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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, the stores operate in the chain: CCC, Lasocki, BOTI.	Each own individual store operating in the said country constitutes the operating segment.	<p>The financial information was aggregated in total for the chain CCC, BOTI, LASOCKI by geographic markets due to:</p> <ul style="list-style-type: none"> <li>• Similarity of long-term average gross margins,</li> <li>• Similar nature of the goods ( such as footwear, handbags, shoe care accessories, clothing accessories),</li> <li>• Similar way of distributing the goods,</li> <li>• Similar categories of customers (sale realized in own facilities and directed to retail customers)</li> </ul>
Distribution activities – retail in the European Union – Central and Eastern Europe (Czech Republic, Slovakia, Hungary, Croatia, Slovenia, Bulgaria)	Stores sell footwear, handbags, shoe care products, small leather goods and clothing in their own facilities, within the chain: CCC, BOTI, LASOCKI.	
Stores operate exclusively in 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.	
Distribution activities – retail in the European Union – Western Europe (Austria, Germany) Stores operate exclusively in the chain CCC.		
Distribution activities – retail in other countries (Turkey, Russia, Serbia)		
Stores operate exclusively in the chain CCC.		
Distribution activities – e-commerce	<p>The whole activity is conducted by the company eobuwie.pl S.A. dealing with the distribution of goods via the Internet.</p> <p>The Company sells footwear, handbags, shoe care accessories, small fashion finery, etc. to domestic and foreign retailers.</p> <p>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).</p>	
Distribution activities – wholesale	<p>The whole activity is carried out by CCC.eu dealing with the distribution of goods to the companies of the Group.</p> <p>The Company sells footwear, handbags, shoe care products, clothing accessories to domestic and foreign franchisees and other wholesale customers.</p> <p>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).</p>	
Manufacturing activities	<p>Manufacturing of leather shoes for women is carried out in Poland.</p> <p>Measures of result is the result of operating segment being the difference between the sales, cost of goods sold and direct costs of sales.</p>	

01.2017 – 03.2017	DISTRIBUTION ACTIVITY						MANUFACTURING ACTIVITY	TOTAL
	RETAIL				E-COMMERCE	WHOLESALE		
	POLAND	UE – CEE	UE – WESTERN EUROPE	OTHER COUNTRIES				
Total sales revenue	343,4	146,6	70,1	11,1	110,8	651,6	83,9	1 417,5
Revenue from sales to other segments	—	—	—	—	—	(613,4)	(83,7)	(697,1)
<b>Revenue from sales from external customers</b>	<b>343,4</b>	<b>146,6</b>	<b>70,1</b>	<b>11,1</b>	<b>110,8</b>	<b>38,2</b>	<b>0,2</b>	<b>720,4</b>
<b>Gross profit on sale</b>	<b>165,5</b>	<b>83,0</b>	<b>41,3</b>	<b>5,4</b>	<b>43,8</b>	<b>11,5</b>	<b>0,2</b>	<b>350,7</b>
<i>Gross margin</i>	<i>48,2%</i>	<i>56,6%</i>	<i>58,9%</i>	<i>48,6%</i>	<i>39,5%</i>	<i>30,1%</i>	<i>na</i>	<i>48,7%</i>
<b>PROFIT OF SEGMENT</b>	<b>24,8</b>	<b>(6,5)</b>	<b>(36,8)</b>	<b>(0,6)</b>	<b>17,9</b>	<b>7,8</b>	<b>0,2</b>	<b>6,8</b>
<b>Assets of segments</b>								
Fixed assets except deferred tax asset and granted loans	316,0	133,1	83,0	11,1	214,6	14,6	91,7	864,1
Deferred tax assets	6,7	—	—	1,2	1,5	7,6	6,4	23,4
Inventories	287,5	150,6	89,6	16,8	142,2	577,2	61,4	1 325,3
Outlays on tangible fixed assets and intangibles	316,0	133,1	83,0	11,1	214,6	14,6	91,7	864,1
<b>Other revenue/costs:</b>								
Amortization and depreciation	(6,4)	(4,1)	(3,2)	(0,4)	(0,7)	(0,5)	(0,9)	(16,2)
Impairment loss of tangible fixed assets and intangibles	—	—	—	—	—	—	—	—
<b>01.2016 – 03.2016</b>								
Total sales revenue	285,3	120,6	48,9	1,7	44,7	510,1	70,9	1 082,2
Revenue from sales to other segments	—	—	—	—	—	(476,7)	(70,9)	(547,6)
<b>Revenue from sales from external customers</b>	<b>285,3</b>	<b>120,6</b>	<b>48,9</b>	<b>1,7</b>	<b>44,7</b>	<b>33,4</b>	<b>—</b>	<b>534,6</b>
<b>Gross profit on sale</b>	<b>141,0</b>	<b>70,2</b>	<b>30,2</b>	<b>1,1</b>	<b>17,3</b>	<b>9,6</b>	<b>—</b>	<b>269,4</b>
<i>Gross margin</i>	<i>49,4%</i>	<i>58,2%</i>	<i>61,8%</i>	<i>64,7%</i>	<i>38,7%</i>	<i>28,7%</i>	<i>na</i>	<i>50,4%</i>
<b>PROFIT OF SEGMENT</b>	<b>18,2</b>	<b>2,9</b>	<b>(23,4)</b>	<b>(0,8)</b>	<b>11,0</b>	<b>6,1</b>	<b>—</b>	<b>14,0</b>
<b>Assets of segments</b>								
Fixed assets except deferred tax asset and granted loans	317,9	122,0	66,7	1,1	15,6	7,3	93,6	624,2
Deferred tax assets	4,1	—	—	—	0,2	6,6	6,8	17,7
Inventories	249,6	139,2	72,9	3,3	54,4	367,4	50,8	937,6
Outlays on tangible fixed assets and intangibles	317,9	122,0	66,7	1,1	15,6	7,3	93,6	624,2
<b>Other revenue/costs:</b>								
Amortization and depreciation	(5,9)	(3,5)	(2,4)	(0,1)	(0,1)	(0,5)	(0,9)	(13,4)
Impairment loss of tangible fixed assets and intangibles	0,8	1,3	—	—	—	—	—	2,1

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	01.2017–03.2017					01.2016–03.2016		
	AGGREGATED SEGMENT DATA	CONSOLIDATION ADJUSTMENTS	CONSOLIDATION ADJUSTMENTS	CONSOLIDATED FINANCIAL STATEMENT	CONSOLIDATED FINANCIAL STATEMENT	AGGREGATED SEGMENT DATA	CONSOLIDATION ADJUSTMENTS	CONSOLIDATED FINANCIAL STATEMENT
			ISSUED	RESTATED	ISSUED	RESTATED		
Total sales revenue	1 417,5	(697,1)	(697,1)	720,4	720,4	1 082,2	(547,6)	543,6
Sales revenue not allocated to the segment	—	—	—	—	—	—	—	—
Sales revenue in the financial statement	—	—	—	720,4	720,4	—	—	543,6
Cost of goods sold in the financial statement	—	—	—	(369,7)	(369,7)	—	—	(265,2)
<b>Gross profit on sale</b>	350,7	—	—	350,7	350,7	269,4	—	269,4
Gross margin	(343,9)	—	—	(343,9)	(343,9)	(255,4)	—	(255,4)
<b>Performance of segment</b>	6,8	—	—	6,8	6,8	14,0	—	14,0
Not allocated cost of sale	—	—	—	—	—	—	—	—
Administrative expenses	—	—	—	(22,4)	(22,4)	—	—	(23,8)
Other cost and operating revenue	—	—	—	(0,5)	(0,5)	—	—	5,0
Finance revenue	—	—	—	0,3	0,3	—	—	0,4
Finance cost	—	—	—	(18,8)	(18,8)	—	—	(10,3)
<b>Profit before tax</b>	—	—	—	(34,6)	(34,6)	—	—	(14,7)
<b>Assets of segments</b>								
Fixed assets except deferred tax asset and granted loans	864,1	(3,7)	(3,7)	860,4	860,4	624,2	(3,9)	620,3
Deferred tax assets	23,4	289,6	48,3	313,0	71,7	17,7	295,2	312,9
Inventories	1 325,3	(40,2)	(40,2)	1 285,1	1 285,1	937,6	(50,3)	887,3
Outlays on tangible fixed assets and intangibles	864,1	(3,7)	(3,7)	860,4	860,4	624,2	(3,9)	620,3
<b>Other revenue/costs:</b>								
Amortization and depreciation	(16,2)	(3,4)	(3,4)	(19,6)	(19,6)	(13,4)	(2,8)	(16,2)
Impairment loss of tangible fixed assets and intangibles	—	—	—	—	—	2,1	—	2,1



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	SALES REVENUE		FIXED ASSETS (EXCEPT FINANCIAL INSTRUMENTS AND DEFERRED TAX)		
	01.2017 – 03.2017	01.2016 – 03.2016	01.2017 – 03.2017 RESTATED	01.2017-03.2017 ISSUED	01.2016 – 03.2016
Poland	343,4	285,3	418,6	418,6	418,8
Czech Republic	52,2	44,8	44,5	44,5	46,3
Hungary	38,2	30,7	37,4	37,4	33,2
Germany	43,1	31,8	54,1	54,1	45,1
Slovakia	31,1	27	20,2	20,2	18,1
Austria	27	17,1	28,9	28,9	21,6
Romania	18,4	15,5	—	—	—
Croatia	13,1	9,7	15,3	15,3	13,7
Slovenia	7,6	5,4	7,3	7,3	6
Other	35,5	22,6	19,5	19,5	5,8
e - commerce	110,8	44,7	214,6	214,6	15,6
<b>Total</b>	<b>720,4</b>	<b>534,6</b>	<b>860,4</b>	<b>860,4</b>	<b>624,2</b>
Deferred tax			71,7	313,0	312,9
Financial instruments			—	—	—
<b>Total assets</b>			<b>932,1</b>	<b>1 173,4</b>	<b>937,1</b>

### 3.

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

### 3.1 COSTS BY TYPE

01.2017 – 03.2017	COST OF GOODS SOLD	COST OF OPERATING STORES	OTHER COST OF SALE	ADMINISTRATIVE EXPENSES	TOTAL
Cost of purchase of goods sold	(293,1)	—	—	—	(293,1)
Consumption of materials and energy	(62,0)	(8,8)	(5,4)	(0,8)	(77,0)
Provision for inventories	—	—	—	—	—
Remuneration and other employee benefits	(11,1)	(95,4)	(21,4)	(9,2)	(137,1)
Cost of incentive program	—	—	—	—	—
Agent services	—	(8,5)	—	—	(8,5)
Transportation services	(0,5)	(0,1)	(20,1)	—	(20,7)
Lease costs	—	(112,8)	(1,8)	(1,0)	(115,6)
Other outsourcing services	(0,3)	(10,4)	(22,2)	(6,4)	(39,3)
Amortization	(0,6)	(13,4)	(4,5)	(2,2)	(20,7)
Taxes and charges	(0,3)	(1,1)	(0,6)	(0,8)	(2,8)
Other flat costs	(0,3)	(6,0)	(11,4)	(2,0)	(19,7)
Change in products and production in progress	(1,5)	—	—	—	(1,5)
<b>Total</b>	<b>(369,7)</b>	<b>(256,5)</b>	<b>(87,4)</b>	<b>(22,4)</b>	<b>(736,0)</b>

01.2016 – 03.2016	COST OF GOODS SOLD	COST OF OPERATING STORES	OTHER COST OF SALE	ADMINISTRATIVE EXPENSES	TOTAL
Cost of purchase of goods sold	(202,9)	—	—	—	(202,9)
Consumption of materials and energy	(53,6)	(7,9)	(3,7)	(1,3)	(66,5)
Provision for inventories	—	(0,8)	—	—	(0,8)
Remuneration and other employee benefits	(8,9)	(78,3)	(13,2)	(9,3)	(109,7)
Cost of incentive program	—	—	—	—	—
Agent services	—	(7,9)	—	—	(7,9)
Transportation services	(0,4)	—	(16,5)	—	(16,9)
Lease costs	—	(86,7)	(0,4)	(1,1)	(88,2)
Other outsourcing services	(0,4)	(9,8)	(5,4)	(6,8)	(22,4)
Amortization	(0,7)	(10,6)	(3,4)	(2,1)	(16,8)
Taxes and charges	(0,3)	(0,4)	(0,4)	(0,6)	(1,7)
Other flat costs	—	(1,5)	(8,5)	(2,6)	(12,6)
Change in products and production in progress	2,0	—	—	—	2,0
<b>Total</b>	(265,2)	(203,9)	(51,5)	(23,8)	(544,4)



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

	01.2017 – 03.2017	01.2016 – 03.2016
<b>Other costs</b>		
Loss on disposal of tangible fixed assets	(1,1)	—
Stocktaking net losses	(0,5)	—
Provision establishment	—	—
Other net operating cost	(0,5)	(0,7)
Loss on exchange rate differences on items other than debt	(4,7)	(0,1)
<b>Total other costs</b>	<b>(6,8)</b>	<b>(0,8)</b>
<b>Other income</b>		
Profit on disposal of tangible fixed assets	—	2,0
Profit from exchange rate differences on items other than debt	—	—
Compensations	0,6	0,4
Subsidy of SFRDP remuneration	0,9	0,5
Other net operating income	4,8	2,9
<b>Total other income</b>	<b>6,3</b>	<b>5,8</b>
<b>Total other operating costs and income</b>	<b>(0,5)</b>	<b>5,0</b>
<hr/>		
	01.2017 – 03.2017	01.2016 – 03.2016
<b>Finance costs</b>		
Interest on borrowings (recognised in costs)	(6,6)	(4,3)
Result on exchange rates	(10,0)	(4,9)
Commissions paid	(0,4)	(0,3)
Other finance cost	(1,8)	(0,8)
<b>Total finance costs</b>	<b>(18,8)</b>	<b>(10,3)</b>
<b>Finance revenue</b>		
Received dividends	—	—
Interest from current account and other	0,4	0,3
Result on exchange rates	(0,2)	—
Other finance revenue	0,1	0,1
<b>Total finance revenue</b>	<b>0,3</b>	<b>0,4</b>

### 3.3 PROVISIONS

	PROVISION FOR JUBILEE AWARDS AND RETIREMENT BENEFITS	PROVISIONS FOR WARRANTY REPAIRS	PROVISION FOR LITIGATION	OTHER PROVISIONS	TOTAL
<b>As of 01.01.2016</b>	6,6	3,0	—	1,0	10,6
Establishment	1,3	1,9	—	6,6	9,8
Utilisation	—	—	—	(0,6)	(0,6)
Release	—	(0,2)	—	—	(0,2)
Exchange rate differences	—	0,3	—	—	0,3
<b>As of 31.12.2016</b>	7,9	5,0	—	7,0	19,9
Current	0,9	5,0	—	6,8	12,7
Non-current	7,0	—	—	0,2	7,2
<b>As of 01.01.2017</b>	7,9	5,0	—	7,0	19,9
Establishment	0,1	—	—	4,4	4,5
Utilisation	—	(0,1)	—	0,2	0,1
Release	—	—	—	—	—
Exchange rate differences	—	—	—	(0,3)	(0,3)
<b>As of 31.03.2017</b>	8,0	4,9	—	11,3	24,2
Current	1,0	4,9	—	11,1	17,0
Non-current	7,0	—	—	0,2	7,2

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**3.4 DEFERRED TAX ASSETS AND LIABILITIES**

	31.03.2017	CREDITING TO /(CHARGING) FINANCIAL RESULT	31.12.2016	CREDITING TO /(CHARGING) FINANCIAL RESULT	01.01.2016
	ISSUED		ISSUED		
<b>Assets</b>					
Goodwill	241,3	(9,8)	251,1	3,8	247,3
Trademarks	30,7	(1,0)	31,7	(4,1)	35,8
Inventories - adjustment of margin on intragroup sale	7,6	2,9	4,7	(3,1)	7,8
Impairment of assets	3,6	2,8	0,8	(6,5)	7,3
Provisions for liabilities	7,7	2,4	5,3	2,2	3,1
Others	11,8	(5,6)	17,4	2,5	14,9
Tax losses	11,4	—	11,4	11,4	—
<b>Total before offsetting</b>	<b>314,1</b>	<b>(8,4)</b>	<b>322,5</b>	<b>6,3</b>	<b>316,2</b>
<b>Liabilities</b>					
Accelerated tax depreciation of tangible fixed assets	1,9	0,1	1,8	(1,3)	3,1
Others	1,1	(0,8)	1,9	(5,1)	7,0
Acquisition of a intangible assets	32,7	—	32,7	32,7	—
<b>Total before offsetting</b>	<b>35,7</b>	<b>(0,6)</b>	<b>36,3</b>	<b>26,2</b>	<b>10,1</b>
Offsetting	(1,1)	(3,3)	2,2	(1,5)	3,7
<b>Balance of deferred tax in the balance sheet:</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Assets	313,0	(7,3)	320,3	7,8	312,5
Liabilities	34,6	0,5	34,1	27,7	6,4
<b>Charging financial result</b>	<b>—</b>	<b>(3,5)</b>	<b>—</b>	<b>(19,9)</b>	<b>—</b>

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	31.03.2017	CREDITING TO /(CHARGING) FINANCIAL RESULT	31.12.2016	CREDITING TO /(CHARGING) FINANCIAL RESULT	01.01.2016
	RESTATED		RESTATED		
<b>Assets</b>					
Goodwill	—	—	—	3,8	247,3
Trademarks	30,7	(1,0)	31,7	(4,1)	35,8
Inventories - adjustment of margin on intragroup sale	7,6	2,9	4,7	(3,1)	7,8
Impairment of assets	3,6	2,8	0,8	(6,5)	7,3
Provisions for liabilities	7,7	2,4	5,3	2,2	3,1
Others	11,8	(5,6)	17,4	2,5	14,9
Tax losses	11,4	—	11,4	11,4	—
<b>Total before offsetting</b>	<b>72,8</b>	<b>1,5</b>	<b>71,3</b>	<b>6,3</b>	<b>316,2</b>
<b>Liabilities</b>					
Accelerated tax depreciation of tangible fixed assets	1,9	0,1	1,8	(1,3)	3,1
Others	1,1	(0,8)	1,9	(5,1)	7,0
Acquisition of a intangible assets	32,7	—	32,7	32,7	—
<b>Total before offsetting</b>	<b>35,7</b>	<b>(0,6)</b>	<b>36,3</b>	<b>26,2</b>	<b>10,1</b>
Offsetting	(1,1)	(3,3)	2,2	(1,5)	3,7
<b>Balance of deferred tax in the balance sheet:</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Assets	71,7	2,5	69,2	7,8	312,5
Liabilities	34,6	0,5	34,1	27,7	6,4
<b>Charging financial result</b>	<b>—</b>	<b>6,3</b>	<b>—</b>	<b>(19,9)</b>	<b>—</b>

Change in the goodwill asset (PLN -251.1m) is related to the adjustment of the item "retained profits" as at 31.12.2016. This adjustment does not affect the financial result of the reporting period.

**3.5 CHANGE IN WRITE-DOWNS ON CURRENT RECEIVABLES**

	01.01.2017 – 31.03.2017	01.01.2016 – 31.12.2016	01.01.2016 – 31.03.2016
<b>At the beginning of the period</b>	3,0	2,3	2,3
a) increase	—	1,0	—
b) decrease	(1,1)	(0,3)	—
<b>At the end of the period</b>	1,9	3,0	2,3

**3.6 CHANGE IN WRITE-DOWNS ON INVENTORIES**

	01.01.2017 – 31.03.2017	01.01.2016 – 31.12.2016	01.01.2016 – 31.03.2016
<b>At the beginning of the period</b>	12,5	6,4	6,4
Establishment in cost of goods sold	—	7,9	—
Utilisation	(5,5)	—	—
Reversal in cost of goods sold	—	(1,8)	(1,7)
<b>At the end of the period</b>	7,0	12,5	4,7

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

	01.01.2017 – 31.03.2017	01.01.2016 – 31.12.2016	01.01.2016 – 31.03.2016
<b>At the beginning of the period</b>	0,1	4,6	4,6
a) increase	—	0,1	—
b) decrease	—	(4,6)	(2,1)
<b>At the end of the period</b>	0,1	0,1	2,5



### 3.8 EARNINGS PER SHARE

In the reporting period basic and diluted earnings per share amounted to PLN -1.02 (2016 PLN -0.56). 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 CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AND TO THE CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

### 4.1 COSTS BY TYPE

01.2017 – 03.2017	COST OF GOODS SOLD	COST OF OPERATING STORES	OTHER COST OF SALE	ADMINISTRATIVE EXPENSES	TOTAL
Cost of purchase of goods sold	(226,1)	—	—	—	(226,1)
Consumption of materials and energy	—	(2,3)	(0,1)	(0,3)	(2,7)
Remuneration and other employee benefits	—	(41,8)	(2,2)	(3,1)	(47,1)
Agent services	—	(8,5)	—	—	(8,5)
Transportation services	—	—	(0,1)	—	(0,1)
Lease costs	—	(50,4)	(0,1)	(0,5)	(51,0)
Other outsourcing services	—	(2,2)	(0,6)	(1,0)	(3,8)
Amortization	—	(6,4)	—	(0,7)	(7,1)
Taxes and charges	—	—	—	—	—
Other flat costs	—	—	(0,1)	(0,6)	(0,7)
Write-downs	—	—	0,8	—	0,8
<b>Total</b>	(226,1)	(111,6)	(2,4)	(6,2)	(346,3)

01.2016 – 03.2016	COST OF GOODS SOLD	COST OF OPERATING STORES	OTHER COST OF SALE	ADMINISTRATIVE EXPENSES	TOTAL
Cost of purchase of goods sold	(180,5)	—	—	—	(180,5)
Consumption of materials and energy	—	(2,3)	(0,1)	(0,5)	(2,9)
Remuneration and other employee benefits	—	(35,3)	(2,2)	(2,1)	(39,6)
Agent services	—	(7,6)	—	—	(7,6)
Transportation services	—	—	(0,1)	—	(0,1)
Lease costs	—	(45,2)	(0,3)	(0,3)	(45,8)
Other outsourcing services	—	(1,7)	(0,6)	(1,6)	(3,9)
Amortization	—	(5,1)	(0,1)	(0,9)	(6,1)
Taxes and charges	—	—	—	(0,3)	(0,3)
Other flat costs	—	—	(0,1)	(0,4)	(0,5)
<b>Total</b>	(180,5)	(97,2)	(3,5)	(6,1)	(287,3)



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## 4.2 OTHER INCOME AND OPERATING AND FINANCIAL COSTS

	01.2017 – 03.2017	01.2016 – 03.2016
<b>Other costs</b>		
Loss on disposal of tangible fixed assets	(0,6)	(1,2)
Stocktaking net losses	(0,5)	(0,4)
Provision establishment	—	—
Other net operating cost	—	(0,2)
Loss on exchange rate differences on items other than debt	(0,2)	—
<b>Total other costs</b>	<b>(1,3)</b>	<b>(1,8)</b>
<b>Other income</b>		
Profit on disposal of tangible fixed assets	—	—
Profit from exchange rate differences on items other than debt	—	0,1
Compensations	0,1	0,2
Subsidy of SFRDP remuneration	0,8	0,5
Other net operating income	0,6	1,0
<b>Total other income</b>	<b>1,5</b>	<b>1,8</b>
<b>Total other operating costs and income</b>	<b>0,2</b>	<b>—</b>

	01.2017 – 03.2017	01.2016 – 03.2016
<b>Finance cost</b>		
Interest on borrowings (recognised in costs)	(1,8)	(1,9)
Result on exchange rates	(8,0)	(0,1)
Commissions paid	—	—
Other finance cost	(0,4)	(0,4)
<b>Total finance cost</b>	<b>(10,2)</b>	<b>(2,4)</b>
<b>Finance revenue</b>		
Received dividends	—	—
Interest from current account and other	1,1	1,5
Result on exchange rates	—	—
Other finance revenue	0,1	—
<b>Total finance revenue</b>	<b>1,2</b>	<b>1,5</b>
<b>Total finance cost and revenue</b>	<b>(9,0)</b>	<b>(0,9)</b>

### 4.3 PROVISIONS

	PROVISION FOR JUBILEE AWARDS AND RETIREMENT BENEFITS	PROVISIONS FOR WARRANTY REPAIRS	PROVISION FOR LITIGATION	OTHER PROVISIONS	TOTAL
<b>As of 01.01.2016</b>	1,7	—	—	—	1,7
Establishment	0,3	—	—	—	0,3
Utilisation	—	—	—	—	—
Release	—	—	—	—	—
<b>As of 31.12.2016</b>	2,0	—	—	—	2,0
Current	0,4	—	—	—	0,4
Non-current	1,6	—	—	—	1,6
<b>As of 01.01.2017</b>	2,0	—	—	—	2,0
Establishment	—	—	—	—	—
Utilisation	—	—	—	—	—
Release	—	—	—	—	—
<b>As of 31.03.2017</b>	2,0	—	—	—	2,0
Current	0,4	—	—	—	0,4
Non-current	1,6	—	—	—	1,6



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**4.4 DEFERRED TAX ASSETS AND LIABILITIES**

	31.03.2017	CREDITING TO /(CHARGING) FINANCIAL RESULT	31.12.2016	CREDITING TO /(CHARGING) FINANCIAL RESULT	01.01.2016
<b>Assets</b>					
Impairment of assets	—	—	—	(2,4)	2,4
Provisions for liabilities	3,8	—	3,8	2,6	1,2
Others	5,3	(0,2)	5,5	1,4	4,1
<b>Total before offsetting</b>	<b>9,1</b>	<b>(0,2)</b>	<b>9,3</b>	<b>1,6</b>	<b>7,7</b>
<b>Liabilities</b>					
Accelerated tax depreciation of tangible fixed assets	(2,3)	—	(2,3)	(0,7)	(1,6)
Others	(0,2)	—	(0,2)	0,1	(0,3)
<b>Total before offsetting</b>	<b>(2,5)</b>	<b>—</b>	<b>(2,5)</b>	<b>(0,6)</b>	<b>(1,9)</b>
Offsetting	2,5	—	2,5	0,6	1,9
<b>Balance of deferred tax in the balance sheet:</b>					
Assets	6,6	(0,2)	6,7	0,9	5,8
Liabilities	—	—	—	—	—
<b>Charging financial result</b>	<b>—</b>	<b>(0,2)</b>	<b>—</b>	<b>2,2</b>	<b>—</b>

#### 4.5 CHANGE IN WRITE-DOWNS ON CURRENT RECEIVABLES

	01.01.2017 – 31.03.2017	01.01.2016 – 31.12.2016	01.01.2016 – 31.03.2016
<b>At the beginning of the period</b>	2,3	2,3	2,3
a) increase	—	0,1	0,1
b) decrease	(0,9)	(0,1)	(0,1)
<b>At the end of the period</b>	1,4	2,3	2,3

#### 4.6 CHANGE IN WRITE-DOWNS ON IMPAIRMENT OF TANGIBLE FIXED ASSETS

	01.01.2017 – 31.03.2017	01.01.2016 – 31.12.2016	01.01.2016 – 31.03.2016
<b>At the beginning of the period</b>	—	3,1	3,1
a) increase	—	—	0,1
b) decrease	—	(3,1)	(0,9)
<b>At the end of the period</b>	—	—	2,3

#### 4.7 CHANGE IN WRITE-DOWNS ON INVENTORIES

In the reporting period no changes in write-downs on inventories occurred.

## OTHER INFORMATION

### **A BRIEF DESCRIPTION OF CONSIDERABLE ACHIEVEMENTS OR FAILURES IN Q1 2017**

In the first quarter 2017, the Capital Group CCC S.A.:

- increased CCC sales network by nearly 13.0 thousand m<sup>2</sup>
- reported an increase in sales revenue by 34.8% compared to the first quarter of 2016
- reported a decrease in operating profit by PLN 11.3 million compared to the first quarter of 2016





## SALES REVENUE

Our sales revenue developed as follows:

	SALES REVENUE <sup>[1]</sup>		CHANGE %	REVENUE PER 1 m <sup>2</sup> OF FLOOR SPACE (IN THOUSAND PLN) <sup>[2]</sup>	
	01.2017 – 03.2017	01.2016 – 03.2016		01.2017 – 03.2017	01.2016 – 03.2016
Poland	343,4	285,3	20,4%	1,60	1,48
CEE	146,6	120,6	21,6%	1,13	1,12
Western Europe	70,1	48,9	43,4%	0,84	0,85
Other countries	11,1	1,7	>100%	1,28	0,94
<b>Retail activities</b>	<b>571,2</b>	<b>456,5</b>	<b>25,1%</b>	<b>1,31</b>	<b>1,27</b>
Wholesale	38,2	33,4	14,4%	1,11	1,11
E-commerce	110,8	44,7	>100%		
Other activities	—	—	—		
Manufacturing	0,2	—	—		
<b>Total</b>	<b>720,4</b>	<b>534,6</b>	<b>34,8%</b>		

<sup>[1]</sup> Revenues from sales apply only to sales to external customers.

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

Revenue from sales for the period 1-3.2017 amounted to PLN 720.4 million, an increase of PLN 185.8 million (34.8%) compared to the corresponding period of the previous year. The increase in sales was caused by a business development and expansion in different markets and sales via e-commerce channel (online sales of the Group has been realized by its subsidiary eobuwie.pl S.A. since January 2016.). Total retail sales revenue for the Q1 2017 accounted for 79.3% of total sales from external customers with 5.3% of wholesale sales, 15.4% 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 Q1 2017 amounted to 60.1% compared with 62.5% in Q12016 (decrease in the share is due to the

dynamic expansion in foreign markets). In relation to the previous year, revenue from sales to external customers increased in all markets. The Group maintains a high retail sales per 1m<sup>2</sup> – for the period 1-3.2017 sales amounted to 1.31 thousand PLN/m<sup>2</sup> (1.27 thousand PLN/m<sup>2</sup> in the same period of 2016.) with the increase in the average area of the CCC store by 9.0% up to 544 m<sup>2</sup>.

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. Increase in like-for-like stores was recorded in all markets (Poland + 11.4% Central and Eastern Europe + 3.6%; Western Europe + 1.6%)

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**GROSS SALES PROFIT**

Gross profit by particular segments was as follows:

	GROSS PROFIT ON SALE		CHANGE%	GROSS MARGIN	
	01.2017 – 03.2017	01.2016 – 03.2016		01.2017 – 03.2017	01.2016 – 03.2016
Poland	165,5	141,0	17,4%	48,2%	49,4%
CEE	83,0	70,2	18,2%	56,6%	58,2%
Western Europe	41,3	30,2	36,8%	58,9%	61,8%
Other countries	5,4	1,1	>100%	48,6%	64,7%
<b>Retail activity</b>	295,2	242,5	21,7%	51,7%	53,1%
E-commerce	43,8	17,3	>100%	39,5%	38,7%
Wholesale	11,5	9,6	19,8%	30,3%	28,7%
Manufacturing	0,2	—	0,0%	na	na
<b>Total</b>	350,7	269,4	30,2%	48,7%	50,4%
Unallocated to segments	—	—	—	0,0%	0,0%
<b>TOTAL</b>	350,7	269,4	30,2%	48,7%	50,4%

Consolidated gross sales profit of the Group increased by 30.2% and amounted in the Q1 2017 to PLN 350.7 million. Higher growth rate of cost of goods sold +39.4% resulting, inter alia, from a change in the structure of sales channels (increasing share of the e-commerce channel), compared to sales revenues +34.8% caused a decrease in the gross margin on sales by 1.7 p.p. in relation to the previous period.

The margin in the retail sales segment amounted in the period 1-3.2017 to 51.7% and changed by – 1.4 p.p. compared to the like-for-like period.

## COSTS OF OPERATING STORES

Costs of operating stores were as follows:

	01.2017 – 03.2017	01.2016 – 03.2016	CHANGE %
Remuneration and other employee benefits	(95,4)	(78,3)	21,8%
Agency services	(8,5)	(7,8)	9,0%
Lease costs	(112,8)	(86,7)	30,1%
Amortization and depreciation	(13,4)	(10,6)	26,4%
Taxes and fees	(1,1)	(0,4)	>100%
Consumption of materials and energy	(8,8)	(7,9)	11,4%
Other flat costs	(16,5)	(12,2)	35,2%
<b>Total</b>	<b>(256,5)</b>	<b>(203,9)</b>	<b>25,8%</b>

In the period 1-3.2017, the most significant cost item of CCC Group were costs of operating stores which in comparison with the corresponding period of previous year increased by PLN 52.6 million (+ 25.8%) up to PLN 256.5 million. The main reason for the increased costs of operating stores was an increase in floor space by 77.1 thousand m<sup>2</sup> (+ 21.4%). With the market expansion and the opening of new retail units most items of the costs of operating stores increased, and the most significant were the costs of rent and staff remuneration costs in the stores, which accounted for 44.0% and 37.2% of the total 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. In aggregate, the cost of operating stores per square meter between 2017 and 2016 changed slightly – in the Q1 2017 the ratio was 0.59 thousand PLN/m<sup>2</sup>, and in corresponding period 2016 0.57 thousand PLN/m<sup>2</sup>. This ratio is most favourable in Central and Eastern Europe, while the highest cost/m<sup>2</sup> is incurred in Western Europe.

## INCOME AND OPERATING AND FINANCIAL COSTS

Other costs and operating income accounted for respectively PLN 6.8 million and PLN 6.3 million, which in terms of net accounted for PLN 0.5 million on the cost compared with PLN 5.0 million in the previous year on the income. The main reason for the change in 2017 compared to the same period of 2016 were foreign exchange differences PLN –4.6 million and loss on disposal of tangible fixed assets PLN –1.1 million. Other operating income in the first quarter of 2017 was PLN 0.5 million higher than in the corresponding period of the previous year

Other costs and financial income accounted for respectively PLN 18.8 million and PLN 0.3 million, which represented a net amount of PLN 18.5 million on the cost as compared with PLN 9.9 million in the previous year also on the cost. The main item making up the financial costs in the reporting period was the result on foreign exchange differences (53.2% of total finance costs), which amounted to PLN 10.0 million and were by PLN 5.1 million higher in relation to the previous year. The other financial costs were primarily interest on loans (PLN 6.6 million), commissions paid (PLN 0.4 million) and other financial costs (PLN 1.8 million).

## INCOME TAX

Income tax in the first quarter of 2017 amounted to PLN 12.8 million. This amount, in addition to a current tax, was also affected by the recognition of a deferred tax asset on a temporary difference for the trademarks and the goodwill as well as the investment relief in the amount of PLN 11.9 million (in the corresponding period of 2016, PLN 0.2 million); (figures were published on May 15, 2017).

In the years 2014-2016 the CCC Capital Group recognized the deferred tax asset related to the goodwill of the company. As a result of the tax audit performed in a company from the Capital Group CCC S.A. and its result published in current reports no. 28/2017 as of 25.05.2017 and 33/2017 as of 02.06.2017, with effect from 01.01.2017 the tax depreciation of goodwill was withheld. At the same time, income tax adjustments for the reporting period were made.

As a result, the adjusted income tax in the first quarter of 2017 amounted to PLN 3.0 million. This amount, in addition to current tax, was also affected by the recognition of a deferred tax asset on a temporary difference for the trademarks and the goodwill as well as the investment relief in the amount of - PLN 2.1m

## NET PROFIT AND ADJUSTED NET PROFIT

Having recognized financial income and expenses and income tax, the net result for the first quarter of 2017 amounted to PLN -47.4m and was lower by PLN 29.6m compared to Q1 2016; (figures were published on May 15, 2017).

As a result of the performed adjustment of report for the reporting period described above, the net result for the first quarter of 2017 amounted to PLN -37.6m, and was lower by PLN 19.8m from the first quarter of 2016.

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 (LOSS)

	01.2017 – 03.2017 RESTATED	01.2017 – 03.2017 ISSUED	01.2016 – 03.2016
<b>Net profit (loss)</b>	(37,6)	(47,4)	(17,8)
Effects of business restructuring	—	—	—
Recognition of a deferred tax asset relating to the trademark, goodwill and investment relief	(2,1)	(11,9)	0,2
Consultancy costs	—	—	—
Costs of the incentive program	—	—	—
<b>Adjusted net profit (loss)</b>	(35,5)	(35,5)	(18,0)

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

Total balance sheet as of 31 March 2017 amounted to PLN 2,900.1 billion and increased by PLN 231.0 million (+ 8.7%) in relation to 31 December 2016, which on the current assets resulted mainly from the increase of inventories by PLN 250.2 million (+24.2%) which is the result of the development of the network sales of the Group and the increase of cash and cash equivalents by PLN 158.9 million (+110.8%). Fixed assets decreased by PLN 249.0m, which was affected by withholding the tax depreciation of the goodwill of the company.

The increase in balance sheet total as of 31 March 2017 in relation to 31 December 2016, on the liabilities side was primarily affected by the increase in financial debt by PLN 495.0 million (+62.2%) and an increase in debt to suppliers by PLN 81.7 million (+44.8%). The increase in financial debt did not negatively affect the overall debt ratio, which at 31 March 2017 was 45.4% and in the opinion of the Management Board remains at a safe level.

The decrease in equity is a result of the decision taken by the Management Board that refers to withholding the tax depreciation of the goodwill of the company from 1 January 2017 and reduction of the retained earnings by PLN 251.1 million.

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.



**OVERVIEW OF THE MAIN ITEMS OF  
OUR CONSOLIDATED TOTAL CASH  
FLOWS IS AS FOLLOWS:**

**NET CASH FLOWS FROM OPERATING ACTIVITIES**

Consolidated net cash flows from operating activities for the period 1-3.2017 amounted to PLN –322.2 million and resulted i.a. from an increase in working capital requirements (PLN 290.3 million).

**NET CASH FLOWS FROM INVESTING ACTIVITIES**

Consolidated net cash flows from investing activities for the period 1-3.2017 amounted to PLN –12.3 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 22.2 million.

**NET CASH FLOWS FROM FINANCE ACTIVITIES**

Consolidated net cash flows from financing activities for the period 1-3.2017 amounted to PLN 493.4 million. This amount included an increase of PLN 500.1 million in financial debt and on the outflows costs of Interest of PLN 6.6 million and repayment of loans and credits of PLN 0.1 million.

## SALES NETWORK OF THE CAPITAL GROUP CCC S.A.

The first quarter of 2017 was marked by further expansion in foreign markets. The Group opened 3 stores in Austria and Czech Republic, 2 stores in Slovakia, 1 store in Slovenia, Croatia, Bulgaria, Russia and Ukraine.

As at 31 March 2017, the sales network of the Capital Group CCC S.A. comprised of 870 CCC stores, which consisted of:

CHAIN	TYPE	31.12.2013		31.12.2014		31.12.2015		31.12.2016		31.03.2017	
		m <sup>2</sup>	NUMBER	m <sup>2</sup>	NUMBER	m <sup>2</sup>	NUMBER	m <sup>2</sup>	NUMBER	m <sup>2</sup>	NUMBER
CCC Own	Poland	141 960	379	166 946	405	186 782	410	212 242	436	214 696	433
	Czech Republic	26 947	73	32 309	79	36 104	79	39 415	82	41 065	84
	Slovakia	10 646	25	13 866	30	18 852	37	23 104	42	24 180	44
	Hungary	23 456	50	27 689	57	30 462	61	38 040	69	39 134	69
	Austria	2 816	6	9 184	17	14 681	27	23 580	39	25 131	41
	Slovenia	924	2	3 646	6	4 603	8	6 272	11	6 882	12
	Croatia	1 651	3	4 436	8	7 314	13	11 842	20	12 342	21
	Turkey	1 165	2	1 805	3	1 805	3	—	—	—	—
	Germany	2 272	4	18 380	27	34 920	51	58 127	75	58 127	75
	Bulgaria	—	—	—	—	3 875	6	5 665	9	6 562	10
	Serbia	—	—	—	—	—	—	1 089	2	1 089	2
	Russia <sup>(1)</sup>	—	—	—	—	—	—	6 339	11	7 580	12
	CCC Franchise	Russia <sup>(1)</sup>	2 178	6	1 781	5	3 617	8	—	—	—
Ukraine		769	2	1 470	4	2 237	5	2 709	5	3 827	6
Romania		7 869	19	13 454	31	19 325	42	24 386	50	24 386	50
Latvia		2 212	5	2 622	6	3 232	7	3 281	7	3 809	7
Lithuania		—	—	—	—	1 187	2	1 787	3	1 787	3
Poland		1 586	8	—	—	—	—	—	—	—	—
Estonia		—	—	—	—	—	—	724	1	724	1
<b>CCC TOTAL</b>		226 451	584	297 588	678	368 996	759	458 602	862	471 321	870

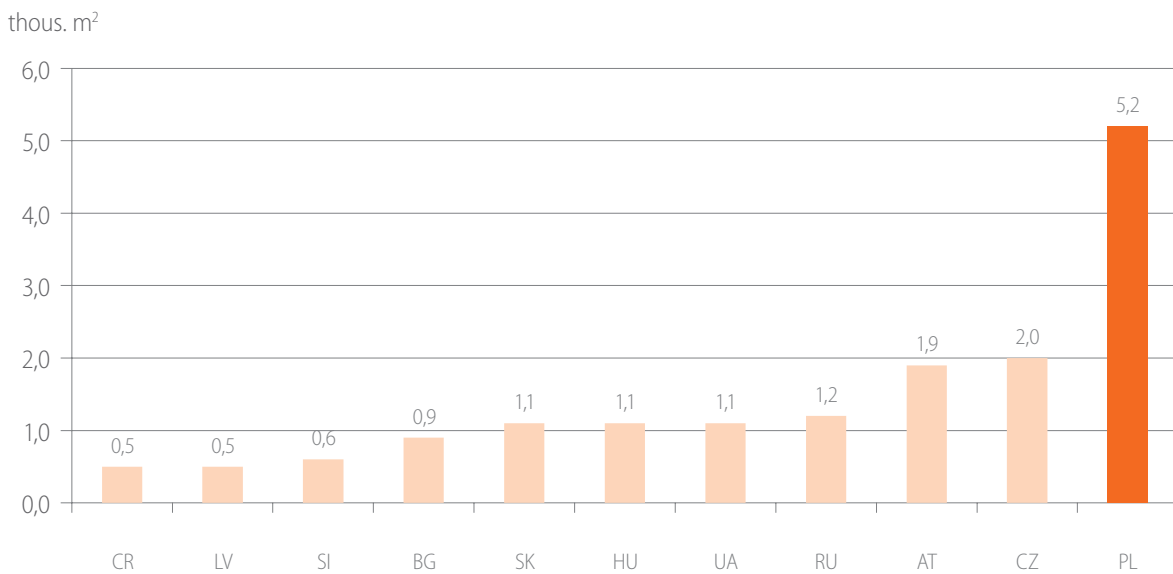
<sup>(1)</sup> CCC Russia has been a subsidiary Since 20.09.2016

The floor space of the Group on 31.03.2017 amounted to 471.4 thousand m<sup>2</sup> (CCC 471.3 thousand m<sup>2</sup>, BOTI 0,1 thousand m<sup>2</sup>) and increased by 12.4 thousand m<sup>2</sup> (compared to 31.12.2016.), which consisted of opening and enlargement of CCC stores +16.1 thousand m<sup>2</sup> and closing – 3.7 thousand m<sup>2</sup> (3.4 thousand m<sup>2</sup> concerns CCC, 0.3 thousand m<sup>2</sup> concerns BOTI).

The floor space in own stores of the CCC network increased by 2.6% and amounted to 436.8 thousand m<sup>2</sup> on 31.03.2017 (including 214.7 thousand m<sup>2</sup> in Poland) as compared to 425,7 thousand m<sup>2</sup> on 31.12.2016 (including 212.2 thousand m<sup>2</sup> in Poland). The floor space in franchises units increased by 5.0% and amounted to 34.5 thousand m<sup>2</sup> on 31.03.2017 compared to 32.9 thousand m<sup>2</sup> on 31.12.2016. Due to the acquisition of shares in CCC Russia sp. z o.o., since 20.09.2016 stores in Russia have been presented in the category of own stores.



**OPENINGS AND EXTENSIONS OF STORES OF CCC GROUP**  
**in the period 01.01.2017 – 31.03.2017**



**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 CCC 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**

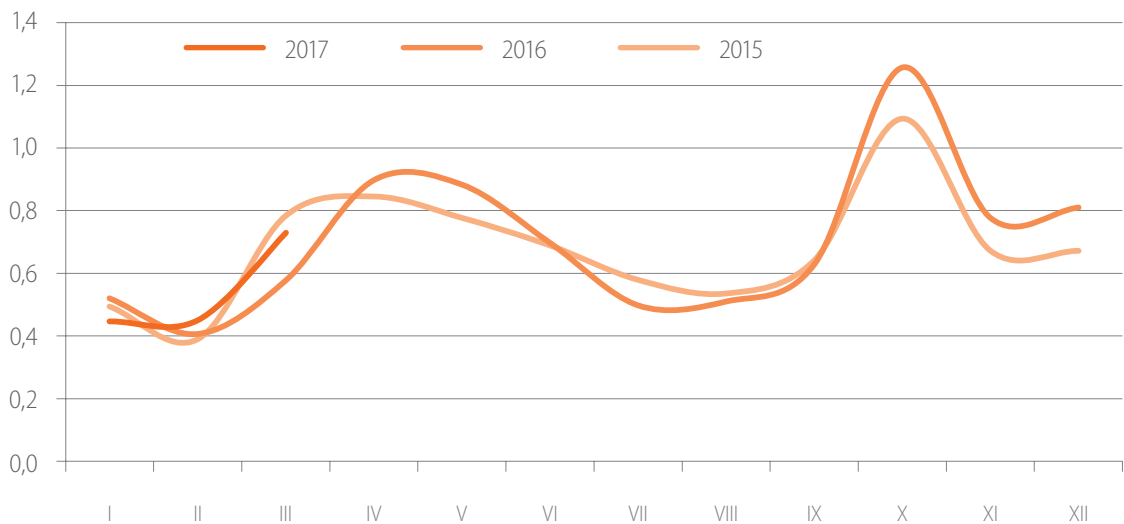
To the knowledge of the Management Board of the dominant entity, there are no material limitations of capacity of the subsidiaries to forward funds to the dominant entity.

**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.

thous. PLN/m<sup>2</sup>



**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.

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

Such events did not occur during the reporting period.

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

Supervisory Board of the Company at the meeting on May 10, 2017 adopted a resolution on a positive assessment of the proposal by the Management Board on distribution of profit for the fiscal year 2016 and dividend payment of PLN 2.59 (two zloty fifty nine groszy) per share. Supervisory Board positively assessed the Management Board recommendation regarding set the dividend day (day D) at September 7, 2017 and the date of payment of dividend (day W) at September 21, 2017. (CR 24/2017).

**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.

	31.03.2017	31.12.2016	31.03.2016
Guarantees and sureties received	47,5	47,5	47,5
<b>Total contingent assets</b>	<b>47,5</b>	<b>47,5</b>	<b>47,5</b>
Custom bonds	15,0	9,8	8,0
Other forms of collateral	88,6	88,8	70,1
Security granted	—	—	—
<b>Total contingent liabilities</b>	<b>103,6</b>	<b>98,6</b>	<b>78,1</b>

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 17.06.2017.

Other guarantees constitute a collateral of concluded agreements for the lease of premises, and their maturity date is on 31.03.2018. The collaterals granted are related to the surety agreement of the liability and their maturity is indefinite.



**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**

In the first quarter of 2017 there were no changes in the structure of the business unit, including as a result of merger, acquisition or sale of entities of the Issuer's Capital Group, long-term investments, division, restructuring and discontinuation of operations.

**PROJECTIONS OF FINANCIAL RESULTS**

No projections for 2017 were published.

**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 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

**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 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.

## 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/2017.

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 sp. z o.o. Subsidiary to Dariusz Miłek and Dariusz Miłek	11 060 000	28,24%	16 690 000 <sup>[1]</sup>	36,43%
Leszek Gaczorek	2 000 000	5,11%	3 040 000	6,64%
Aviva OFE <sup>[2]</sup>	3 069 920	7,84%	3 069 920	6,70%
Other investors <sup>[3]</sup>	23 034 080	58,81%	23 014 080 <sup>[1]</sup>	50,23%

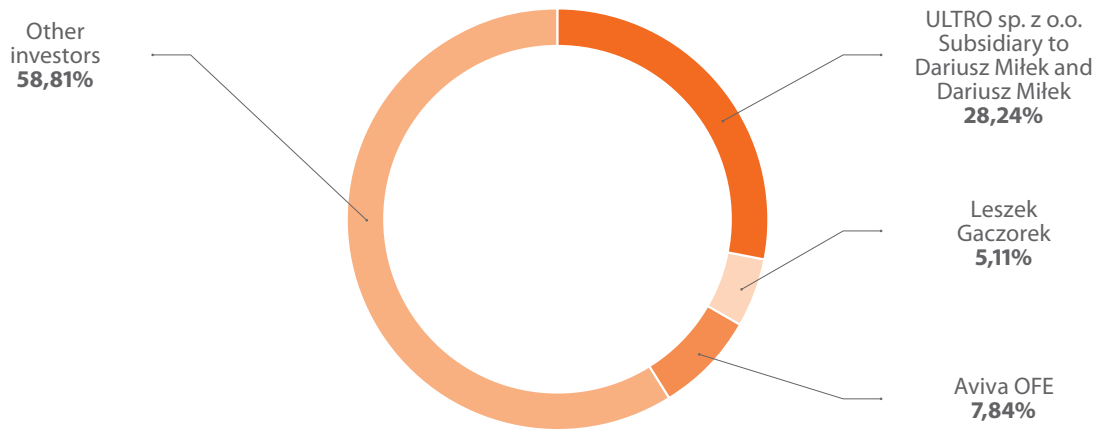
<sup>[1]</sup> 170,000 votes were assigned to Dariusz Miłek based on the power of attorney dated 19.07.2016; Power of attorney valid until 31.12.2017.

<sup>[2]</sup> Details derived from annual information on the structure of assets of the Fund Aviva OFE as of 30.12.2016.

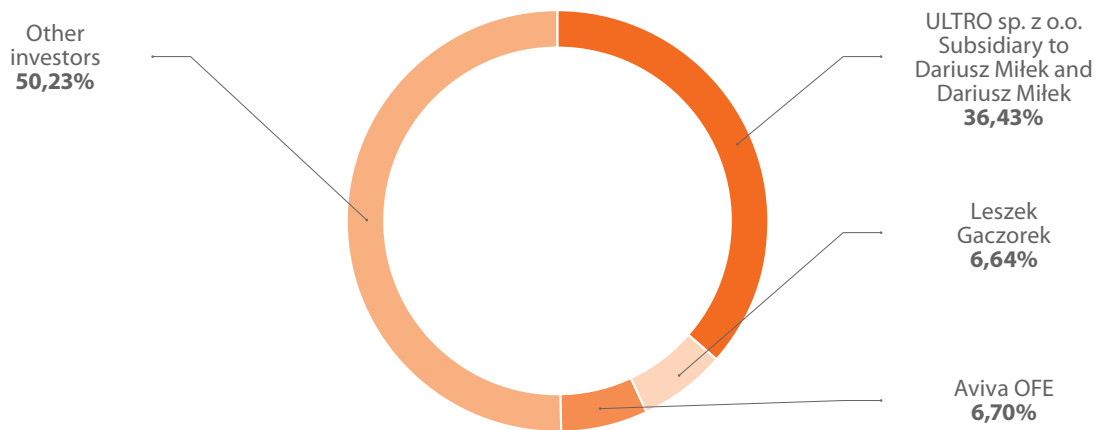
<sup>[3]</sup> Investors holding less than 5% of votes at the General Meeting of Shareholders.



### SHAREHOLDERS BY NUMBER OF SHARES



### SHAREHOLDERS BY NUMBER OF VOTES



At the date of submitting the report for the first quarter of 2017, the Company is not aware of other shareholders who have held at least 5% of votes at the General Meeting of Shareholders.

Summary of shareholders holding at least 5% of votes at the General Meeting of Shareholders on the date of submitting the annual report for 2016.

## 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 sp. z o.o Subsidiary to Dariusz Miłek and Dariusz Miłek	11 060 000	28,27%	16 690 000 <sup>[1]</sup>	36,46%
Leszek Gaczorek	2 000 000	5,11%	3 040 000	6,64%
Aviva OFE <sup>[2]</sup>	3 069 920	7,84%	3 069 920	6,71%
Other investors <sup>[3]</sup>	22 997 980	58,78%	22 977 980 <sup>[1]</sup>	50,19%

<sup>[1]</sup> 170,000 votes were assigned to Dariusz Miłek based on the power of attorney dated 19.07.2016; Power of attorney valid until 31.12.2017.

<sup>[2]</sup> Details derived from annual information on the structure of assets of the Fund Aviva OFE as of 30.12.2016.

<sup>[3]</sup> Investors holding less than 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:

SHAREHOLDER	NUMBER OF SHARES AT THE SUBMISSION DATE OF REPORT – QSR – I/2017 (PCS.)	NUMBER OF SHARES AT THE SUBMISSION DATE OF REPORT RS 2016 (PCS.)
<b>MANAGEMENT BOARD</b>		
President Dariusz Miłek <sup>(1)</sup>	11 060 000	11 060 000
Vice-President Mariusz Gnych	202 000	202 000

<sup>(1)</sup> indirectly as the dominant entity in the company Ulthro Sp. z o.o.

## 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

This financial statement includes basic information that is relevant to the assessment of CCC S.A. Capital Group's condition. The Management Board believes that there is currently no threat to the Group's performance of liabilities.

## EVENTS AFTER A BALANCE SHEET DATE

The Management Board of CCC S.A. informs that on 13 April 2017, the Supervisory Board of the Company adopted a resolution on giving a positive opinion and conditional approval of the three-year Incentive Scheme submitted by the Management Board for the years 2017-2019, subject to receiving a positive decision of the General Meeting of Shareholders regarding the conditional increase of the share capital and issue of shares and subscription warrants for the implementation of the Scheme.

The main objectives of the Scheme is to additionally and in a long-term motivate the CCC Capital Group's management personnel to implement the Group's strategy in the period 2017-2019 and undertake actions and efforts aimed at further development of the Group and its prospects for the years 2020 and further – consequently causing the growth of Company's share value for shareholders. The scheme assumes minimum EBITDA thresholds (conditioning the launch of Scheme tranches) at level of PLN 550.00, 650.0 and 800.0 million for the 2017, 2018 and 2019 respectively), i.e. PLN 2.0 billion for this period. (CR 19/2017)

The Management Board of CCC S.A. informs that on 9 May 2017, a proposal was adopted on a dividend pay to shareholders in the total amount of PLN 101,434,760 consisting of a profit generated in 2016 in the amount of PLN 58,483,445.59, increased by PLN 42,951,314.54 transferred from the reserve capital created from the profit of the Company. The value of a dividend per share amounts to PLN 2.59, the Management Board recommends setting the dividend day (D day) on 7 September 2017 and the pay-out date (P day) on 21 September 21 2017. (CR 21/2017)

On 11 May 2017, the Management Board of CCC S.A. convened as of 8 June 2017 the Ordinary General Meeting of Shareholders of CCC S.A. (CR 25/2017). A part of the submitted draft resolutions (CR 26/2017) refers to the optimization of the capital structure by increasing the share of long-term financing. The subject of the voting shall be, inter alia, the following resolutions:

- a) on the issue of shares convertible bonds. The value of the convertible bonds issue scheme is set at a maximum of EUR 100 million and the issue price of the share is not less than PLN 300.00. The draft resolution specifies the date of issue of bonds by the end of 2017, and the maturity for 5 years from the issue date.
- b) on extending by 3 years the period to increase of the share capital by the Management Board. Under the authorization, the Management Board shall be able to decide on the issue of up to 2,000,000 shares. The shares shall be issued only in exchange for cash contributions. The draft resolution specifies the issue price of the shares at a minimum of PLN 180.00.

On 25.05.2017, due to the audit and tax inspection carried out by the Head of the Lower Silesian Customs and Tax Office in Wrocław for the years 2014-2015 on corporate income tax and regarding the findings of this body included in the audit protocol, after a legal consultation and tax advice, following the precautionary principle, the Management Board of CCC S.A. decided to withhold the goodwill depreciation commencing from the year 2017.(CR 28/2017). Therefore, the decision was made to adjust the consolidated report for the 1st quarter 2017.



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 22 June 2017 and signed on behalf of the Management Board by:

## SIGNATURE OF THE PERSON RESPONSIBLE FOR KEEPING ACCOUNTING RECORDS

Edyta Banaś	Chief Accountant	
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## SIGNATURES OF ALL MEMBERS OF THE MANAGEMENT BOARD

Dariusz Miłek	President of the Management Board	
Mariusz Gnych	Vice President of the Management Board	
Marcin Czyczerski	Vice President of the Management Board	
Karol Pótorak	Vice President of the Management Board	
Marcin Pałazej	Vice President of the Management Board	

Polkowice, 22 June 2017