Consolidated financial statements

CONSOLIDATED FINANCIAL STATEMENTS
OF THE CCC GROUP FOR THE 12 MONTHS
from 1 February 2024
to 31 January 2025

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Consolidated statement of comprehensive income

NOTE		1 Feb 2024–31 Jan 2025	1 Feb 2023–31 Jan 2024
3.1	Revenue	10,302.8	9,440.3
3.2	Cost of sales	-5,119.1	-5,046.2
	Gross profit	**5,183.7**	**4,394.1**
3.2	Store-operating and selling expenses	-3,859.1	-3,867.0
3.2	Administrative expenses	-326.2	-384.9
3.3	Other income	90.3	85.7
3.3	Other expenses	-56.8	-40.1
3.3	(Recognised) / Reversed expected credit loss allowances (trade and other receivables)	3.7	-3.9
	Operating profit/(loss)	**1,035.6**	**183.9**
3.3	Finance income	370.0	124.1
3.3	Finance costs	-486.9	-446.5
6.3	Share of profit/(loss) of associates	–	0.3
	Profit/(loss) before tax	**918.7**	**-138.2**
3.4	Income tax	104.5	13.5
	NET PROFIT (LOSS)	**1,023.2**	**-124.7**
	Attributable to owners of the parent	956.9	-56.1
	Attributable to non-controlling interests	66.3	-68.6
	Items that may be reclassified subsequently to profit or loss:		
	Exchange differences on translating foreign operations	-10.2	-23.9
	Items that will not be subsequently reclassified to profit or loss		
	Remeasurement gains/(losses) on defined benefit plans	–	0.1
	Total other comprehensive income, net	**-10.2**	**-23.8**
	TOTAL COMPREHENSIVE INCOME	**1,013.0**	**-148.5**
	Total comprehensive income attributable to owners of the parent	947.0	-79.1
	Non-controlling interests	66.0	-69.4
	Weighted-average number of ordinary shares (million)	**68.9**	**66.1**
	Basic earnings /(loss) per share attributable to equity holders of the Parent (PLN)	**13.89**	**-0.85**
	Diluted earnings /(loss) per share attributable to equity holders of the Parent (PLN)	**13.89**	**-0.85**

(all amounts in PLN million unless stated otherwise)

Consolidated statement of financial position

NOTE		31 Jan 2025	31 Jan 2024 restated*
5.1; 5.5	Intangible assets	474.2	431.5
5.2; 5.5	Goodwill	199.6	199.7
5.3; 5.5	Property, plant and equipment – Leasehold improvements	993.6	764.1
5.3; 5.5	Property, plant and equipment – Distribution assets	545.2	586.8
5.3; 5.5	Property, plant and equipment – Other assets	91.7	94.6
5.4; 5.5	Right-of-use assets	1,586.9	1,400.1
3.4	Deferred tax assets	415.9	248.7
6.1	Other financial assets	11.5	11.2
5.4	Lease receivables	9.4	–
6.3	Investments in associates	–	3.8
5.8	Non-current receivables	17.7	–
	Non-current assets	**4,345.7**	**3,740.5**
5.7	Inventories	3,579.0	2,911.6
5.8	Trade receivables	330.9	194.1
3.4	Current tax asset	1.7	25.2
5.8	Other receivables	330.0	183.0
5.9	Cash and cash equivalents	461.2	266.5
6.1	Derivative financial instruments	1.0	0.5
5.4	Lease receivables	2.4	–
	Current assets	**4,706.2**	**3,580.9**
	Non-current assets (or disposal groups) classified as held for sale	**–**	**24.6**
	TOTAL ASSETS	**9,051.9**	**7,346.0**
4.2	Borrowings – bank borrowings and bonds payable	1,572.0	676.6
3.4	Deferred tax liabilities	47.9	31.4
5.10	Other non-current liabilities	2.8	4.0
5.11	Provisions	14.6	12.8
5.3	Government grants	14.2	14.7
5.4	Lease liabilities	1,406.4	1,213.2
5.10; 6.1	Other non-current financial liabilities	–	6.6
	Non-current liabilities	**3,057.9**	**1,959.3**
4.2	Borrowings – bank borrowings and bonds payable	324.7	1,418.8
5.10	Trade and other payables	2,515.8	1,820.2
5.10	Other liabilities	492.2	462.7
3.4	Current tax liabilities	13.8	6.7
5.11	Provisions	15.0	9.3
5.3	Government grants	0.5	0.5
5.4	Lease liabilities	585.5	519.0
6.1	Put liabilities over non-controlling interests	110.6	192.6
5.10; 6.1	Other current financial liabilities	–	3.4
	Current liabilities	**4,058.1**	**4,433.2**
	TOTAL LIABILITIES	**7,116.0**	**6,392.5**
	NET ASSETS	**1,935.9**	**953.5**
4.1	Share capital	6.9	6.9
4.1	Share premium account	1,648.2	1,648.2
4.1	Foreign currency translation reserve	-10.9	-1.0
4.1	Remeasurement reserve	0.2	0.5
4.1	Retained earnings	155.6	-813.5
	Equity attributable to owners of the parent	**1,800.0**	**841.1**
4.1	Non-controlling interests	135.9	112.4
	TOTAL EQUITY	**1,935.9**	**953.5**
	TOTAL EQUITY AND LIABILITIES	**9,051.9**	**7,346.0**

* Details are provided in Note 5.3.

(all amounts in PLN million unless stated otherwise)

Consolidated statement of cash flows

NOTE		1 Feb 2024–31 Jan 2025	1 Feb 2023–31 Jan 2024
	Profit/(loss) before tax	**918.7**	**-138.2**
3.2	Depreciation and amortisation	599.1	594.5
5.1; 5.2; 5.3; 5.4; 5.5	Impairment losses on PPE, right-of-use and intangible assets, and remeasurement of disposal group to fair value less costs of disposal	-5.1	–
	Gain/(loss) on investing activities	-19.8	13.5
6.3	Share of profit/(loss) of associates	–	-0.3
4.2	Finance costs	424.6	369.7
4.4	Other non-cash adjustments	-361.1	-106.5
3.4	Income taxes paid	-15.6	-22.1
	Operating cash flow before changes in working capital	**1,540.8**	**710.6**
	Changes in working capital		
4.4	Change in inventories and inventory write-downs	-664.1	-210.5
4.4	Change in receivables and loss allowance (ECL)	-253.2	-87.4
4.4	Change in current liabilities (excluding interest-bearing borrowings and bonds)	688.4	408.2
	Net cash from / (used in) operating activities	**1,311.9**	**820.9**
	Proceeds from disposal of property, plant and equipment	85.7	9.5
5.4	Other investing cash flows	0.9	–
5.1; 5.3	Purchase of property, plant and equipment and intangible assets	-476.9	-325.1
6.2	Acquisition of subsidiary, net of cash acquired	-10.0	–
	Other investing cash flows	-0.2	–
	Net cash from / (used in) investing activities	**-400.5**	**-315.6**
4.2	Proceeds from bank borrowings and bonds payable	806.9	99.8
4.2	Repayments of borrowings	-846.2	-600.1
4.2	Payments of bank-facility fees	-16.2	–
5.4	Lease payments	-354.0	-397.6
4.2; 5.4	Interest paid	-248.1	-280.6
4.1	Proceeds from issue of ordinary shares (net of transaction costs)	–	501.6
	Payments to acquire non-controlling interests	-109.4	–
5.4	Other financing cash flows	50.3	42.7
	Net cash from / (used in) financing activities	**-716.7**	**-634.2**
	TOTAL CASH FLOWS	**194.7**	**-128.9**
	Net increase /(decrease) in cash and cash equivalents	194.7	-128.9
5.9	**Cash and cash equivalents at the beginning of the period**	**266.5**	**395.4**
5.9	**Cash and cash equivalents at the end of the period**	**461.2**	**266.5**

(all amounts in PLN million unless stated otherwise)

Consolidated statement of changes in equity

	SHARE CAPITAL	SHARE PREMIUM ACCOUNT	RETAINED EARNINGS	FOREIGN CURRENCY TRANSLATION RESERVE	REMEASUREMENT RESERVE	NON-CONTROLLING INTERESTS	TOTAL EQUITY
	ATTRIBUTABLE TO OWNERS OF THE PARENT						
As at 1 Feb 2024	**6.9**	**1,648.2**	**-813.5**	**-1.0**	**0.5**	**112.4**	**953.5**
Profit/(loss) for the period attributable to owners of the parent	–	–	956.9	–	–	–	**956.9**
Profit/(loss) attributable to non-controlling interests	–	–	–	–	–	66.3	**66.3**
Remeasurement gains/(losses) on defined benefit plans	–	–	–	–	–	–	**–**
Exchange differences on translating foreign operations	–	–	–	-9.9	–	-0.3	**-10.2**
Total comprehensive income	**–**	**–**	**956.9**	**-9.9**	**–**	**66.0**	**1,013.0**
Share-based payment expense – employee option plan	–	–	–	–	–	-30.3	**-30.3**
Other changes in equity	–	–	–	–	-0.3	–	**-0.3**
Acquisition of a subsidiary	–	–	–	–	–	–	**–**
Purchase of non-controlling interests	–	–	12.2	–	–	-12.2	**–**
Total transactions with owners of the parent	**–**	**–**	**12.2**	**–**	**-0.3**	**-42.5**	**-30.6**
As at 31 Jan 2025	**6.9**	**1,648.2**	**155.6**	**-10.9**	**0.2**	**135.9**	**1,935.9**

	SHARE CAPITAL	SHARE PREMIUM ACCOUNT	RETAINED EARNINGS	FOREIGN CURRENCY TRANSLATION RESERVE	REMEASUREMENT RESERVE	NON-CONTROLLING INTERESTS	TOTAL EQUITY
	ATTRIBUTABLE TO OWNERS OF THE PARENT						
As at 1 Feb 2023	**5.5**	**1,148.0**	**-759.7**	**22.1**	**0.4**	**166.4**	**582.7**
Profit/(loss) for the period attributable to owners of the parent	–	–	-56.1	–	–	–	**-56.1**
Profit/(loss) attributable to non-controlling interests	–	–	–	–	–	-68.6	**-68.6**
Remeasurement gains/(losses) on defined benefit plans	–	–	–	–	0.1	–	**0.1**
Exchange differences on translating foreign operations	–	–	–	-23.1	–	-0.8	**-23.9**
Total comprehensive income	**–**	**–**	**-56.1**	**-23.1**	**0.1**	**-69.4**	**-148.5**
Share-based payment expense – employee option plan	–	–	2.3	–	–	11.3	**13.6**
Issue of shares	1.4	500.2	–	–	–	–	**501.6**
Acquisition of a subsidiary	–	–	–	–	–	4.1	**4.1**
Total transactions with owners of the parent	**1.4**	**500.2**	**2.3**	**–**	**–**	**15.4**	**519.3**
As at 31 Jan 2024	**6.9**	**1,648.2**	**-813.5**	**-1.0**	**0.5**	**112.4**	**953.5**

(all amounts in PLN million unless stated otherwise)

NOTES

1. GENERAL INFORMATION

Company name:	**CCC Spółka Akcyjna**
Registered office:	**ul. Strefowa 6, 59-101 Polkowice, Poland**
Registry court:	**District Court for Wrocław-Fabryczna in Wrocław, 9th Commercial Division of the National Court Register**
ENTRY IN THE NATIONAL COURT REGISTER (KRS) NO:	**0000211692**
Principal business:	**The Company's principal business activity according to the European Classification of Business Activities is wholesale and retail trade of clothing and footwear (NACE 5142).**

Composition of the Management Board as of the date of issue of these consolidated financial statements:

President of the Management Board:	**Dariusz Miłek**
Vice President:	**Łukasz Stelmach**

CCC S.A. ('CCC', the 'Company' or the 'parent'), the parent of the CCC Group, has been listed on the Warsaw Stock Exchange ('WSE') since 2004.
As at 31 October 2025, the CCC Group (the 'CCC Group' or the 'Group') comprised CCC S.A., with registered office at ul. Strefowa 6 in Polkowice, Poland, and its subsidiaries.

The parent and the other Group companies have been established for an indefinite period.
Since the end of the previous reporting period, there have been no changes to the Company's name or other identifying details.

On 23 July 2024, Igor Matus resigned from his position as Vice-President and Member of the Company's Management Board, effective 16 September 2024.
On 23 January 2025, Mr Łukasz Stelmach was appointed to the Company's Management Board as Vice-President Finance, effective 1 February 2025.

On 19 April 2025 Karol Półtorak tendered his resignation as Vice-President and member of the Management Board, effective 21 April 2025.

On 24 October 2024, Mr Mariusz Gnych resigned from the Company's Supervisory Board, effective 31 October 2024.

Accordingly, as at the reporting date and the date these financial statements were authorised for issue, the Supervisory Board comprised: Wiesław Oleś as Chairman, with Zofia Dzik, Filip Gorczyca, Mariusz Gnych, Marcin Stańko, and Piotr Kamiński serving as Members of the Supervisory Board.

These consolidated financial statements of the CCC Group cover the year ended 31 January 2025 and include comparative information for the year ended 31 January 2024.

These consolidated financial statements of the CCC Group for the 12 months ended 31 January 2025 were authorised for issue by the Management Board on 29 April 2025.

(all amounts in PLN million unless stated otherwise)

STRUCTURE OF THE CCC GROUP

The CCC Group consists of CCC S.A. (The parent) and its subsidiaries. In the 12 months ended 31 January 2025, there were changes in the composition of the Group relative to 31 January 2024, as discussed in more detail below.

The structure of the CCC Group is presented below.

SUBSIDIARIES	REGISTERED OFFICE/COUNTRY	PRINCIPAL BUSINESS	EQUITY INTEREST AS AT 31 JAN 2025	EQUITY INTEREST AS AT 31 JAN 2024
CCC Czech s.r.o.	Prague, Czech Republic	trade	100%	100%
CCC Slovakia s.r.o.	Bratislava, Slovakia	trade	100%	100%
CCC Hungary Shoes Kft.	Budapest, Hungary	trade	100%	100%
CCC Obutev d.o.o.	Maribor, Slovenia	trade	100%	100%
CCC Hrvatska d.o.o.	Zagreb, Croatia	trade	100%	100%
C-AirOP Ltd. [1]	Douglas, Isle of Man	services	50%	50%
CCC.eu Sp. z o.o. [2]	Polkowice, Poland	procurement and sales	100%	100%
CCC Shoes & Bags Sp. z o.o.	Polkowice, Poland	investments	100%	100%
CCC Shoes Bulgaria EOOD	Sofia, Bulgaria	trade	100%	100%
Modivo S.A. [3]	Zielona Góra, Poland	trade	77%	75%
Modivo S.R.L.	Alme, Italy	services	77%	75%
eobuwie.pl Logistics Sp. z o.o.	Zielona Góra, Poland	logistics	77%	75%
eschuhe.de GmbH	Frankfurt am Oder, Germany	trade	77%	75%
Branded Shoes and Bags Sp. z o.o. [4]	Zielona Góra, Poland	services	0%	75%
eschuhe.CH GmbH	Zug, Switzerland	trade	77%	75%
Modivo.cz s.r.o.	Prague, Czech Republic	trade	77%	75%
epantofi modivo s.r.l.	Bucharest, Romania	logistics	77%	75%
Modivo.lv SIA	Riga, Latvia	logistics	77%	75%
Modivo.sk s.r.o.	Bratislava, Slovakia	trade	77%	75%
Ecip Modivo Kft. [5]	Budapest, Hungary	trade	77%	0%
Fashion Tech Solutions Sp. z o.o. [6]	Warsaw, Poland	services	77%	0%
CCC Shoes & Bags d.o.o. Beograde	Belgrade, Serbia	trade	100%	100%
Shoe Express S.A. [7]	Bucharest, Romania	trade	100%	100%
DeeZee Sp. z o.o.[8]	Kraków, Poland	trade	87%	75%
HalfPrice Sp. z o.o.	Polkowice, Poland	trade	100%	100%
OFP Austria GmbH [9]	Graz, Austria	trade	100%	100%
OU CCC Estonia	Tallinn, Estonia	trade	100%	100%
UAB CCC Lithuania	Vilnius, Lithuania	trade	100%	100%
SIA CCC Shoes Latvia	Riga, Latvia	trade	100%	100%
CCC Ukraina Sp. z o.o.	Lviv, Ukraine	trade	75%	75%
CCC TECH Sp. z o.o. [10]	Polkowice, Poland	services	100%	0%
First distribution s.r.o. [11]	Prague, Czech Republic	trade	100%	0%
Boardriders s.r.o. [11]	Bratislava, Slovakia	trade	100%	0%
Rawaki Sp. z o.o. [11]	Warsaw, Poland	trade	100%	0%
HALFPRICE ESPAÑA, S.L. [12]	Madrid, Spain	trade	100%	0%
CCC Retail Sp. z o.o. [13]	Polkowice, Poland	trade	100%	0%
HalfPrice Retail Sp. z o.o. [14]	Polkowice, Poland	trade	100%	0%

ASSOCIATES	REGISTERED OFFICE/COUNTRY	PRINCIPAL BUSINESS	EQUITY INTEREST AS AT 31 JAN 2025	EQUITY INTEREST AS AT 31 JAN 2024
HR Group Holding s.a.r.l. [15]	Luxembourg	trade	31%	31%
Pronos Sp. z o.o. [16]	Wrocław, Poland	services	0%	25%

[1] C-AirOp Ltd. is a subsidiary of CCC S.A. (50%). Following its analysis of the rights and responsibilities of the Company's shareholders, the Management Board has concluded that the Group retains control over the Company.
[2] CCC.eu Sp. z o.o. is a subsidiary of CCC S.A. (86.69%) and a subsidiary of CCC Shoes & Bags Sp. z o.o. (13.31%).
[3] Modivo S.A. is a subsidiary of CCC Shoes & Bags Sp. z o.o. (77.19%) jointly with other Modivo group companies. On 12 November 2024, CCC Shoes & Bags Sp. z o.o. (a subsidiary of CCC S.A.) purchased 250,500 shares in Modivo, representing approximately 2.5% of that company's share capital, from MKK3 Sp. z o.o. for PLN 97.8 million. Under the option agreement, the exercise period for the remaining 2.5% of shares in Modivo S.A. expires on 30 June 2026; however, after the reporting date, it was agreed that the option would be exercised no later than July 2025. For details of the accounting treatment of the transaction, see Note 6.1.
[4] On 26 July 2024, Branded Shoes and Bags Sp. z o.o. was liquidated, which had no material impact on the consolidated financial statements.

[5] On 15 February 2024, Modivo S.A. established Ecipo Modivo Kft., a new commercial company incorporated in Budapest, Hungary. The entity is a wholly-owned subsidiary of Modivo S.A.
[6] On 14 February 2024, Modivo S.A. established Fashion Tech Solutions Sp. z o.o., a new subsidiary incorporated in Warsaw, Poland. The entity is a wholly-owned subsidiary of Modivo S.A., whose principal activity is the sale of information and communication technology tools and the provision of software and IT services. As part of synergy initiatives within the CCC Group, IT operations were ultimately centralised in CCC Tech Sp. z o.o., and the operations of Fashion Tech Solutions Sp. z o.o. were consequently scaled down.
[7] Shoe Express S.A. shares are held by: CCC Shoes & Bags Sp. z o.o. (95%) and CCC.eu Sp. z o.o. (5%).
[8] DeeZee Sp. z o.o. is a subsidiary of CCC Shoes & Bags Sp. z o.o. (87.28%). The change in the carrying amount of shares results from the acquisition by CCC Shoes & Bags Sp. z o.o. of a 12.28% interest in DeeZee Sp. z o.o. for PLN 11.8 million. For more information, see Note 6.1.
[9] OFP Austria GmbH is a subsidiary of HalfPrice Sp. z o.o. (100%).
[10] On 5 February 2024, CCC S.A. established CCC Tech Sp. z o.o., a subsidiary based in Polkowice. CCC Tech Sp. z o.o. was established to separate the IT services activities from the organisational structure of the CCC Group. The principal activity of the new company is the provision of IT services to companies within the CCC Group and to third-party entities. For this purpose, an organised part of the business of CCC.eu Sp. z o.o. was transferred to CCC Tech Sp. z o.o. as a contribution in kind in exchange for newly issued shares.
[11] On 4 June 2024, the conditions precedent set out in the preliminary agreement for the acquisition of 100% of the shares in Rawaki Sp. z o.o. (Warsaw, Poland), FirstDistribution s.r.o. (Prague, the Czech Republic) and Boardriders s.r.o. (Bratislava, Slovakia), signed by the Group on 10 May 2024, were satisfied. The total consideration for the above entities was USD 4.8 million. The acquired companies operate retail businesses through a total of 16 stores. For the final price allocation, see Note 6.2.
[12] On 23 September 2024, the Articles of Association of HALFPRICE ESPAÑA, S.L., of Madrid, Spain, were executed, with CCC S.A. acquiring 100% of the shares in the new company. The company was established to carry out retail operations in Spain within the HalfPrice business line.
[13] CCC Retail Sp. z o.o., incorporated in Polkowice, Poland, was established on 29 January 2025. The entity is a wholly-owned subsidiary of CCC S.A., and its principal activity is retail operations.
[14] HalfPrice Retail Sp. z o.o., incorporated in Polkowice, Poland, was established on 31 January 2025. The entity is a wholly-owned subsidiary of CCC S.A., and its principal activity is the retail sale of clothing.

[15] On 12 April 2023, the Management Board of HR Group filed for bankruptcy with the District Court of Osnabrück.
[16] On 19 December 2024, CCC Shoes & Bags Sp. z o.o. disposed of a 24.9% interest in Pronos Sp. z o.o., recognising a loss on the transaction of PLN 1.2 million. Details are provided in Note 6.3.

BASIS OF PREPARATION

These consolidated financial statements of the CCC Group (the 'Group') have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS-EU'). Certain subsidiaries maintain their statutory accounting records in accordance with the Polish Accounting Act dated 29 September 1994 (as amended) (the 'Accounting Act'), together with related implementing regulations ('Polish Accounting Standards'), or under other local accounting frameworks. For consolidation purposes, adjustments arising on IFRS conversion – which are not recorded in the subsidiaries' individual accounting records – have been made so that the financial information of all entities fully complies with IFRS-EU.

These financial statements have been prepared on the historical-cost basis, except for investment property and derivative financial instruments, which are measured at fair value.

Unless otherwise stated, all amounts are presented in millions of Polish złoty ('PLN'); more precise figures are provided where relevant. The Polish złoty is both the functional currency and the presentation currency of the Parent. Each subsidiary determines its own functional currency and uses it to measure its assets and liabilities.

BASIS OF CONSOLIDATION

These consolidated financial statements include the financial statements of the Parent, CCC S.A. and its subsidiaries. Subsidiaries are consolidated from the date the Group obtains control and cease to be consolidated from the date control is lost. Throughout the reporting period, the Group retained control over all its subsidiaries. Intra-group transactions, balances, income, and expenses are eliminated in full upon consolidation.

GOING CONCERN

These financial statements have been prepared on the assumption that the Group will continue as a going concern for the foreseeable future, that is for at least 12 months from the reporting date.
Financing within the CCC Group is arranged separately at the level of two business units, each responsible for its own liabilities:

- the CCC Business Unit (the Group excluding the Modivo Business Unit); and, separately,
- the Modivo Business Unit (MODIVO S.A. and all of its subsidiaries).

Under the Group's financing agreements, the Group must comply with specified financial covenants, measured separately for the CCC Business Unit and the Modivo Business Unit. A breach of any covenant by the Modivo Business Unit would trigger a cross-default under the CCC Business Unit's facilities and could result in the immediate acceleration of borrowings for which the parent is the obligor.

For this reason, further analyses have been performed separately for the CCC Business Unit and the Modivo Business Unit.

For details of the Group's credit facilities – including repayment schedules, minimum covenant ratios to be maintained by the CCC Business Unit and the Modivo Business Unit, and the amounts of undrawn credit lines – see Note 4.2 and Note 21 to the Consolidated Directors' Report on the operations of the CCC Group for 2024. For the amounts of utilised and undrawn factoring facilities, see Note 5.10; detailed information on liquidity-risk management is provided in Note 4.3.

Going-concern assessment of the CCC Business Unit

The Management Board is satisfied that the CCC Group complied with all financing covenants as at the reporting date and, having considered appropriate sensitivity analyses, expects that those covenants will likewise not be breached during the next 12 months.

Going concern assessment of the Modivo Business Unit

In previous periods, in view of Modivo's financial condition, Modivo met the terms of credit facility agreements or agreed not to test or amend selected financial ratios. Consequently, no covenant breaches arose that might have triggered acceleration of those facilities. As at 20 September 2024, the Company again secured waivers or amendments for selected ratios to be tested on 31 January 2025, as set out in Note 4.2.

Owing to the improvement in profitability in the second half of 2024, no covenant breaches occurred either at the reporting date or up to the date these financial statements were authorised for issue in respect of the ratios applicable on 31 January 2025. Based on the financial plans and the relevant sensitivity analyses, the Management Board expects that the financial covenants will likewise not be breached over the next 12 months.

For the bank facilities with Bank Polska Kasa Opieki S.A. and Bank Polska Kasa Oszczędności Bank Polski S.A. that mature within 12 months – carrying an aggregate balance of PLN 225.8 million as at the reporting date – the Management Board intends to roll the financing forward. Given the facilities' history of annual renewal, it considers the risk of withdrawal (and consequent repayment) of the financing to be low and therefore assumes that the Modivo Business Unit will continue to have access to these lines for at least the next 12 months on terms no less favourable than at end-2024.

The Modivo Business Unit is also required to redeem bonds issued to SVF II Motion Subco (DE) LLC by 5 April 2026; the outstanding principal is expected to be about PLN 728 million at the redemption date. The Management Board's analysis indicates that Modivo will be able to discharge this liability from operating cash flows or, if necessary, by raising additional funding from financial institutions.

Taking the above factors into account – and drawing on the 2025 Annual Budget and the associated sensitivity analyses – the Management Board has not identified any material uncertainty that might cast significant doubt on Modivo's ability to continue as a going concern and therefore regards the going-concern basis of preparation of these consolidated financial statements as appropriate.

SIGNIFICANT EVENTS AND TRANSACTIONS AFTER THE END OF THE LAST ANNUAL REPORTING PERIOD

1. Acquisition of Rawaki Sp. z o.o., First Distribution s.r.o. and Boardriders s.r.o. Details of the acquisition are provided in Note 6.2.
2. Refinancing of the CCC Business Unit. Details of the changes and the new financing structure are provided in Note 4.2.
3. Early redemption of Series 1/2018 bonds (ISIN: CCC0626) by CCC S.A. Details are provided in Note 4.2.
4. Early redemption of Series A, PFR bonds by CCC Shoes & Bags Sp. z o.o. Details are provided in Note 4.2.
5. Acquisition by CCC Shoes & Bags Sp. z o.o. of 250,500 shares in Modivo S.A. from MKK3 Sp. z o.o., representing approximately 2.5% of Modivo S.A.'s share capital, for PLN 97.8 million. Details are provided in Note 6.1.
6. Acquisition by CCC Shoes & Bags Sp. z o.o. of a 12.28% equity interest in DeeZee Sp. z o.o. for PLN 11.8 million. Details are provided in Note 6.1.

IMPACT OF CHANGES IN THE ECONOMIC ENVIRONMENT ON THE MEASUREMENT OF ASSETS AND LIABILITIES OF THE CCC GROUP

Inventory write-downs

Details are provided in Note 5.7.

Assessment of expected credit losses (ECL)

The Group assesses expected credit losses ('ECL') on financial instruments measured at amortised cost, irrespective of whether any indicators of impairment are present.

For short-term trade receivables without a significant financing component, lease receivables, and other receivables, the Group applies the simplified approach under IFRS 9 and recognises impairment based on lifetime expected credit losses from the date of initial recognition.

For receivables where an individual assessment is appropriate, the Group estimates the probability of default based on market data published by the rating agency Moody's.

The Group's principal business activities are concentrated in the retail, digital, and wholesale segments. Trade receivables relate primarily to the wholesale business and cooperation with franchisees. Receivables in the retail and digital segments are not material. The Group recognises expected credit loss allowances for receivables from counterparties where, in its judgement, there is a risk of default.

In relation to these assets, the Group estimated the expected credit loss allowance and reversed an impairment loss on trade and other receivables of PLN 3.7 million during the reporting period. As a result, the total impairment allowance on trade receivables as at 31 January 2025 amounted to PLN 99.2 million.

The Group did not observe any material deterioration in recoverability or any increase in the number of customer bankruptcies or restructurings, apart from two entities. For these two counterparties, appropriate impairment allowances were recognised. Accordingly, the Group expects that the collectability of the remaining trade receivables presented in the statement of financial position as at 31 January 2025 – which fall due in the coming months – will remain largely unchanged.

Another class of assets exposed to credit risk comprises loans. At each reporting date, the Group assesses whether the credit risk associated with financial assets in the form of loans has increased significantly since initial recognition and whether any objective evidence of impairment exists. For the purposes of this assessment, the Management Board analyses the risk of repayment of loans, taking into account the Group's current financial condition. The Group measures expected credit loss allowances at amounts equal to 12-month expected credit losses. If the credit risk has increased significantly since initial recognition, the Group measures the loss allowance in an amount equal to lifetime expected credit losses.

Following an assessment of the borrower's credit risk, a loss allowance for receivables under loans advanced to an associate was recognised, covering 100% of the exposure in 2020.

For further details on recognised loss allowances, see Notes 3.3 and 6.1.

Impairment of property, plant and equipment, intangible assets, goodwill and rights-of-use assets

As at 31 January 2025, based on an assessment of impairment indicators, the Group concluded that impairment testing was required for certain cash-generating units (stores) and aggregated asset groups. The Group also carried out its annual impairment tests for goodwill and intangible assets with indefinite useful life (trademarks). For further details, see Note 5.5.

Other accounting matters

As at the date of preparation of these financial statements, the Group had not identified any material risks arising from potential breaches of signed trade and supply contracts.

As a result of financing agreements entered into with banks, bondholders and other institutions, the Group is required to comply with a number of financial covenants, which will be calculated and tested in subsequent reporting periods. Further details are provided in the Directors' Report on the Group's operations, in the section entitled 'Management of financial resources and liquidity', and in Note 4.2.

In the Management Board's opinion, as at 31 January 2025, there were no breaches of financial covenants during the reporting period or up to the date of authorisation of these financial statements for issue.

Based on its financial forecasts for subsequent reporting periods, the Group considers the recognised deferred tax asset to be recoverable. For further details, see Note 3.4.

(all amounts in PLN million unless stated otherwise)

FUNCTIONAL CURRENCY AND PRESENTATION CURRENCY

Items in the financial statements of individual Group entities are measured in the currency of the primary economic environment in which each entity operates (the ‘functional currency’). These consolidated financial statements are presented in the Polish złoty (PLN), which is the functional currency of the parent and the presentation currency of the Group.

STATEMENT OF ACCOUNTING POLICIES

The accounting policies applied by CCC Group companies have not changed compared with those applied in the financial statements for the financial year from 1 February 2023 to 31 January 2024, except for the application of new or amended standards and interpretations effective for annual periods beginning on or after 1 February 2024.

SIGNIFICANT ESTIMATES AND JUDGEMENTS

The preparation of financial statements in accordance with IFRSs requires the use of certain key accounting estimates. It also requires the Management Board to exercise judgement in applying the Group’s adopted accounting policies. Key estimates made by the Management Board are presented in the relevant notes to the financial statements.

The following section presents the key estimates and judgements applied to individual items of the statement of comprehensive income and the statement of financial position.

Note	Title	Profit or loss item	Statement of financial position item
3.1, 3.2, 5.7, 5.10	revenue from contracts with customers	Revenue	Inventories
		Cost of sales	Other liabilities
3.1, 3.2, 5.7, 5.11	estimate of returns and product claims	Revenue	Inventories
		Cost of sales	Provisions
3.2, 5.7	inventory write-downs	Cost of sales	Inventories
3.2, 3.3, 5.1, 5.2, 5.3, 5.4, 5.5	impairment of non-financial assets	Store-operating and selling expenses	Property, plant and equipment
		Administrative expenses	Right-of-use assets
		Other expenses	Intangible assets
			Goodwill
5.4	incremental borrowing rate		Right-of-use assets
			Lease receivables
			Lease liabilities
3.3, 5.8	impairment of financial assets	(Recognised) / Reversed expected credit loss allowances	Trade receivables
			Other receivables

Other estimates reflected in the financial statements include: the useful lives of property, plant and equipment and intangible assets; the fair value of financial instruments and share-based payments; and the recoverability of the deferred tax asset.

IMPACT OF CLIMATE CHANGE ON THE BUSINESS OF THE GROUP

Climate-related risks are assessed both in terms of the impact of climate change on the Group’s ongoing operations and the impact of the Group’s business on climate change. The Management Board continually evaluates the potential implications of climate change – including new climate-related legal and regulatory developments – on the estimates and assumptions used in the preparation of these financial statements for the year ended 31 January 2025. This assessment considers a broad range of potential effects, including both physical risks and transition risks. Where applicable, the Group incorporates climate-related matters into its accounting estimates and assumptions. In the opinion of the Management Board, climate-related risks do not currently – nor are they expected to in the short term – have a material impact on the Group’s operations or on the measurement of individual line items in these financial statements. The Group’s material assets primarily include inventories, which are intended to be sold in the ordinary course of business (i.e. within 12 months), and right-of-use assets relating to offline stores, together with associated store fit-outs (leasehold improvements), which typically have useful lives of up to 15 years. In contrast, there are no material climate-related clauses or climate-related liabilities. Under the existing agreements, the Group is subject to performance indicators relating to the reduction of greenhouse gas emissions, the use of natural leather, and the growth in sales of second-hand products. Further details are provided in the Directors’ Report.The link between the credit margin and the achievement of specified ESG targets does not constitute an embedded derivative, as the indicators represent non-financial variables specific to the Group. As at the reporting date, the Group has no legal or customarily expected obligations relating to climate matters that would require recognition of a liability or provision in these financial statements.

While physical and transition risks may affect the Group’s operations in the medium to long term, they currently do not have a material impact on asset recoverability or the measurement of liabilities presented in these financial statements.

Specifically with respect to impairment, the Group considers that there are no indicators of impairment relating to physical risks arising from climate change, given its limited direct exposure to such risks. Simultaneously, the Group has determined that climate-related issues did not have a significant impact on the key assumptions adopted for the purpose of conducting impairment tests on non-financial non-current assets in 2024.

While changes in climate patterns may influence the seasonality of the Group's sales – including the distribution and volume of revenue over the financial year – the Management Board expects that any shortfall in demand for certain collections would be offset by increased sales in subsequent periods, given the nature of the Group's business, which focuses primarily on footwear and accessories. Furthermore, the Group mitigates weather-related sales risk primarily by increasing the share of all-season products in its portfolio. This includes athletic footwear offered under Sprandi's proprietary brand as well as third-party brands well recognised by consumers, including licensed brands. As a result, the Group does not include this factor in its risk assessments.

The Group is indirectly affected by climate change through its impact on stakeholders across the Group's supply chain. Looking ahead, the Group expects to take further climate-related considerations into account in its financing and insurance arrangements.

Throughout the financial year, the Group collected environmental and social data. The CCC Group's Sustainability Strategy is described in more detail in the 2024 Consolidated Directors' Report of the CCC Group, in the Sustainability Statement section.

New and amended accounting standards

As of 1 February 2024, the Group is required to apply:

- amendments to IFRS 16 concerning lease liabilities in sale and leaseback transactions,
- amendments to IAS 1 concerning the classification of liabilities as current or non-current,
- amendments to IAS 7 and IFRS 7 concerning the disclosure requirements for supplier finance arrangements.

The amendments to IFRS 16 clarify the requirements that a seller-lessee must apply when measuring the lease liability arising from a sale and leaseback transaction.

The amendments to IAS 1 clarify the definition of the right to defer settlement and the criteria for classifying a liability as either current or non-current.

The above amendments have no material impact on the Group's consolidated financial statements.

The amendments to IAS 7 and IFRS 7 regarding the disclosure of supplier finance arrangements have been taken into account by the Group in this report, supplementing previously disclosed information on the Group's use of reverse factoring arrangements. The impact of applying these amendments has been assessed as immaterial.

The Group reviewed the useful lives and allocation of its property, plant and equipment and, as a result, reclassified assets as at 31 January 2024 as follows (net carrying amounts): leasholde improvement: increase of PLN 51.0 million; distribution assets: decrease of PLN 103.7 million; other assets: increase of PLN 52.7 million. The reclassification had no effect on the total carrying amount of property, plant and equipment.

Issued standards and interpretations not yet effective and not early adopted by the Group

The Group has not elected to early adopt any standards, interpretations or amendments that have been issued but are not yet effective under European Union regulations.

The following standards and interpretations have been issued by the International Accounting Standards Board but are not yet effective. As at the date of authorisation of these financial statements for issue, the Management Board had not completed its assessment of the potential impact of the standards and interpretations listed below on the Group's accounting policies or financial results.

- IFRS 14 *Regulatory Deferral Accounts* (issued on 30 January 2014) − pursuant to the European Commission's decision, the process leading to the approval of a preliminary version of the standard will not be initiated until the issue of its final version (not endorsed by the EU by the date of authorisation of these financial statements for issue); effective for annual periods beginning on or after 1 January 2016;
- Amendments to IFRS 10 and IAS 28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (issued on 11 September 2014) − work leading to the approval of the amendments has been deferred by the EU for an indefinite period; effective date has been deferred by the IASB for an indefinite period;
- IFRS 18: *Lack of Exchangeability* – not endorsed by the EU as at the date of authorisation of these financial statements for issue – effective for annual periods beginning on or after 1 January 2027;
- IFRS 19: *Subsidiaries without Public Accountability – Disclosures* – not endorsed by the EU as at the date of authorisation of these financial statements for issue – effective for annual periods beginning on or after 1 January 2027;
- Amendments to IFRS 9 and IFRS 7: *Classification and Measurement of Financial Instruments* – not endorsed by the EU as at the date of authorisation of these financial statements for issue. Effective for annual periods beginning on or after 1 January 2026;

(all amounts in PLN million unless stated otherwise)

- Amendments to IFRS 9 and IFRS 7: *Contracts for Renewable Electricity* – not endorsed by the EU as at the date of authorisation of these financial statements for issue. Effective for annual periods beginning on or after 1 January 2026;
- Amendments to IAS 21: *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability* (issued on 15 August 2023) – effective for annual periods beginning on or after 1 January 2025;
- *Annual Improvements to IFRS Standards* – Volume 11 (issued on 18 July 2024) – not endorsed by the EU as at the date of authorisation of these financial statements for issue. Effective for annual periods beginning on or after 1 January 2026.

The effective dates are those specified in the standards as issued by the International Accounting Standards Board. The effective dates of standards in the European Union may differ from those specified in the IASB-issued standards and are announced upon their endorsement by the European Union.

2. SEGMENTS AND REVENUE

Operating segments and revenue are presented in a manner consistent with the internal reporting provided to the chief operating decision maker, who assesses the performance of the operating segments and makes decisions regarding the allocation of resources. The Management Board of the parent is identified as the chief operating decision maker.

The Management Board analyses the Group's operations by business line and distinguishes the following segments:

- CCC,
- HalfPrice,
- eobuwie,
- Modivo S.A., and
- DeeZee.

Financial data prepared for management reporting purposes is based on the same accounting policies as those applied in the preparation of the consolidated financial statements.

For detailed information on seasonality and intra-year variations in sales, see Section 18 of the Directors' Report.

The Group's operating and reportable segments are presented below.

Reportable segment	Overview of the reportable segment's activities and performance metrics
CCC omnichannel sales – includes sales generated via CCC-branded websites and offline stores, as well as wholesale distribution within the CCC sales network.	The Group sells footwear, clothing, handbags, shoe care accessories, and small clothing accessories via retail stores and websites, and on a wholesale basis to Polish and foreign franchisees and other wholesale customers. The CCC Omnichannel segment offers customers a wide range of own-brand products (including Lasocki, Jenny, and Gino Rossi), licensed brands (such as Reebok, Hunter, and Juicy Couture), and selected third-party brands (including Puma and Adidas). The distribution activities are conducted by CCC.eu, which distributes merchandise to and outside the Group.
HalfPrice omnichannel sales – this segment includes sales generated through the HalfPrice websites (which were discontinued in Q1 2024) and offline stores operating under the HalfPrice brand.	HalfPrice operations are conducted through a network of physical stores and, historically, through an e-commerce platform, which ceased operation in Q1 2024. HalfPrice operates under an off-price model, offering a wide selection of products from popular brands at attractive prices. The product range consists primarily of third-party brands, with a small share of merchandise sourced from other CCC Group business lines. The business includes the sale of apparel, footwear, accessories, cosmetics, toys, and home décor and furnishings from well-known brands, all offered at value-oriented price points.
Eobuwie omnichannel sales – this segment includes sales through the eobuwie-branded websites and offline stores operating under the eobuwie brand.	Operations within the eobuwie business line are carried out by the Modivo Group, which distributes goods through both online platforms and offline retail locations. The segment's offering consists predominantly of third-party brands (mainly footwear and accessories), positioned in a higher price segment than the CCC segment. The Group sells footwear, handbags, shoe care products, small leather goods, and related items to domestic and international retail customers.
Modivo omnichannel sales – this segment includes sales generated through Modivo-branded websites and offline stores operating under the Modivo brand.	Operations within the Modivo business line are carried out by the Modivo Group, which distributes goods via the Modivo e-commerce platform and its offline retail network. The segment's offering consists predominantly of third-party brands, primarily apparel and accessories.
DeeZee sales – this segment includes sales through the DeeZee online store and distribution activities. As at the reporting date, all DeeZee sales were conducted via CCC-branded e-commerce platforms.	Operations are conducted by DeeZee Sp. z o.o., which distributes goods both through online channels and via wholesale to Group companies and third parties. The company sells footwear, clothing, handbags, and accessories under the DeeZee brand to domestic and international retail customers.

(all amounts in PLN million unless stated otherwise)

Reconciliation of segment data to the consolidated financial statements is presented below.

1 Feb 2024–31 Jan 2025	CCC	HalfPrice	eobuwie	MODIVO	DeeZee	Total	Consolidation adjustments	Consolidated financial statements
Revenue from sales to external customers	**4,378.3**	**1,811.5**	**2,982.6**	**1,048.8**	**81.6**	**10,302.8**	**–**	**10,302.8**
Gross profit	**2,574.5**	**921.3**	**1,222.6**	**418.6**	**46.7**	**5,183.7**	**–**	**5,183.7**
Gross margin (gross profit on sales/revenue from sales to external customers)	*59%*	*51%*	*41%*	*40%*	*57%*			*50%*
Store-operating and selling expenses	-1,697.6	-661.4	-1,094.3	-362.7	-43.1	-3,859.1	–	-3,859.1
Administrative expenses	-245.0	-30.4	-39.2	-6.3	-5.3	-326.2	–	-326.2
Other income and expenses, and (recognised) / reversed expected credit loss allowances	-16.0	2.2	51.4	–	-0.4	37.2	–	37.2
Operating profit (loss)	**615.9**	**231.7**	**140.5**	**49.6**	**-2.1**	**1,035.6**	**–**	**1,035.6**
Depreciation and amortisation	-355.7	-142.7	-78.0	-22.0	-0.7	-599.1	–	-599.1
SEGMENT PROFIT (EBITDA)	**971.6**	**374.4**	**218.5**	**71.6**	**-1.4**	**1,634.7**	**–**	**1,634.7**
Finance income								370.0
Finance costs								-486.9
Profit/(loss) before tax								**918.7**
Segment assets:	**31 Jan 2025**							
Inventories	1,885.6	696.0	732.4	252.3	12.7	3,579.0	–	3,579.0
in stores	741.1	371.6	84.5	0.5	–	1,197.7		
in the central warehouse	1,144.5	324.4	647.9	251.8	12.7	2,381.3		

(all amounts in PLN million unless stated otherwise)

1 Feb 2023–31 Jan 2024	CCC	HalfPrice	eobuwie	MODIVO	DeeZee	Total	Consolidation adjustments	Consolidated financial statements
Revenue from sales to external customers	**4,000.1**	**1,418.0**	**2,840.9**	**1,091.0**	**90.3**	**9,440.3**	**–**	**9,440.3**
Gross profit	**2,218.4**	**621.9**	**1,103.3**	**401.3**	**49.2**	**4,394.1**	**–**	**4,394.1**
Gross margin (gross profit on sales/revenue from sales to external customers)	*55%*	*44%*	*39%*	*37%*	*54%*			*47%*
Store-operating and selling expenses	-1,684.0	-560.9	-1,163.4	-420.8	-37.9	-3,867.0	–	-3,867.0
Administrative expenses	-252.1	-29.9	-72.9	-25.3	-4.7	-384.9	–	-384.9
Other income and expenses, and (recognised) / reversed expected credit loss allowances	33.3	1.5	7.5	–	-0.6	41.7	–	41.7
Operating profit (loss)	**315.6**	**32.6**	**-125.5**	**-44.8**	**6.0**	**183.9**	**–**	**183.9**
Depreciation and amortisation	-376.4	-118.0	-81.2	-18.2	-0.7	-594.5	–	-594.5
SEGMENT PROFIT (EBITDA)	**692.0**	**150.6**	**-44.3**	**-26.6**	**6.7**	**778.4**	**–**	**778.4**
Finance income								124.1
Finance costs								-446.5
Share of profit/(loss) of associates								0.3
Profit/(loss) before tax								**-138.2**
Segment assets	**31 Jan 2024**							
Inventories	1,181.8	659.0	810.7	239.8	20.3	2,911.6	–	2,911.6
in stores	566.2	285.9	85.9	5.1	–	943.1		
in the central warehouse	615.6	373.1	724.8	234.7	20.3	1,968.5		

Segment profit (EBITDA) is defined as gross profit less the cost of retail outlets and other selling expenses, administrative expenses, and other expenses; plus other income, and recognised or reversed expected credit loss allowances; adjusted for depreciation and amortisation. EBITDA is not a measure defined under IFRS, and accordingly, the method of its calculation may vary between entities.

Assets of the reportable segments, as regularly presented to the chief operating decision maker, comprise inventories only. Other assets and liabilities are monitored at the Group level and are not allocated to operating segments.

(all amounts in PLN million unless stated otherwise)

Geographical information

Revenue from sales to external customers:

Revenue		**1 Feb 2024–31 Jan 2025**						**1 Feb 2023–31 Jan 2024**					
		CCC	HalfPrice	eobuwie	MODIVO	DeeZee	Total	CCC	HalfPrice	eobuwie	MODIVO	DeeZee	Total
Poland	**Poland**	**2,883.1**	**1,307.6**	**1,275.1**	**340.0**	**81.6**	**5,887.4**	**2,576.2**	**1,041.8**	**1,084.6**	**338.8**	**90.3**	**5,131.7**
Central and Eastern Europe	Czech Republic	319.4	133.3	194.2	62.8	–	**709.7**	317.2	101.9	199.5	78.3	–	**696.9**
	Slovakia	204.0	60.8	91.0	35.7	–	**391.5**	196.7	46.8	90.8	42.5	–	**376.8**
	Hungary	267.3	54.0	118.1	27.5	–	**466.9**	277.0	46.8	148.5	38.6	–	**510.9**
	Romania	352.2	88.9	313.0	134.4	–	**888.5**	309.6	48.2	302.5	157.5	–	**817.8**
	Bulgaria	85.4	3.0	153.8	70.7	–	**312.9**	71.2	–	165.2	88.4	–	**324.8**
	Slovenia	46.8	25.5	23.2	7.8	–	**103.3**	49.0	26.7	26.1	8.1	–	**109.9**
	Croatia	104.9	8.9	77.0	28.6	–	**219.4**	94.2	9.6	77.7	27.0	–	**208.5**
	Lithuania	12.2	13.5	56.7	17.4	–	**99.8**	6.1	–	69.8	21.7	–	**97.6**
	Latvia	14.4	26.0	23.1	4.9	–	**68.4**	16.3	14.4	22.8	5.4	–	**58.9**
	Estonia	12.6	–	–	3.8	–	**16.4**	12.9	–	–	0.2	–	**13.1**
	Serbia	41.4	–	–	–	–	**41.4**	35.8	–	–	–	–	**35.8**
	Ukraine	34.6	20.5	34.9	120.1	–	**210.1**	37.8	6.2	49.1	94.8	–	**187.9**
	Total	**1,495.2**	**434.4**	**1,085.0**	**513.7**	**–**	**3,528.3**	**1,423.8**	**300.6**	**1,152.0**	**562.5**	**–**	**3,438.9**
Western Europe	Austria	–	63.8	13.5	3.5	–	**80.8**	0.1	75.6	12.8	4.4	–	**92.9**
	Switzerland	–	–	43.5	–	–	**43.5**	–	–	42.8	–	–	**42.8**
	Germany	–	–	197.2	50.2	–	**247.4**	–	–	161.7	55.0	–	**216.7**
	France	–	–	29.3	10.8	–	**40.1**	–	–	31.9	12.5	–	**44.4**
	Spain	–	5.7	18.5	–	–	**24.2**	–	–	15.7	–	–	**15.7**
	Italy	–	–	97.3	32.8	–	**130.1**	–	–	103.1	29.0	–	**132.1**
	Sweden	–	–	25.9	–	–	**25.9**	–	–	16.8	–	–	**16.8**
	Greece	–	–	197.3	97.8	–	**295.1**	–	–	219.5	88.8	–	**308.3**
	Total	**–**	**69.5**	**622.5**	**195.1**	**–**	**887.1**	**0.1**	**75.6**	**604.3**	**189.7**	**–**	**869.7**
CCC GROUP	**Total**	**4,378.3**	**1,811.5**	**2,982.6**	**1,048.8**	**81.6**	**10,302.8**	**4,000.1**	**1,418.0**	**2,840.9**	**1,091.0**	**90.3**	**9,440.3**

The revenue information above is based on the location of the store for offline sales and the destination country for goods shipped in digital (e-commerce) sales.

Non-current assets:

NON-CURRENT ASSETS (NET OF OTHER FINANCIAL ASSETS AND DEFERRED TAX)	31 Jan 2025	31 Jan 2024
Poland	2,382.3	2,110.9
Czech Republic	343.6	317.4
Hungary	145.1	164.4
Romania	394.5	329.9
Slovakia	142.0	107.1
Other	510.7	450.9
Total non-current assets (excluding other financial assets and deferred tax)	**3,918.2**	**3,480.6**

3. NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

3.1. REVENUE

ACCOUNTING POLICY

Revenue

IFRS 15 establishes a five-step model for recognising revenue from contracts with customers.

In accordance with the standard, revenue is recognised at the amount of consideration to which the entity expects to be entitled in exchange for transferring promised goods or services to a customer.

The Group recognises revenue when control of the goods is transferred to the customer, at an amount that reflects the consideration it expects to receive in exchange.

Revenue includes sales of merchandise in the ordinary course of business. Revenue is recognised at the fair value of the consideration received or due from sale of merchandise, finished goods and services in the ordinary course of the Group's business. Revenue is presented net of value added tax, refunds, rebates and discounts, as well as after elimination of intra-Group sales.

Revenue from sales of merchandise – wholesale

The Group sells footwear, handbags, shoe care products, and small clothing accessories on both domestic and international wholesale markets. Revenue is recognised when control of the goods is transferred to the counterparty.

Revenue from sales of merchandise – retail

The Group sells footwear, clothing, handbags, shoe care products, cosmetics, and homewares through its own chain of stores in Poland and abroad. Revenue is recognised when control of the goods is transferred to the customer in-store. Retail sales are usually settled in cash or by payment card. The Group operates a returns policy that allows customers to return goods within 14 days of purchase; for offline-store sales, Loyalty Club members enjoy an extended 30-day returns window. For CCC Club members, the returns policy is as follows:

- CCC Standard – 30 days,
- CCC Silver – 60 days,
- CCC Gold – 120 days.

Revenue from sales of merchandise – digital

The Group sells footwear, handbags, shoe care products, clothing, accessories, and homewares through online stores operating in both the Polish and international markets. Revenue from digital sales is recognised when control of the goods is transferred to the customer. In practice, this occurs upon release of the goods to the courier, with adjustments made at the reporting date to reflect the estimated date of receipt by the customer. For sales settled by cash on delivery, the Group recognises a trade receivable from the courier service. If goods have not yet been delivered but payment has already been received via an online channel, the Group recognises a contract liability under other liabilities at the time the payment is received. The Group applies a 14-day return policy for digital purchases, extended to 30 days for CCC Club members. As at the reporting date, the Group estimated the potential value of returns resulting from the consumer's statutory right of withdrawal from distance or off-premises contracts.

The estimate is based on historical return patterns and actual returns made after the reporting date for both retail and digital sales channels.

Loyalty programme

The Group operates the 'CCC Club' loyalty programme, which is designed to promote the CCC Group and its subsidiaries by enhancing brand visibility and incentivising customers to purchase its products and services. Under the terms of the programme, customers who join the CCC Club are entitled to specific benefits over a one-year period, determined by the amount spent on qualifying purchases. The period of benefit eligibility begins on the date of purchase or upon exceeding a defined spend threshold, as follows: the 'Standard' level applies to purchases of up to PLN 399, 'Silver' to purchases between PLN 400 and PLN 799, and 'Gold' to purchases exceeding PLN 799. Participants in the programme acquire the right to receive discounts on future purchases. The detailed terms and conditions of the CCC Club loyalty programme are published on the Group's website. The Group considers that loyalty points grant customers a material right and allocates a portion of the transaction price to them based on the relative stand-alone selling price, taking into account the probability of redemption. The portion of the transaction price allocated to loyalty points is recognised by the Group as a contract liability, with a corresponding reduction in revenue from the sale of goods.

(all amounts in PLN million unless stated otherwise)

Additional benefits, such as discounts offered by programme partners, do not represent obligations of the Group and are therefore not within the scope of IFRS 15 in the Group's financial statements. The 'priority to purchase exclusive collections' is not considered a material right for the purposes of IFRS 15, as the programme terms do not guarantee participants the right to acquire such collections at preferential prices.

Group companies distribute gift cards issued by entities within the Group. Upon transferring a gift card to a customer in exchange for cash, the Group recognises a contract liability. When the gift card is redeemed, the related contract liability is derecognised and revenue is recognised in the statement of profit or loss. When a gift card is issued free of charge in connection with the sale of goods, the Group treats it as a material right and allocates a portion of the transaction price to it based on the relative stand-alone selling price, adjusted for the probability of redemption. The amount loaded onto the gift card is recognised as a contract liability, with a corresponding reduction of revenue previously recognised on the sale of goods.

Revenue from contracts with customers is disaggregated by category as follows:

	1 Feb 2024–31 Jan 2025						1 Feb 2023–31 Jan 2024					
	CCC	HalfPrice	eobuwie	MODIVO	DeeZee	Total	CCC	HalfPrice	eobuwie	MODIVO	DeeZee	Total
Revenue												
Footwear	3,587.2	311.2	2,492.9	276.5	21.5	**6,689.3**	3,441.7	304.7	2,428.3	287.4	41.5	**6,503.6**
Bags	411.0	99.7	202.5	68.5	1.3	**783.0**	268.1	80.4	193.7	72.6	1.8	**616.6**
Clothing	4.1	1,042.8	57.3	644.5	0.1	**1,748.8**	0.2	809.7	75.3	670.3	0.1	**1,555.6**
Other [1]	230.6	357.8	68.1	28.2	58.4	**743.1**	211.3	223.2	69.4	27.9	41.5	**573.3**
Total omnichannel sales	**4,232.9**	**1,811.5**	**2,820.8**	**1,017.7**	**81.3**	**9,964.2**	**3,921.3**	**1,418.0**	**2,766.7**	**1,058.2**	**84.9**	**9,249.1**
Wholesale and services	**145.4**	**–**	**161.8**	**31.1**	**0.3**	**338.6**	**78.8**	**–**	**74.2**	**32.8**	**5.4**	**191.2**
Total	**4,378.3**	**1,811.5**	**2,982.6**	**1,048.8**	**81.6**	**10,302.8**	**4,000.1**	**1,418.0**	**2,840.9**	**1,091.0**	**90.3**	**9,440.3**

[1] The 'Other' category consists primarily (by value) of: shoe care products, insoles, belts, wallets, socks, jewellery and accessories, home décor items, and beauty products.

The Group conducts retail and digital (e-commerce) sales to individual customers, as well as wholesale sales. No individual customer accounted for more than 10% of total revenue.

Revenue has been adjusted for changes in the balance of contract liabilities arising from participation in the CCC Club loyalty programme and from gift cards. As at the reporting date, the Group recognised a contract liability related to unredeemed gift cards of PLN 32.2 million, compared with PLN 16.1 million as at 31 January 2024. The value of the CCC Club-related contract liability was PLN 3.8 million as at the reporting date, compared with PLN 7.6 million as at 31 January 2024.

3.2 COSTS BY NATURE OF EXPENSE

ACCOUNTING POLICY

Cost of sales

The Group recognises the following items as part of cost of sales:

- cost of merchandise sold,
- cost of consumable packaging used in fulfilment,
- cost of recognising provisions for warranty repairs (Note 5.11),
- inventory write-downs,
- inventory losses arising from physical counts,
- licence fees related to the right to sell products under a specific trademark, in cases where the licence is short-term in nature or the total royalty payable cannot be determined over the full term of the agreement.

Store-operating and selling expenses

Store-operating and selling expenses comprise the costs of operating stores, other retail locations, and e-commerce platforms, as well as sales-related expenses incurred by support functions that are not directly attributable to store operations. This item primarily includes:

- salaries and wages of store personnel and staff in sales-supporting organisational units,
- depreciation of property, plant and equipment,
- depreciation of right-of-use assets,
- impairment losses on property, plant and equipment, right-of-use assets, and intangible assets,
- advertising and promotional expenses,
- variable lease payments (sales-based rents),

(all amounts in PLN million unless stated otherwise)

- low-value and short-term leases,
- retail sales tax,
- other costs.

Administrative expenses

Administrative expenses include general management and administrative costs related to the overall operations of the Group.

Government grants

If a grant relates directly to a particular expense, it is recognised as a reduction of the related cost. If a grant relates to an asset, its fair value is recognised as deferred income (under 'Government grants' in the statement of financial position) and is subsequently recognised in profit or loss as other income on a systematic basis over the estimated useful life of the related asset.

1 Feb 2024–31 Jan 2025	COST OF SALES	STORE-OPERATING AND SELLING EXPENSES	ADMINISTRATIVE EXPENSES	TOTAL
Cost of merchandise sold	-5,129.8	–	–	-5,129.8
Raw material and consumables used	–	-95.7	-29.0	-124.7
Inventory write-downs	10.7	–	–	10.7
Salaries, wages and employee benefits	–	-1,019.9	-103.5	-1,123.4
Transport services	–	-463.6	-1.3	-464.9
Other rental costs – utilities and other variable costs	–	-418.4	-15.8	-434.2
Advertising	–	-865.3	-0.5	-865.8
Depreciation and amortisation	–	-532.5	-66.6	-599.1
Taxes and charges	–	-54.8	-6.2	-61.0
Other costs	–	-408.9	-103.3	-512.2
Total	**-5,119.1**	**-3,859.1**	**-326.2**	**-9,304.4**

1 Feb 2023–31 Jan 2024	COST OF SALES	STORE-OPERATING AND SELLING EXPENSES	ADMINISTRATIVE EXPENSES	TOTAL
Cost of merchandise sold	-5,045.6	–	–	-5,045.6
Raw material and consumables used	–	-121.5	-33.2	-154.7
Inventory write-downs	-0.6	–	–	-0.6
Salaries, wages and employee benefits	–	-991.4	-169.3	-1,160.7
Transport services	–	-453.9	-0.9	-454.8
Other rental costs – utilities and other variable costs	–	-394.0	-22.8	-416.8
Advertising	–	-937.0	-1.0	-938.0
Depreciation and amortisation	–	-536.6	-57.9	-594.5
Taxes and charges	–	-66.2	-5.7	-71.9
Other costs	–	-366.4	-94.1	-460.5
Total	**-5,046.2**	**-3,867.0**	**-384.9**	**-9,298.1**

Cost of sales increased by 1.4% year on year in 2024, while revenue rose by 9.1%. The increase was driven primarily by a recovery in retail sales, continued growth in digital (e-commerce) and omnichannel operations, an expanded product portfolio, and higher sales in the HalfPrice segment. Gross margin rose to 50% from 47% in the prior year.

Costs of retail outlets and selling expenses under continuing operations decreased by PLN 7.9 million (0.2%) year on year, driven mainly by:

- a PLN 71.7 million decrease in advertising expenses, reflecting cost discipline across the Group;
- a PLN 25.8 million decrease in raw materials and consumables used, primarily reflecting cost discipline across the Group. The decrease also resulted from improved energy efficiency, including the introduction of LED lighting and the rollout of smart energy management systems, particularly in store operations;
- taxes and charges lower by PLN 11.4 million;
- a PLN 42.5 million increase in other costs, primarily comprising logistics and warehousing services, IT system maintenance, and advisory fees;
- a PLN 28.5 million increase in salaries and employee-benefits expense, due to the expansion of sales channels, particularly digital (e-commerce) as part of the Group's omnichannel strategy;

(all amounts in PLN million unless stated otherwise)

- a PLN 24.4 million increase in other rental costs, driven by the expansion of sales channels and concurrent renegotiation of lease contracts, including a transition from fixed to variable, sales-based rents, as well as higher variable costs such as utilities and electricity;
- a PLN 9.7 million increase in transport costs despite ongoing cost-saving measures, mainly due to higher freight rates driven by heightened uncertainty and risk in global transport markets.

Administrative expenses fell by PLN 58.7 million (15.3%) year on year. The change was primarily driven by a PLN 65.8 million decrease in salaries and wages, partly offset by a PLN 8.7 million increase in depreciation and amortisation.

Employee benefit expense is broken down as follows:

	1 Feb 2024–31 Jan 2025	1 Feb 2023–31 Jan 2024
Wages and salaries	-929.0	-936.9
Social security contributions	-165.8	-176.9
Retirement benefit expense	-0.2	-0.1
Other post-employment benefits	-1.5	-0.3
Other employee benefit expenses	-47.4	-32.1
Costs of contributions to PPK	-5.9	-3.3
Costs of incentive scheme	26.4	-11.1
Total:	**-1,123.4**	**-1,160.7**

3.3 OTHER INCOME AND OTHER EXPENSES, FINANCE INCOME AND FINANCE COSTS

ACCOUNTING POLICY

Other income and other expenses

Other income and other expenses comprise items not arising from the Group's principal business activities, such as gains or losses on the disposal of property, plant and equipment, impairment losses on goodwill, penalties and fines, donations, government grants, and foreign exchange differences on operating activities.

Finance income and finance costs

Finance income and finance costs of the Group include interest expense, commission fees, and foreign exchange gains and losses on financing activities.

Government grants

For information on the accounting policies applied to government grants, see Note 3.2.

	1 Feb 2024–31 Jan 2025	1 Feb 2023–31 Jan 2024
Other income		
Gain on disposal of property, plant and equipment	19.8	–
Foreign exchange gains on items other than debt	–	21.3
Compensation for damages	3.3	6.5
PFRON wage subsidies	1.7	1.1
Gain on settlement with lessors relating to leasehold improvements	10.4	12.6
Gain on settlement of lease contracts	–	10.2
Gain on bargain purchase	8.0	–
Government grants	0.5	0.3
Reversal of CCC Germany provisions	0.1	9.1
Management and administration services	15.0	–
Other	31.5	24.6
Total other income	**90.3**	**85.7**

(all amounts in PLN million unless stated otherwise)

	1 Feb 2024–31 Jan 2025	1 Feb 2023–31 Jan 2024
Other expenses		
Loss on disposal of property, plant and equipment	–	-9.9
Impairment losses on property, plant and equipment, and intangible asstes	-1.9	–
Loss on settlement of lease contracts	-0.1	–
Interest and fines	-4.3	-5.5
Other	-22.9	-24.7
Foreign exchange losses on items other than debt	-27.6	–
Total other expenses	**-56.8**	**-40.1**

	1 Feb 2024–31 Jan 2025	1 Feb 2023–31 Jan 2024
(Recognised) / Reversed expected credit loss allowances (trade and other receivables)		
Expected credit loss allowance for trade and other receivables	3.7	-3.9
Total (recognised) / reversed expected credit loss allowances (trade and other receivables)	**3.7**	**-3.9**

The Group reversed an expected credit loss allowance of PLN 3.7 million, mainly relating to trade receivables, due to reduced credit risk. Further details on the assumptions applied in determining the amount of expected credit loss allowance impairment losses are presented in Note 6.1. Financial instruments and risk management

	1 Feb 2024–31 Jan 2025	1 Feb 2023–31 Jan 2024
Finance income		
Interest income on cash in current account and other interest income	0.9	9.3
Foreign exchange gains/(losses)	20.9	43.0
Gain/(loss) on modification of financial liabilities	–	39.3
Gain/(loss) on remeasurement of bonds issued to SoftBank	336.3	–
Derivative financial instruments embedded in bonds convertible into Modivo shares (voluntary conversion option)	3.4	12.4
Measurement of put option over non-controlling interests	–	20.1
Derivative financial instruments embedded in bonds issued to PFR – Equity Kicker	6.6	–
Other finance income	1.9	–
Total finance income	**370.0**	**124.1**

The following items recognised in finance income – derivative financial instruments embedded in bonds issued to PFR (Equity Kicker), derivative financial instruments embedded in bonds convertible into Modivo shares (voluntary conversion option), and the measurement of the put option over non-controlling interests – are further described in Note 6.1. The measurement of bonds issued to SoftBank is described in Note 4.2 'Bank borrowings and bonds payable'.

	1 Feb 2024–31 Jan 2025	1 Feb 2023–31 Jan 2024
Finance costs		
Interest on borrowings and bonds payable	-321.3	-332.5
Gain/(loss) on modification of financial liability	-10.9	–
Interest expense on lease liabilities	-103.6	-79.2
Commission expense	-11.0	-13.9
Measurement of put option over non-controlling interests	-27.4	-8.2
Derivative financial instruments embedded in bonds issued to PFR – Equity Kicker	–	-0.1
Other finance costs	-12.7	-12.6
Total finance costs	**-486.9**	**-446.5**

A detailed breakdown of loans granted and guarantees provided, by gross carrying amount, credit exposure, loss allowance, and fair value hierarchy level, is presented in Note 6.1.

3.4 TAXATION

Regulations on value added tax, corporate income tax, and social security contributions are subject to frequent changes, with the effect being lack of appropriate points of reference, conflicting interpretations, and scarcity of established precedents which could be followed. Furthermore, the applicable tax laws lack clarity, which leads to differences in opinions and diverse interpretations of tax regulations, both between various public authorities and between public authorities and businesses.

Tax settlements and other aspects of operations (such as customs or foreign exchange control) may be subject to inspection by authorities empowered to impose significant fines and penalties. Any additional tax liabilities arising from such inspections must be settled together with substantial interest charges. As a result, tax risk in Poland is higher than in jurisdictions with more developed tax systems.

Consequently, amounts presented and disclosed in the financial statements may change in the future following final determinations by the tax authorities.

Where there is uncertainty as to whether a tax treatment will be accepted by the authorities, the Group reflects this uncertainty in its accounting treatment in accordance with its best estimate.

On 7 January 2021, the Management Board of CCC S.A. made a decision to establish the CCC Tax Group (the 'CCC Tax Group'). The CCC PGK consists of the following companies:

- CCC Spółka Akcyjna, acting as the parent of the CCC Tax Group, and
- CCC Shoes & Bags Spółka z ograniczoną odpowiedzialnością, acting as a subsidiary.

The agreement establishing the CCC Tax Group was entered into for a period of three fiscal years, covering tax years beginning on 1 March 2021, 1 February 2022, and 1 February 2023, respectively.

On 10 January 2024, the Management Board of CCC S.A. resolved to extend the term of the CCC Tax Group by an additional 12 months, until 31 January 2025, thereby covering the fiscal year beginning on 1 February 2024.

On 23 January 2025, the Management Board resolved to extend the CCC Tax Group for a further 36 calendar months, until 31 January 2028.

ACCOUNTING POLICY

The income tax charge comprises current and deferred tax. Current income tax is calculated on the taxable profit for the reporting period in the countries where the Company and its subsidiaries operate and generate taxable income, using the tax rates applicable in each jurisdiction. Changes in estimates relating to prior periods are recognised as adjustments to the current period tax charge.

Uncertainty over income tax treatments

If the Group concludes that it is probable that its approach to a tax matter, or group of matters, will be accepted by the relevant tax authority, it determines taxable profit (or loss), the tax base, unused tax losses and credits, and tax rates in line with the treatment applied or planned in its tax return. In assessing this probability, the Group assumes that tax authorities with the right to examine and challenge tax treatments will conduct such examinations and have access to all relevant information. If the Group concludes that it is not probable that a tax authority will accept its tax treatment, the Group reflects the effect of uncertainty in the period in which that conclusion is reached. The Group recognises the impact of the uncertainty using the method that best reflects how the uncertainty is expected to resolve:

- the most likely amount: a single most likely outcome from among possible options, or
- the expected value: a probability-weighted average of possible outcomes.

Deferred tax assets and liabilities are recognised for temporary differences between the carrying amounts of assets and liabilities and their corresponding tax bases, and for the carry-forward of unused tax losses. Such differences arise in the Group where depreciation and amortisation are accounted for differently for financial reporting and tax purposes, where impairments of assets are recognised for accounting purposes (but will be realised for tax purposes through tax depreciation in future periods), or where provisions are recognised for accounting purposes (but will be deductible for tax purposes when the related costs are incurred). Temporary differences do not arise from the initial recognition of an asset or liability (other than in a business combination) that does not affect accounting profit or taxable income at the time of recognition.

Temporary differences also arise in connection with intra-Group acquisitions and internal reorganisations. In the case of acquisitions of third-party entities, temporary differences arise from the remeasurement of assets and liabilities to fair value without a corresponding change in their tax bases. Deferred tax assets or liabilities recognised on such differences adjust the carrying amount of goodwill (or give rise to a bargain purchase gain). In the case of intra-Group reorganisations, deferred tax assets or liabilities arise where a change in the tax base of an asset or liability (e.g. a trademark) is recognised for tax purposes without a corresponding recognition in the statement of financial position, due to the elimination of intra-Group profit. The effects of recognising such deferred tax assets and liabilities are recognised in profit or loss for the period, unless the related transactions were recognised in other comprehensive income or equity. Deferred tax is not recognised on taxable temporary differences relating to goodwill. However, where the tax base of goodwill arising in a transaction exceeds its carrying amount, a deferred tax asset is recognised at initial recognition, provided it is probable that taxable profit will be available against which the resulting deductible temporary difference can be utilised.

(all amounts in PLN million unless stated otherwise)

Deferred tax assets and liabilities are calculated using tax rates that are enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset at the level of individual entities when there is a legally enforceable right to offset current tax assets against current tax liabilities.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised, or when taxable temporary differences are expected to reverse in the same period as the deductible differences. Only amounts in excess of this amount are disclosed.

The Group carefully assesses the nature and extent of evidence supporting the conclusion that it is probable that sufficient future taxable profit will be available to allow the utilisation of unused tax losses, unused tax credits, or other deductible temporary differences.

In assessing whether it is probable that sufficient future taxable profit will be available (probability above 50%), the Group considers all available evidence, both supporting and contradicting the probability of utilisation.

AMOUNTS OF INCOME TAX RECOGNISED IN PROFIT OR LOSS AND IN THE STATEMENT OF CASH FLOWS

	1 Feb 2024–31 Jan 2025	1 Feb 2023–31 Jan 2024
Current income tax expense	-43.2	-44.3
Adjustments in respect of current tax from prior years	-3.0	-9.0
Deferred tax	150.7	66.8
Income tax recognised in the statement of comprehensive income	**104.5**	**13.5**
Current tax recognised in profit or loss	46.2	53.4
Balance of CIT liabilities/(receivables) at the beginning of the period	-18.5	-50.0
Balance of CIT receivables/(liabilities) at the end of the period	-12.1	18.5
Other changes	–	0.2
Income tax paid presented in the statement of cash flows	**15.6**	**22.1**

APPLICABLE TAX RATES AND RECONCILIATION OF INCOME TAX CHARGE

The table below presents the countries in which the Group generates the highest taxable income, together with the applicable tax rate in each jurisdiction.

	1 Feb 2024–31 Jan 2025	1 Feb 2023–31 Jan 2024
Poland	19.00%	19.00%
Czech Republic	21.00%	19.00%
Hungary	9.00%	10.00%
Slovakia	22.00%	22.00%
Other countries	8.47% - 25%	8.47% - 25%
Weighted average rate of income tax	**19.00%**	**19.00%**

(all amounts in PLN million unless stated otherwise)

The Group's income tax expense differs from the theoretical tax that would arise by applying the weighted average tax rate to consolidated profit before tax, as follows:

	1 Feb 2024–31 Jan 2025	1 Feb 2023–31 Jan 2024
Profit/(loss) before tax	**918.7**	**-138.2**
Weighted average tax rate	19%	19%
Tax calculated at the weighted average tax rate	-173.4	26.2
Tax effects of the following items:		
non-taxable income	51.7	7.0
other non-deductible expenses (permanent differences)	-9.5	-35.4
recognition of a deferred tax asset on unused tax losses carried forward	89.9	32.3
reversal of a temporary difference in respect of which no deferred tax asset was recognised	18.0	5.9
current tax relating to prior years	-3.0	-9.1
utilisation of previously unrecognised tax losses	93.8	–
tax losses for which no deferred tax asset has been recognised in the current year	-8.3	-1.0
recognition of temporary differences for which no deferred tax asset has been recognised in prior years	2.5	–
recognition of a deferred tax asset in respect of unutilised disallowed borrowing costs carried forward from prior years	33.1	–
utilisation of disallowed borrowing costs carried forward from prior years	21.4	–
other adjustments	-11.7	-12.5
Income tax expense	**104.5**	**13.5**

DEFERRED TAX BALANCES AND MOVEMENTS

Movements in deferred tax assets and liabilities for the year are set out below.

	31 Jan 2025	RECOGNISED IN PROFIT OR LOSS	1 Feb 2024
Assets			
Inventories – elimination of margin on intra-group sales	13.6	3.8	9.8
Write-downs of inventories and loss allowances on trade receivables	9.0	1.4	7.6
Impairment losses on property, plant and equipment (leasehold improvements), rights-of-use assets and intangible assets	0.8	0.8	–
Provisions for liabilities	50.2	33.4	16.8
Special economic zone relief	41.6	-3.6	45.2
Other	66.1	11.8	54.3
Borrowing costs disallowed under the interest deductibility limit rules in prior years	33.1	33.1	–
Tax losses	168.1	91.5	76.6
Measurement of lease contracts	411.9	79.3	332.6
Total before offset	**794.4**	**251.5**	**542.9**
Liabilities			
Accelerated tax depreciation of property, plant and equipment	25.1	23.3	1.8
Other	10.4	-0.9	11.3
Measurement of lease contracts	360.2	78.3	281.9
Recognition of intangible assets identified on acquisition of subsidiaries	30.7	0.1	30.6
Total before offset	**426.4**	**100.8**	**325.6**
Offset	378.5	84.3	294.2
Deferred tax balances as disclosed in the statement of financial position			
Assets	415.9	167.2	248.7
Liabilities	47.9	16.5	31.4

(all amounts in PLN million unless stated otherwise)

	31 Jan 2024	RECOGNISED IN PROFIT OR LOSS	1 Feb 2023
Assets			
Trademarks	–	-7.2	7.2
Inventories – elimination of margin on intra-group sales	9.8	1.2	8.6
Write-downs of inventories and loss allowances on trade receivables	7.6	2.5	5.1
Impairment losses on property, plant and equipment (leasehold improvements), rights-of-use assets and intangible assets	–	-1.4	1.4
Provisions for liabilities	16.8	-6.3	23.1
Special economic zone relief	45.2	-5.0	50.2
Other	54.3	10.6	43.7
Tax losses	76.6	76.6	–
Measurement of lease contracts	332.6	21.6	311.0
Total before offset	**542.9**	**92.6**	**450.3**
Liabilities			
Accelerated tax depreciation of property, plant and equipment	1.8	1.8	–
Other	11.3	0.6	10.7
Recognition of intangible assets identified on acquisition of subsidiaries	30.6	-1.0	31.6
Measurement of lease contracts	281.9	24.2	257.7
Total before offset	**325.6**	**25.6**	**300.0**
Offset	294.2	28.0	266.2
Deferred tax balances as disclosed in the statement of financial position			
Assets	248.7	64.6	184.1
Liabilities	31.4	-2.4	33.8

SIGNIFICANT JUDGEMENTS IN RECOGNISING DEFERRED TAX ASSETS. UNRECOGNISED DEFERRED TAX ASSETS

The realisation and reversal of temporary differences require the Management Board to make significant estimates regarding the expected future taxable profits of individual Group entities. Recognition of deferred tax assets in excess of deferred tax liabilities reflects the expectation that the Group will generate sufficient future taxable income to realise the related economic benefits.

The expected periods of realisation of deferred tax assets and settlement of deferred tax liabilities are presented below.

EXPECTED PERIODS OF RECOVERY OF DEFERRED TAX ASSETS AND SETTLEMENT OF DEFERRED TAX LIABILITIES	31 Jan 2025		31 Jan 2024	
	ASSETS	LIABILITIES	ASSETS	LIABILITIES
up to 1 year	258.5	19.3	148.7	2.3
1-2 years	117.7	2.0	33.3	2.1
2-3 years	9.8	2.0	31.2	2.1
3-5 years	9.5	4.0	17.2	4.2
Over 5 years	20.4	20.6	18.3	20.7
Total	**415.9**	**47.9**	**248.7**	**31.4**
Unrecognised	13.7	–	200.9	–
related to tax losses	13.7	–	200.9	–

As at 31 January 2024, deferred tax assets recognised on prior-year tax losses amounted to PLN 45.6 million for CCC S.A. and PLN 31.0 million for Modivo S.A. In the current financial year, the Management Board of CCC S.A. reassessed the recoverability of deferred tax assets related to tax losses for both the current and prior years. The assessment primarily involved an analysis of historical taxable profit and a review of growth forecasts for the Group's entities. As a result, as at 31 January 2025, an additional deferred tax asset of PLN 89.9 million was recognised in respect of prior years' tax losses for CCC.eu Sp. z o.o., and a further deferred tax asset of PLN 8.7 million was recognised for CCC S.A., relating to losses arising from investing or capital transactions incurred in the current year. During the financial year, the deferred tax asset recognised in respect of prior years' tax losses for CCC S.A. was adjusted as a result of the filing of amended tax returns for 2021 and 2023, resulting in an aggregate reduction of PLN 1.3 million.

As at the reporting date, deferred tax assets recognised in respect of tax losses amounted to PLN 53.0 million for CCC S.A., PLN 24.9 million for Modivo S.A., PLN 89.9 million for CCC.eu Sp. z o.o., and PLN 0.4 million for Rawaki Sp. z o.o.

Based on the recoverability assessment performed, the periods over which the deferred tax assets arising from tax losses are expected to be fully utilised by CCC S.A., Modivo S.A., CCC.eu Sp. z o.o., and Rawaki Sp. z o.o. are set out in the table below.

	2025	2026	Total
Estimated periods for utilisation of tax losses (at nominal value)	694.3	190.5	884.8
Tax loss asset	131.9	36.2	168.1

In the prior year, CCC.eu Sp. z o.o. did not recognise deferred tax assets on tax losses from operating activities incurred in 2020 (PLN 95.0 million), 2021 (PLN 48.1 million), and 2022 (PLN 40.6 million), amounting to a total of PLN 183.7 million. In the current year, the Management Board resolved to recognise the deferred tax asset in respect of prior years' tax losses, reflecting a significant improvement in financial performance, the generation of taxable profits in the previous year, and forecast positive results in subsequent periods. As at 31 January 2025, CCC.eu Sp. z o.o. had fully utilised tax losses available for use in 2024, amounting to PLN 93.8 million. In the view of the Management Board, this provides a reasonable basis for recognising a deferred tax asset of PLN 89.9 million as at 31 January 2025.

As at 31 January 2025, CCC S.A. recognised a deferred tax asset of PLN 53.0 million in respect of tax losses attributable to the capital gains basket within the tax group's corporate income tax calculation. The deferred tax asset relates to capital losses incurred in prior years: 2021 (PLN 3.1 million), 2022 (PLN 29.1 million), 2023 (PLN 12.1 million) and in the current year 2024 (PLN 8.7 million). The Management Board expects that capital gains will arise within the tax group, sufficient to utilise the tax losses on which the deferred tax asset was recognised.

As at 31 January 2024, Modivo S.A. recognised a deferred tax asset of PLN 31.0 million in respect of a tax loss of PLN 163.1 million incurred in 2023. In the current period, the company generated 32.1 million in tax gains and partially utilized a loss from prior years. In the current period, the company generated taxable profits of PLN 24.9 million and partially utilised tax losses carried forward from prior years. The Management Board expects that half of the tax losses from prior years will be utilised in the next tax year, with the remaining balance to be used in 2026.

As at 31 January 2025, CCC S.A. and CCCeu. Sp. z o.o. recognised a deferred tax asset in respect of borrowing costs incurred in 2019-2023. These costs were disallowed for tax purposes in prior years due to the interest deductibility limit, calculated in accordance with Article 15c of the Corporate Income Tax Act. In prior years the companies did not recognise a deferred tax asset because of uncertainty over the extent to which those temporary differences could be utilised.

Borrowing costs disallowed under the limitation rules at CCC S.A. totalled PLN 4.9 million in 2022 and PLN 55.2 million in 2023. In the current year, the company utilised PLN 5.5 million of previously disallowed borrowing costs and recognised a deferred tax asset of PLN 10.4 million on the remaining balance (representing temporary differences of PLN 54.6 million). Under the interest-limitation rules, CCC.eu Sp. z o.o. excluded the following borrowing costs from its taxable base: PLN 8.1 million in 2019, PLN 14.7 million in 2020, PLN 14.9 million in 2021, PLN 121.5 million in 2022 and PLN 67.7 million in 2023. In the current year, the company utilised PLN 107.1 million of previously disallowed borrowing costs and recognised a deferred tax asset of PLN 22.7 million on the remaining balance (representing temporary differences of PLN 119.7 million). Under the applicable regulations, the unutilised borrowing costs may be carried forward for up to five years. The Management Board expects that profits arising from both operating and capital activities in the coming years will enable the utilisation of the borrowing costs against which the deferred tax asset has been recognised.

As at the reporting date, unrecognised deferred tax assets totalled PLN 13.7 million, comprising PLN 4.0 million in respect of tax losses carried forward by CCC Shoes & Bags d.o.o. Beograd and PLN 8.3 million relating to a tax loss incurred in the current period by CCC Tech Sp. z o.o.

MINIMUM TAX – PILLAR TWO MODEL RULES

The Group is within the scope of the Pillar Two rules. Of the countries in which the CCC Group operates, Pillar Two legislation has been enacted in Austria, Bulgaria, Croatia, the Czech Republic, Germany, Hungary, Italy, Romania, Slovakia, Slovenia, and Switzerland, and has taken effect for financial years commencing on or after 31 December 2023. The Polish Act of 6 November 2024 on the top-up taxation of constituent entities of international and domestic groups entered into force on 1 January 2025. The transitional provisions permit entities to elect to apply the Act retrospectively with effect from 1 January 2024; however, the Group does not intend to apply this option.

Under local Pillar Two legislation, the Group may be required to pay a top-up tax equal to the difference between the jurisdictional GloBE effective tax rate (ETR) and the 15% minimum rate.

The Group is assessing the potential impact of Pillar Two rules in jurisdictions where it operates through subsidiaries. Based on preliminary tests under the Pillar Two safe harbour rules, the Group expects that the jurisdictions (excluding Poland) in which it operates through subsidiaries may qualify for safe harbour relief and therefore will not be subject to top-up tax in those jurisdictions. The tests were performed using accounting data for the 2024 financial year, as these were considered to provide the most accurate representation of the companies' actual financial position and to yield reliable and meaningful results.

For Group entities operating in Poland, the top-up tax rules are effective from 2025. As the Group does not elect to apply the legislation retrospectively to the 2024 financial year, the Polish entities will not be subject to top-up tax in 2024. To assess the potential risk of a top-up tax liability arising in Poland and to obtain an initial view of its position, the Group carried out a preliminary analysis, which indicated that there is no risk of the effective tax rate, as calculated under Pillar Two provisions for the Polish jurisdiction, falling below 15%. Accordingly, the Group does not anticipate any obligation to pay a top-up tax in Poland in future periods. However, in view of not meeting the safe harbour conditions in Poland, for the financial year ending 31 January 2026 the Group plans to perform a full and comprehensive calculation of the effective tax rate for its Polish entities, in accordance with the applicable Pillar Two regulations.

The Group will continue to monitor and assess the legislative process relating to Pillar Two in each applicable jurisdiction, and its analysis will be updated accordingly.

The Group applies the exception from recognising and disclosing deferred tax assets and liabilities related to the minimum global tax (Pillar Two), in accordance with the amendments to IAS 12 issued in May 2023.

4. DEBT, CAPITAL AND LIQUIDITY MANAGEMENT

4.1. CAPITAL MANAGEMENT

The objective of capital risk management is to ensure the Group's ability to continue as a going concern, provide returns to shareholders, and maintain an optimal capital structure to minimise the cost of capital.

In accordance with the Group's dividend policy in force as at the reporting date, the dividend may be set at not less than 33% and not more than 66% of consolidated net profit attributable to equity holders of the parent, subject to the condition that the net debt to EBITDA ratio – where EBITDA is defined as operating profit or loss before depreciation and amortisation – remains below 3.0 at the end of the financial year to which the dividend pertains. Under the New Financing Agreement, dividends may be paid subject to fulfilment of certain conditions, including: The Net Exposure to EBITDA ratio for the CCC Business Unit (defined as the CCC Group excluding the Modivo Business Unit) must be below 2.5, and in any case, no dividend may be paid earlier than two years after the signing of the agreement.

Further details on the dividend policy are provided in the 'Dividend Policy' section of the Directors' Report. To maintain or adjust its capital structure, the Group may vary the level of dividends, return capital to shareholders, issue new shares, or dispose of assets to reduce debt. The change in dividend policy is described in Note 6.7.

In line with industry practice, the Group monitors its capital structure using the debt ratio. The ratio is calculated as net debt to total capital. Net debt is calculated as total borrowings (including short- and long-term bank borrowings and bonds payable, as presented in the consolidated statement of financial position) less cash and cash equivalents. Total capital is calculated as the sum of equity (as presented in the consolidated statement of financial position) and net debt. Further information is provided in the 'Management of financial resources and liquidity' section of the Directors' Report.

EQUITY

ACCOUNTING POLICY

Equity is recorded in the accounting books by category, in accordance with applicable law and the provisions of the Articles of Association. Components of equity:

- the parent's share capital is recognised at the amount specified in the Articles of Association and registered with the National Court Register (KRS),
- share premium account,
- foreign-currency translation reserve,
- remeasurement reserve,
- measurement of the incentive scheme – see Note 6.5 for further details,
- retained earnings arising from the appropriation of profit, unallocated profit or loss, and the net profit or loss for the reporting period.

Dividends declared to owners of the parent are recognised as a liability in the consolidated financial statements in the period in which they are approved by the parent's shareholders.

SHARE CAPITAL

As at 31 January 2025, share capital amounted to PLN 6.9 million, unchanged from 31 January 2024.

ULTRO S.à r.l. of Luxembourg exercises control over the parent, holding a 33.41% equity interest and 39.14% of the voting rights. This entity is controlled by Dariusz Miłek, President of the Management Board of CCC S.A. Other shareholder information is presented in the Directors' Report.

STATUTORY RESERVE AND SHARE PREMIUM ACCOUNT

The statutory reserve comprises primarily the share premium account and amounts recognised in connection with equity-settled share-based payment plans. As at 31 January 2025, statutory reserve was PLN 1,648.2 million (31 January 2024: PLN 1,648.2 million).

(all amounts in PLN million unless stated otherwise)

RETAINED EARNINGS

Retained earnings comprise accumulated profit or loss from previous years (including amounts transferred to statutory reserves in accordance with the Polish Commercial Companies Code) and net profit for the year. As at 31 January 2025, retained earnings were positive at PLN 155.6 million. As at 31 January 2024, retained earnings were negative at PLN 813.5 million.

EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share is calculated by dividing the net profit (loss) for the reporting period attributable to ordinary shareholders of the parent by the weighted average number of ordinary shares outstanding during the period. Diluted earnings (loss) per share is calculated by dividing the net profit (loss) for the reporting period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period, adjusted for the effect of all potentially dilutive equity instruments. During the period covered by the consolidated financial statements, there were no transactions that would have resulted in the dilution of ordinary shares.

For the 12 months ended 31 January 2025, basic and diluted earnings per share amounted to PLN 13.89. In the 12 months ended 31 January 2024, basic and diluted loss per share was PLN 0.85.

DIVIDEND

In the current year, the Company did not declare or pay any dividend.

SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

The following financial information relates to subsidiaries with non-controlling interests that are material to the Group.

Name	Place of business	31 Jan 2025	31 Jan 2024
Modivo Group	Poland	23%	25%
DeeZee Sp. z o.o.	Poland	13%	25%
C-AirOP Ltd.	Isle of Man	50%	50%
CCC Ukraina Sp. z o.o.	Ukraine	25%	25%

SUMMARISED FINANCIAL INFORMATION FOR SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS:

STATEMENT OF COMPREHENSIVE INCOME

Statement of comprehensive income	Modivo Group	DeeZee sp. z o.o.	C-AirOP Ltd.	CCC Ukraina Sp. z o.o.
	1 Feb 2024–31 Jan 2025			
Revenue	4,127.5	93.3	–	55.3
Cost of sales	-2,510.4	-45.6	–	-27.9
Gross profit/(loss)	**1,617.1**	**47.7**	**–**	**27.4**
Store-operating and selling expenses	-1,457.6	-43.1	–	-18.4
Administrative expenses	-45.5	-5.3	-0.1	-3.4
Other income and expenses	56.8	8.0	-0.3	-1.9
Operating profit/(loss)	**170.8**	**7.3**	**-0.4**	**3.7**
Finance income	223.7	1.1	–	–
Finance costs	-94.2	-0.2	–	-3.1
Profit/(loss) before tax	**300.3**	**8.2**	**-0.4**	**0.6**
Income tax	-12.7	-1.7	–	–
Net profit/(loss)	287.6	6.5	-0.4	0.6
Total comprehensive income	**288.3**	**6.6**	**-0.4**	**2.6**
Attributable to non-controlling interests	65.6	0.8	-0.2	0.1

(all amounts in PLN million unless stated otherwise)

Statement of comprehensive income	Modivo Group	DeeZee sp. z o.o.	C-AirOP Ltd.	CCC Ukraina Sp. z o.o.
	1 Feb 2023–31 Jan 2024			
Revenue	4,200.9	90.6	3.8	44.0
Cost of sales	-2,705.5	-43.4	–	-21.8
Gross profit/(loss)	**1,495.4**	**47.2**	**3.8**	**22.2**
Store-operating and selling expenses	-1,584.3	-38.1	–	-19.1
Administrative expenses	-98.2	-5.9	-4.0	-3.6
Other income and expenses	7.3	9.6	-0.3	-5.0
Operating profit/(loss)	**-179.8**	**12.8**	**-0.5**	**-5.5**
Finance income	61.4	0.7	–	-0.9
Finance costs	-185.2	-0.3	–	-1.9
Profit/(loss) before tax	**-303.6**	**13.2**	**-0.5**	**-8.3**
Income tax	31.2	-3.5	–	1.2
Net profit (loss)	-272.4	9.7	-0.5	-7.1
Total comprehensive income	**-274.0**	**9.8**	**0.3**	**-6.3**
Attributable to non-controlling interests	-68.9	2.4	-0.3	-1.8

SUMMARISED STATEMENT OF FINANCIAL POSITION

Statement of financial position	Modivo Group	DeeZee sp. z o.o.	C-AirOP Ltd.	CCC Ukraina Sp. z o.o.
	31 Jan 2025			
Non-current assets	1,020.6	24.3	–	12.1
Current assets	1,541.6	45.7	15.5	36.3
Non-current liabilities	790.4	0.5	–	7.5
Current liabilities	1,252.5	10.3	–	32.5
Net assets	519.4	59.2	15.5	8.4
Measurement of the incentive scheme	–	–	–	–
Total non-controlling interests	**118.5**	**7.5**	**7.8**	**2.1**

Statement of financial position	Modivo Group	DeeZee sp. z o.o.	C-AirOP Ltd.	CCC Ukraina Sp. z o.o.
	31 Jan 2024			
Non-current assets	996.8	8.3	–	17.2
Current assets	1,402.3	60.8	16.1	20.3
Non-current liabilities	167.7	0.5	–	12.1
Current liabilities	1,969.0	16.1	0.1	16.2
Net assets	262.4	52.5	16.0	9.2
Measurement of the incentive scheme	30.3	–	–	–
Total non-controlling interests	**89.0**	**13.1**	**8.0**	**2.3**

4.2. BANK BORROWINGS AND BONDS PAYABLE

ACCOUNTING POLICY

Financing liabilities consist primarily of bank borrowings, other borrowings, and bonds payable. Financing liabilities are initially recognised at fair value, net of transaction costs directly attributable to the financing. After initial recognition, financial liabilities are measured at amortised cost using the effective interest rate method. Finance costs are recognised in profit or loss, except for borrowing costs that are directly attributable to the construction or production of qualifying assets, which are capitalised in accordance with the policy described in Note 5.3.

Cash flows relating to financial liabilities may change due to modifications of contractual terms or changes in expectations regarding estimated cash flows, for the purpose of measuring financial liabilities at amortised cost.

A) **Modification of contractual terms**

If the contractual terms of a financial liability are modified, the Group assesses whether the change in cash flows is substantial. The Group applies both quantitative and qualitative criteria to assess whether a modification of contractual terms constitutes a substantial modification requiring derecognition of the original financial liability. The Group considers a modification to be substantial – and therefore resulting in derecognition – if the difference between the discounted present value of the cash flows under the new terms (including any fees paid or received), discounted at the original effective interest rate, and the discounted present value of the remaining cash flows of the original financial liability is 10% or more. In addition to the quantitative threshold, a modification may also be considered substantial based on a qualitative assessment. Indicators of a substantial modification may include:

a) a reclassification of the financial liability (unless contractually agreed in advance),
b) a change of the lender,
c) a significant extension of the financing term,
d) a change in interest rate type (from fixed to variable or vice versa), or
e) a change in the legal form/type of the instrument.

A significant modification of a financial liability is recognised by the Group as expiry of the original financial liability and recognition of a new financial liability. If contractual terms of a financial liability are modified in a way that does not result in derecognition of the existing liability, any gain or loss is immediately recognised in profit or loss. Profit or loss is calculated as the difference between the present value of modified and original cash flows, discounted using the original effective interest rate of the liability.

B) **Change in expected cash flows**

For floating-rate financial liabilities, changes in market interest rates result in a periodic re-estimation of future cash flows, with the effective interest rate being updated. Where the Group revises its estimates of payments under a financial liability (other than due to a modification of contractual cash flows), the carrying amount of the liability is adjusted to reflect both actual and revised estimated contractual cash flows. The carrying amount of a financial liability measured at amortised cost is determined as the present value of estimated future contractual cash flows, discounted using the original effective interest rate. The difference is recognised as a gain or loss in profit or loss.

BANK BORROWINGS AND BONDS PAYABLE

In accordance with arrangements made with the lenders financing the CCC Business Unit, the Group reduced its debt within that unit by a total of PLN 320.0 million (PLN 50.0 million in 2022 and PLN 270.0 million in 2023). For further details, refer to the consolidated financial statements of the CCC Group for the 12-month period from 1 February 2023 to 31 January 2024. The most recent reduction in credit facility and factoring limits occurred on 30 November 2023, as announced in Current Report No. 60/2023. This was followed, on 21 March 2024, by the early redemption – on a pari passu basis – of 20,565 Series 1/2018 (CCC0626) bonds issued by CCC S.A., with a nominal value of PLN 20.6 million.

On 12 July 2024 (as disclosed in Current Report No. 23/2024), CCC S.A. and selected subsidiaries of the CCC Group entered into a credit facility agreement of up to PLN 1.8 billion for the purpose of refinancing existing debt and funding the operations of the CCC Business Unit. The facility was concluded with BNP Paribas Bank Polska S.A., the European Bank for Reconstruction and Development (EBRD), Bank Polska Kasa Opieki S.A. (The Security Agent), Powszechna Kasa Oszczędności Bank Polski S.A., Santander Bank Polska S.A., mBank S.A. (The Facility Agent and ESG Agent) and Bank Handlowy w Warszawie S.A. The facilities are partially secured by guarantees issued by KUKE (the Polish export credit agency), with a total limit of up to PLN 750.0 million.

CCC S.A., HalfPrice Sp. z o.o. and CCC.eu Sp. z o.o., as borrowers, are party to the following facilities:

1. a PLN 600.0 million term loan (Tranche A), amortising over five years, drawn in two instalments: PLN 450.0 million in July 2024 and PLN 150.0 million in December 2024;

2. a working capital facility of up to PLN 1.2 billion (Tranche B), comprising a revolving credit facility, an overdraft facility, and sub-limits for reverse factoring, guarantees, and letters of credit, available for an initial period of two years with an option to extend to a maximum of five years.

The facilities have been used to repay existing debt to the banks financing the operations of the CCC Business Unit. As part of the refinancing process, on 31 July 2024, CCC.eu Sp. z o.o. used proceeds from the new financing agreement to repay debt held by CCC S.A. under a PLN 250.0 million short-term credit facility guaranteed by BGK. As a result, CCC S.A. offset the liability arising from the debt repayment by CCC.eu Sp. z o.o. against its loan receivable from that company in the same amount.

The remaining debt under the previous financing agreement, attributable to CCC.eu Sp. z o.o., was fully settled by the Facility and ESG Agent as part of the interbank settlement arrangements within the lending syndicate. As part of the new refinancing arrangement, on 31 July 2024, the Group repaid PLN 542.6 million of existing debt (including PLN 79.6 million under an overdraft facility) and drew down PLN 801.4 million in new funding (including PLN 133.4 million under an overdraft facility).

On 30 December 2024, CCC S.A. completed the full early redemption of Series 1/2018 (CCC0626) bonds, comprising 168,786 bonds with a total nominal value of PLN 168.8 million. The repayment was financed from the second instalment of Tranche A of the syndicated facility granted to CCC.eu Sp. z o.o. The related intercompany settlement was offset against a loan previously granted by CCC S.A. to CCC.eu Sp. z o.o.

On 31 December 2024, CCC Shoes & Bags Sp. z o.o. (a subsidiary of CCC S.A.) completed the full early redemption of Series A bonds, comprising 350 bonds with a total nominal value of PLN 350.0 million. The repayment was financed through an amendment agreement signed on 17 December 2024, modifying the Credit Facility Agreement dated 12 July 2024, in respect of Tranche C of the syndicated facility granted to CCC S.A. The funds were subsequently transferred via an on-loan to CCC Shoes & Bags Sp. z o.o., which used them to finance the bond redemption. The PFR bonds were linked to a derivative instrument relating to a potential obligation under an equity kicker mechanism. Disclosures regarding this derivative instrument are provided in Note 6.1.

The following companies have provided guarantees for the borrowers' liabilities: CCC.eu Sp. z o.o., HalfPrice Sp. z o.o., CCC Shoes & Bags Sp. z o.o., CCC Tech Sp. z o.o., CCC Czech, s.r.o., CCC Hungary Shoes Kft., and Shoe Express S.A.

Under the new syndicated agreement, the total financing limit was increased above the previous PLN 1.2 billion, primarily through higher sub-limits for bank guarantees, letters of credit, and reverse factoring. The execution of the new financing agreement has materially improved the structure of the CCC Business Unit's financial liabilities, in line with the Group's refinancing objectives. The new financing structure offers greater flexibility to the CCC Business Unit, including through higher limits on bank guarantees, letters of credit, and reverse factoring arrangements. It also reduces financing costs and increases the cap on capital expenditures.

The Group considers this refinancing to represent a settlement of the original credit facility – resulting in the extinguishment of the associated liability – and the recognition of a new credit facility. This assessment is supported by the following considerations:

- material qualitative modifications to the credit facility terms (including changes to the margin, parties, limits and covenants, ESG-linked clauses, and the obligations of each party);
- the purpose of the refinancing, which is to obtain new funding for working capital, general corporate purposes, and capital expenditure, rather than to restructure debt in response to financial distress;
- the term for which the new credit facility has been made available (which is no shorter than under the original financing arrangement);
- repayment of the original facility shortly before maturity; and
- transaction costs that are clearly incremental relative to the issuance of new debt.

Under the previous credit facility agreement, the Group had the option to prepay without incurring any early repayment charges.

The interest rate on the facility was based on WIBOR, plus a margin that varied depending on the Net Exposure to EBITDA ratio.

The syndicated credit facilities are secured by a common security package comprising:

- KUKE guarantees of up to PLN 750.0 million;
- registered pledges over asset pools and rights forming an organised whole of variable composition within the business, as well as over specific assets, trademarks, and inventories of CCC S.A. and the surety providers;
- registered and financial pledges over shares in CCC subsidiaries acting as surety providers and over shares in Modivo S.A.;
- registered and financial pledges over bank accounts held by CCC S.A. and the surety providers (including powers of attorney over such accounts);
- assignments by way of security of rights under selected insurance contracts held by CCC S.A. and the surety providers;
- mortgages over properties held by CCC S.A. and CCC.eu Sp. z o.o.; and
- notarised consent to enforcement submitted by CCC S.A. and the surety providers.

Under the terms of the New Syndicated Agreement, the CCC Business Unit is required to maintain, as at 31 January 2025 and each quarter-end thereafter: a Net Financial Exposure ratio not exceeding 3.5, a Payments Coverage ratio of not less than 1.2, a DSCR of not less than 1.5, and cash of no less than PLN 160 million. In addition, annual capital expenditure, measured for the financial year ending in the relevant period, must not exceed PLN 275 million, or PLN 400 million if the Net Financial Exposure ratio is below 2.0.

(all amounts in PLN million unless stated otherwise)

The available limits as at the date of the new financing agreement are presented in the table below.

Bank	Tranche A (term facility)	Tranche B (overdraft facility)	Tranche B (revolving facility)	Tranche B (reverse factoring)	Tranche B (bank guarantee limit)	Tranche C (refinancing of bonds issued to PFR)	Total
BNP Paribas /BNP Faktoring	*37.5*	*42.0*	*41.0*	*125.0*	*42.0*	*–*	*287.5*
Citibank	*75.0*	*–*	*82.0*	*–*	*–*	*–*	*157.0*
EBRD	*225.0*	*–*	*–*	*–*	*–*	*–*	*225.0*
mBank/mFaktoring	*30.0*	*25.0*	*15.0*	*90.0*	*30.0*	*–*	*190.0*
Pekao S.A.	*15.0*	*50.0*	*18.0*	*122.0*	*28.0*	*–*	*233.0*
PKO BP/PKO Faktoring	*30.0*	*30.0*	*42.0*	*133.0*	*40.0*	*–*	*275.0*
Santander/Santander Factoring	*37.5*	*35.0*	*20.0*	*130.0*	*60.0*	*–*	*282.5*
Total limit	**450.0**	**182.0**	**218.0**	**600.0**	**200.0**	**–**	**1,650.0**
Additional disbursement in December 2024	*150.0*	*–*	*–*	*–*	*–*	*360.0*	*510.0*
Total available limit	**600.0**	**182.0**	**218.0**	**600.0**	**200.0**	**360.0**	**2,160.0**

The Modivo Business Unit has multi-purpose credit facilities with maturities on 29 April 2025 (up to PLN 260 million with Bank Pekao S.A.) and 21 November 2025 (up to a total limit of PLN 180 million with PKO Bank Polski S.A.). In addition, the Modivo Business Unit has reverse factoring facilities with PKO Faktoring S.A. (PLN 140.0 million, maturing on 30 November 2025) and with Pekao Faktoring Sp. z o.o. (PLN 70.0 million, maturing in July 2025, and PLN 110.0 million, with no fixed maturity date).

Additional debt financing for the Modivo Business Unit is provided by bonds issued to SVF II Motion Subco (DE) LLC, a SoftBank Group company, with a discounted carrying amount of PLN 574.7 million as at the reporting date. These bonds are scheduled to mature on 5 April 2026. The measurement of the bond liability to SoftBank as at 31 January 2025 was prepared on the assumption that no initial public offering ('IPO') will take place and that the bond will be repaid at contractual maturity, together with accrued interest. As a result of the change in approach and the decision to no longer pursue the IPO scenario, the Group recognised finance income of PLN 336.3 million from the measurement of the bond liability at amortised cost.

Under the financing agreements entered into with financial institutions, the Modivo Business Unit is required to maintain, among other things, the following financial covenants:

- a DSCR of not less than 1.2;
- a Net Financial Debt to EBITDA ratio not exceeding 3.5 (or 5.0 in the case of agreements with SVF II Motion Subco (DE) LLC);
- and Net Financial Debt not exceeding PLN 548 million.

Definitions of the individual financial ratios are provided in the 'Debt and liquidity of the CCC Group' section of the Directors' Report.

If these ratios are breached as at the testing date, the financial institutions have the right to terminate the agreements with immediate effect.

The Modivo Business Unit obtained consent from financial institutions for the waiver or amendment of certain financial covenants, as described below:

- On 20 September 2024, MODIVO S.A. received approval from Powszechna Kasa Oszczędności Bank Polski S.A. to revise the Net Financial Debt to EBITDA ratio tested as at 31 January 2025 to a level not exceeding 5.5.
- On the same date, Bank Polska Kasa Opieki S.A. and PEKAO Faktoring Sp. z o.o. granted a waiver of the Net Financial Debt to EBITDA covenant test as at 31 January 2025 and approved a one-time replacement covenant, requiring that net debt (excluding bonds) not exceed PLN 548 million.

As at 31 January 2025, the financing of the Modivo Business Unit was secured by in blanco promissory notes totalling PLN 840.7 million, registered pledges of PLN 1,662.0 million, capped mortgages on real estate of PLN 380.0 million, and sureties of PLN 650.0 million.

The following note presents data on contracted bank borrowings and issued bonds in the period from 1 February 2024 to 31 January 2025.

(all amounts in PLN million unless stated otherwise)

	FINANCING OF THE CCC BUSINESS UNIT		FINANCING OF THE MODIVO BUSINESS UNIT		TOTAL
	BANK BORROWINGS	BONDS	BANK BORROWINGS	BONDS	
As at 1 Feb 2024	**529.2**	**541.2**	**285.7**	**739.3**	**2,095.4**
short-term	**390.2**	**3.6**	**285.7**	**739.3**	**1,418.8**
long-term	**139.0**	**537.6**	**–**	**–**	**676.6**
Proceeds from contracted debt					
- financing received – proceeds	701.2	–	–	–	701.2
- new non-cash refinancing received through intra-syndicate settlements	668.0	–	–	–	668.0
- transaction cost/modification of contractual terms	–	10.9	0.9	–	11.8
Interest accrued	60.3	63.4	20.3	171.7	315.7
Debt-related payments					
- principal payments	-236.0	-549.4	–	–	-785.4
- non-cash intra-syndicate settlement of principal repayments as part of new refinancing	-713.0	–	–	–	-713.0
- interest paid	-64.0	-66.1	-20.3	–	-150.4
Increase due to changes in the overdraft facility balance (including refinancing activity)	150.7	–	–	–	150.7
Decrease due to changes in the overdraft facility balance	–	–	-60.8	–	-60.8
Other non-cash changes	-0.2	–	–	-336.3	-336.5
As at 31 Jan 2025	**1,096.2**	**0.0**	**225.8**	**574.7**	**1,896.7**
short-term	**98.9**	**–**	**225.8**	**–**	**324.7**
Tranche A	*78.0*	–	–	–	*78.0*
Tranche B	*0.5*	–	–	–	*0.5*
Tranche C	*11.0*	–	–	–	*11.0*
Other (other credit facilities; credit cards)	*9.4*	–	*225.8*	–	*235.2*
long-term	**997.3**	**–**	**–**	**574.7**	**1,572.0**
Tranche A	*507.4*	–	–	–	*507.4*
Tranche B	*141.4*	–	–	–	*141.4*
Tranche C	*348.5*	–	–	–	*348.5*
Bonds issued to Softbank	–	–	–	*574.7*	*574.7*

For details of available undrawn credit facility limits and their availability periods, refer to the 'Debt and liquidity of the CCC Group' section of the Directors' Report.

For detailed information on covenants, see the 'Covenants/financial ratios' section of the Directors' Report.

	FINANCING OF THE CCC BUSINESS UNIT		FINANCING OF THE MODIVO BUSINESS UNIT		TOTAL
	BORROWINGS	BONDS	BANK BORROWINGS	BONDS	
As at 1 Feb 2023	**1,084.8**	**581.5**	**230.1**	**629.8**	**2,526.2**
short-term	**272.4**	**23.4**	**230.1**	**629.8**	**1,155.7**
long-term	**812.4**	**558.1**	**–**	**–**	**1,370.5**
Proceeds from contracted debt					
- financing received	44.2	–	–	–	44.2
Interest accrued	73.2	94.2	20.2	142.8	330.4
Modification of contractual terms	–	-6.0	–	-33.3	-39.3
Debt-related payments					
- principal payments	-458.1	-20.6	–	–	-478.7
- interest paid	-74.0	-107.9	-20.2	–	-202.1
Increase due to changes in the overdraft facility balance	–	–	55.6	–	55.6
Decrease due to changes in the overdraft facility balance	-121.4	–	–	–	-121.4
Other non-cash changes	-19.5	–	–	–	-19.5
As at 31 Jan 2024	**529.2**	**541.2**	**285.7**	**739.3**	**2,095.4**

(all amounts in PLN million unless stated otherwise)

short-term	**390.2**	**3.6**	**285.7**	**739.3**	**1,418.8**
Tranche A	*140.0*	–	–	–	*140.0*
Credit facilities with BGK guarantees	*249.7*	–	–	–	*249.7*
Other (other credit facilities; credit cards)	*0.5*	–	*285.7*	–	*286.2*
Bonds issued to PFR	–	*1.8*	–	–	*1.8*
Bonds issued to Softbank	–	–	–	*739.3*	*739.3*
CCC0626 bonds	–	*1.8*	–	–	*1.8*
long-term	**139.0**	**537.6**	**–**	**–**	**676.6**
Tranche A	*139.0*	–	–	–	*139.0*
Bonds issued to PFR	–	*348.9*	–	–	*348.9*
CCC0626 bonds	–	*188.7*	–	–	*188.7*

The Group's existing debt gives rise to exposure to interest rate risk, currency risk, and liquidity risk. For a description of the financial risks, see Note 6.1.

Repayment of the above liabilities of the CCC Business Unit is secured by the following collateral arrangements:

	31 Jan 2025	31 Jan 2024
NOMINAL OR CARRYING AMOUNT OF COLLATERAL		
Sureties	3,249.0	3,310.3
Capped mortgages on real estate	3,240.0	1,913.7
Registered pledge over movable assets	3,240.0	3,006.8
In blanco promissory notes	33.6	161.8

4.3 CONTRACTUAL MATURITY PROFILE OF FINANCIAL LIABILITIES AND LIQUIDITY RISK MANAGEMENT POLICY

Prudent liquidity management involves maintaining sufficient cash and cash equivalents, and ensuring access to additional funding through committed credit facilities.

The CCC Group recognises revenue from its principal business activity, which is the omnichannel sale of merchandise. As a rule, cash is received at the point of sale for in-store retail transactions, meaning the CCC Group does not bear material credit risk from retail customers. Revenue from such transactions is generally recognised at the time of sale. For digital sales, where cash on delivery is the most common payment method, revenue is recognised upon delivery of goods to the customer.

In accordance with the terms of the financing agreements, cash proceeds from retail sales are primarily applied towards the timely servicing of the Group's financing liabilities. Under the financing agreements, the CCC Group generally makes use of cash sweeping or balance offsetting mechanisms on operational bank accounts, including accounts through which lenders provide funding for day-to-day operations, such as working capital facilities. Historical financial information indicates that the volume of retail sales was sufficient to enable the CCC Group to meet its financial obligations as they fell due. Moreover, projected cash flows from retail and wholesale operations are generally sufficient to fully cover expected future debt obligations across the time horizons used in the Group's liquidity risk analyses.

Another structural factor mitigating liquidity risk associated with debt servicing is the CCC Group's practice of negotiating extended payment terms with suppliers for trade payables arising from merchandise purchases. This mechanism enables the CCC Group, in each operating period, to build up inventories of merchandise, the sale of which primarily serves to cover the financial liabilities incurred almost entirely to finance the Group's trading and sales activities. The seasonality of merchandise purchases, which has a material impact on the CCC Group's liquidity, may contribute to liquidity risk – particularly in the event of adverse weather conditions that influence consumer purchasing behaviour. By using deferred payment terms for goods purchased, the CCC Group is able to maintain a liquidity buffer that comfortably covers its ongoing financial liabilities – excluding extraordinary or unforeseeable events outside normal business risk assessment.

Liquidity management also entails maintaining sufficient cash and cash equivalents to cover all current liabilities as they fall due, taking proactive steps to secure access to additional financing through credit lines and revolving facilities, and monitoring the timing of their availability to CCC Group companies. The macroeconomic environment affects both consumer sentiment and the outlook for all retail sector participants, including the Group, primarily by creating significant uncertainty for consumers and businesses alike. In the opinion of the Management Board, these factors are collectively having, and may in the short to medium term continue to have, an impact on the Group's position.

(all amounts in PLN million unless stated otherwise)

In response to these external challenges, the Management Board is carrying out extensive analyses and initiatives to address market risks, mitigate their impact on the Group's performance and growth, and strengthen liquidity. Measures taken include efforts to reduce the Group's working capital requirements, lower operating costs, and optimise growth plans.

The table below presents the undiscounted payments under the Group's existing financing liabilities, including future interest not accrued as at the reporting date, and the contractual maturities of the related instruments.

31 Jan 2025	CONTRACTUAL MATURITY PROFILE AFTER THE REPORTING DATE					TOTAL UNDISCOUNTED	CARRYING AMOUNT
	UP TO 3 MONTHS	3–12 MONTHS	1–3 YEARS	3–5 YEARS	OVER 5 YEARS		
Bank borrowings	264.9	139.1	590.1	606.9	–	1,601.0	1,322.0
Bonds payable	–	–	639.8	–	–	639.8	574.7
Trade payables	1,588.3	302.5	–	–	–	1,890.8	1,890.8
Factoring liabilities	462.7	162.3	–	–	–	625.0	625.0
Refund liabilities	63.8	–	–	–	–	63.8	63.8
Put liabilities over non-controlling interests	99.8	10.8	–	–	–	110.6	110.6
Lease liabilities	222.0	379.7	906.4	453.2	383.6	2,344.9	1,991.9
Total financial liabilities	**2,701.5**	**994.4**	**2,136.3**	**1,060.1**	**383.6**	**7,275.9**	**6,578.8**

The liability arising from the issue of convertible bonds to SoftBank is presented in the 1–3 year maturity band, as the related cash outflow will occur only upon repayment, which is contractually due on 5 April 2026.

31 Jan 2024	CONTRACTUAL MATURITY PROFILE AFTER THE REPORTING DATE					TOTAL UNDISCOUNTED	CARRYING AMOUNT
	UP TO 3 MONTHS	3–12 MONTHS	1–3 YEARS	3–5 YEARS	OVER 5 YEARS		
Bank borrowings	304.6	408.2	143.6	–	–	856.4	814.9
Bonds payable	1.8	0.2	901.8	576.0	–	1,479.8	1,280.5
Trade payables	1,225.2	129.0	–	–	–	1,354.2	1,354.1
Factoring liabilities	310.7	155.4	–	–	–	466.1	466.1
Refund liabilities	98.7	–	–	–	–	98.7	98.7
Put liabilities over non-controlling interests	181.5	11.1	–	–	–	192.6	192.6
Derivative financial instruments embedded in bonds issued to PFR – Equity Kicker	–	–	–	6.6	–	6.6	6.6
Lease liabilities	172.0	359.1	785.9	392.9	295.9	2,005.8	1,732.2
Total financial liabilities	**2,294.5**	**1,063.0**	**1,831.3**	**975.5**	**295.9**	**6,460.2**	**5,945.7**

(all amounts in PLN million unless stated otherwise)

4.4 ADDITIONAL INFORMATION ON SELECTED ITEMS OF THE STATEMENT OF CASH FLOWS

	TRADE AND OTHER RECEIVABLES	TRADE AND OTHER PAYABLES AND OTHER LIABILITIES
As at 1 Feb 2024	377.1	2,282.9
As at 31 Jan 2025	660.9	3,008.0
Change in statement of financial position	**-283.8**	**725.1**
Difference due to:		
Changes in investment liabilities/receivables	14.3	-29.8
Commissions paid	16.3	-7.1
Other	–	0.2
Change recognised in statement of cash flows	**-253.2**	**688.4**

	TRADE AND OTHER RECEIVABLES	TRADE AND OTHER PAYABLES AND OTHER LIABILITIES
As at 1 Feb 2023	322.5	1,859.9
As at 31 Jan 2024	377.1	2,282.9
Change in statement of financial position	**-54.6**	**423.0**
Difference due to:		
Changes in investment liabilities/receivables	-2.6	-7.8
Adjustment for changes in non-current receivables/liabilities	-0.1	–
Adjustment for changes due to disposal of a subsidiary	1.3	-3.4
Offset of the Gino Rossi loan against receivables	-19.4	–
Receivables recognised in connection with the acquisition of CCC Ukraina Sp. z o.o.	-12.2	–
Other	0.2	-3.6
Change recognised in statement of cash flows	**-87.4**	**408.2**

	1 Feb 2024–31 Jan 2025	1 Feb 2023–31 Jan 2024
Other adjustments to profit before tax:		
Accrued interest and exchange differences	2.5	-0.8
Change in provisions	7.4	-5.3
Liabilities arising from the acquisition of shares in subsidiaries	3.8	–
Measurement of employee option plan	-30.3	13.6
Measurement of options over non-controlling interests in eObuwie and DeeZee	27.4	-11.9
Measurement of derivative instruments	-0.5	3.4
Changes in right-of-use asset and lease liability	-19.9	-54.4
Measurement of bonds issued to SoftBank at amortised cost	-336.3	–
Other	-15.2	-51.1
Total	**-361.1**	**-106.5**

(all amounts in PLN million unless stated otherwise)

5. NOTES TO THE STATEMENT OF FINANCIAL POSITION

5.1 INTANGIBLE ASSETS

ACCOUNTING POLICY

The Group measures intangible assets at cost less accumulated amortisation and any accumulated impairment losses.

Intangible assets are amortised on a straight-line basis by estimating their useful lives, which are:

- patents and licences – from 5 to 10 years
- trademarks - not amortised
- other intangible assets - from 5 to 10 years.

If events or changes in circumstances indicate that the carrying amount of intangible assets may not be recoverable, the assets are tested for impairment in accordance with the policy described in Note 5.5.

Intangible assets with indefinite useful lives, and those not yet available for use, are tested for impairment annually, either individually or at the level of the cash-generating unit.

As the costs of internally generated trademarks, customer databases, and similar items cannot be distinguished from the overall operating expenses of the Group, such items are not recognised as intangible assets. Instead, the related expenditure is expensed as incurred.

	PATENTS, LICENCES, SOFTWARE	TRADEMARKS	CUSTOMER RELATIONS	INTANGIBLE ASSETS UNDER DEVELOPMENT	TOTAL
Gross carrying amount as at 1 Feb 2024	**302.1**	**193.1**	**11.2**	**51.9**	**558.3**
Accumulated amortisation as at 1 Feb 2024	**-115.3**	**–**	**-11.2**	**-0.3**	**-126.8**
Net carrying amount as at 1 Feb 2024	**186.8**	**193.1**	**–**	**51.6**	**431.5**
Amortisation	-52.1	–	–	–	-52.1
Acquisition	37.6	–	–	61.5	99.1
Disposals and retirements	-5.4	–	–	-2.4	-7.8
Accumulated amortisation (disposals and retirements)	2.7	–	–	–	2.7
Transfers between groups	22.9	–	–	-22.1	0.8
Gross carrying amount as at 31 Jan 2025	**357.2**	**193.1**	**11.2**	**88.9**	**650.4**
Accumulated amortisation as at 31 Jan 2025	**-164.7**	**–**	**-11.2**	**-0.3**	**-176.2**
Net carrying amount as at 31 Jan 2025	**192.5**	**193.1**	**–**	**88.6**	**474.2**

As at the reporting date, intangible assets amounted to PLN 474.2 million, representing an increase of PLN 42.7 million compared with 31 January 2024. The change reflects capital expenditure of PLN 37.6 million on patents, licences, and software – primarily software supporting the e-commerce sales channel – and PLN 61.5 million on intangible assets under development. The latter relates mainly to the implementation of new technological solutions for the eobuwie and MODIVO applications. The increase was partly offset by amortisation charges of PLN 52.1 million.

As at 31 January 2025, the balance of intangible assets under development included expenditure on projects carried over from 2023 and 2024. The Group expects these projects to be completed in the next financial year.

	PATENTS, LICENCES, SOFTWARE	TRADEMARKS	CUSTOMER RELATIONS	INTANGIBLE ASSETS UNDER DEVELOPMENT	TOTAL
Gross carrying amount as at 1 Feb 2023	**217.5**	**193.1**	**11.2**	**43.0**	**464.8**
Accumulated amortisation as at 1 Feb 2023	**-76.5**	**–**	**-11.2**	**-0.3**	**-88.0**
Net carrying amount as at 1 Feb 2023	**141.0**	**193.1**	**–**	**42.7**	**376.8**
Amortisation	-35.7	–	–	–	-35.7
Acquisition	31.8	–	–	58.5	90.3
Disposals and retirements	3.1	–	–	–	3.1
Accumulated amortisation (disposals and retirements)	-3.1	–	–	–	-3.1
Transfers between groups	49.7	–	–	-49.6	0.1
Gross carrying amount as at 31 Jan 2024	**302.1**	**193.1**	**11.2**	**51.9**	**558.3**
Accumulated amortisation as at 31 Jan 2024	**-115.3**	**–**	**-11.2**	**-0.3**	**-126.8**
Net carrying amount as at 31 Jan 2024	**186.8**	**193.1**	**–**	**51.6**	**431.5**

(all amounts in PLN million unless stated otherwise)

The Group recognises trademarks with indefinite useful lives within intangible assets. The Group considers that its trademarks are recognisable on the market and intends to use them for an indefinite period.

Therefore, the Group assumes that trademarks have an indefinite useful life and are not amortised. All trademarks are tested for impairment annually. As at 31 January 2025 and 31 January 2024, this item comprised the following trademarks:

- eobuwie – PLN 161.2 million,
- DeeZee – PLN 4.7 million,
- Gino Rossi – PLN 22.8 million, and
- Other – PLN 4.4 million.

As at 31 January 2025, the carrying amount of other trademarks primarily comprised the AMERICANOS trademark (acquired in 2020) measured at PLN 0.9 million, the BADURA trademark (acquired in 2022) measured at PLN 1.7 million, and the Simple trademark measured at PLN 1.8 million.

For details of asset impairment tests, see Note 5.5 below.

5.2. GOODWILL

ACCOUNTING POLICY

Goodwill arising on acquisition is initially recognised at cost, equal to the excess of:

- the consideration transferred,
- the amount of any non-controlling interest in the acquiree, and
- in the case of a step acquisition – the fair value at the acquisition date of the previously held equity interest in the acquiree and the acquirer's share over the net fair value of the identifiable assets acquired and liabilities assumed.

Following initial recognition, goodwill is carried at cost less accumulated impairment losses. Goodwill is tested for impairment annually, or more frequently if impairment indicators are identified.

Goodwill is not amortised.

As at the acquisition date, acquired goodwill is allocated to each cash-generating unit (or group of units) expected to benefit from the synergies of the business combination. Each cash-generating unit, or group of units, to which goodwill has been allocated corresponds to the lowest level within the Group at which goodwill is monitored for internal management purposes, and does not exceed the level of an operating segment as defined in IFRS 8 *Operating Segments*.

An impairment loss is recognised when the recoverable amount of the cash-generating unit to which goodwill has been allocated is lower than its carrying amount.

Where the recoverable amount of a cash-generating unit is less than its carrying amount, an impairment loss is recognised. Where goodwill has been allocated to a cash-generating unit and the Group disposes of an operation within that unit, the portion of goodwill associated with the disposed operation is included in the carrying amount of the operation when calculating the gain or loss on disposal. In such cases, the goodwill disposed of is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Company	Acquisition date	As at 1 Feb 2024	Acquisition	Exchange differences	As at 31 Jan 2025
Modivo Group	Jan 2016	106.2	–	–	106.2
Shoe Express S.A.	Apr 2018	39.7	–	-1.2	38.5
Adler International Sp. z o.o. sp. k.	Jul 2018	48.8	–	–	48.8
DeeZee Sp. z o.o.	Oct 2018	0.6	–	–	0.6
OU CCC Estonia	May 2022	1.8	–	-0.2	1.6
UAB CCC Lithuania	May 2022	0.8	–	–	0.8
SIA CCC Shoes Latvia	May 2022	1.8	–	0.1	1.9
Boardriders s.r.o.	Jun 2024	–	1.2	–	1.2
Goodwill		**199.7**	**1.2**	**-1.3**	**199.6**

(all amounts in PLN million unless stated otherwise)

Company	Acquisition date	As at 1 Feb 2023	Exchange differences	As at 31 Jan 2024
Modivo Group	Jan 2016	106.2	–	106.2
Shoe Express S.A.	Apr 2018	43.5	-3.8	39.7
Adler International Sp. z o.o. sp. k.	Jul 2018	48.8	–	48.8
DeeZee Sp. z o.o.	Oct 2018	0.6	–	0.6
OU CCC Estonia	May 2022	1.8	–	1.8
UAB CCC Lithuania	May 2022	0.8	–	0.8
SIA CCC Shoes Latvia	May 2022	2.2	-0.4	1.8
Goodwill		**203.9**	**-4.2**	**199.7**

As at the reporting date, goodwill amounted to PLN 199.6 million, having decreased by PLN 0.1 million due to foreign exchange differences. For details, see Note 6.2 to these financial statements.

For details of asset impairment tests, see Note 5.5 below.

5.3 PROPERTY, PLANT AND EQUIPMENT

ACCOUNTING POLICY

Property, plant and equipment include: leasehold improvements – expenditure on leased premises used in the Group's retail operations; and property, plant and equipment used in the distribution and other activities.

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. Land and property, plant and equipment under construction are not depreciated.

Subsequent expenditure is added to the carrying amount of property, plant and equipment or recognised as a separate asset (where appropriate) only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. If an item of property, plant and equipment is replaced, its carrying amount is derecognised from the statement of financial position.

All other expenditure on repairs and maintenance is recognised in profit or loss in the period in which it is incurred.

Borrowing costs are capitalised as part of the cost of property, plant and equipment.

Property, plant and equipment are depreciated on a straight-line basis by estimating their useful lives, which are as follows:

GROUP OF PROPERTY, PLANT AND EQUIPMENT	DEPRECIATION PERIOD	REMAINING USEFUL LIFE
Leasehold improvements	* useful life of a leasehold improvement	* up to 15 years
Distribution	* buildings	* from 10 to 40 years
	* machinery and equipment	* from 10 to 40 years
	* vehicles	* from 5 to 10 years
	* other property, plant and equipment	* from 5 to 20 years
Other	* machinery and equipment	* from 3 to 15 years
	* vehicles	* from 5 to 10 years
	* other property, plant and equipment	* from 5 to 20 years

The depreciation method and the useful lives are reviewed as at each reporting date.

For information on impairment of non-financial non-current assets, see Note 5.5.

Government grants

Grants related to the purchase or construction of property, plant and equipment are recognised when there is reasonable assurance that the Group will comply with the conditions attached to the grant and that the grant will be received. For example, this may be supported by an endorsement letter. Grants are recognised as deferred income and presented under 'Government grants' within non-current and current liabilities in the statement of financial position. Government grants recognised as deferred income are released to profit or loss over the useful life of the related assets, in line with the depreciation of the property, plant and equipment to which they relate.

Certain assets related to individual retail outlets – such as leasehold improvements – may be permanently affixed to leased premises, making them unsuitable for use elsewhere or for resale. Their useful lives are not necessarily limited to the lease term, as lease agreements may include extension options. The useful lives adopted for such assets are described above.

(all amounts in PLN million unless stated otherwise)

Accordingly, the depreciation period may differ from the estimated lease term of the store. Changes in the lease term may affect the level of impairment charges.

For information on property, plant and equipment pledged as security for borrowings, see Note 4.2.

On 23 December 2009, CCC S.A. entered into a co-financing agreement with the Polish Agency for Enterprise Development (PARP) for investment in property, plant and equipment. The Company applied for a grant under the Innovative Economy Operational Programme in connection with the construction of a high-bay warehouse in Polkowice. The final amount of the subsidy was PLN 38.5 million. As at the reporting date, the outstanding grant amount was PLN 14.7 million (31 January 2024: PLN 15.2 million). In accordance with the Group's accounting policy, this grant is presented in the line item 'Government grants' in the statement of financial position. Following the transfer of the grant-funded investment, as part of a business unit, to CCC.eu Sp. z o.o., the related government grant is recognised in the financial statements of CCC.eu Sp. z o.o.

The table below presents the carrying amount of property, plant and equipment as at 31 January 2025:

	LEASEHOLD IMPROVEMENTS	DISTRIBUTION				OTHER PROPERTY, PLANT AND EQUIPMENT				TOTAL
		LAND, BUILDINGS AND STRUCTURES	MACHINERY AND EQUIPMENT	PROPERTY, PLANT AND EQUIPMENT UNDER CONSTRUCTION	TOTAL	LAND AND BUILDINGS	MACHINERY AND EQUIPMENT	OTHER	TOTAL	
Gross carrying amount as at 1 Feb 2024 restated	**1,504.8**	**517.9**	**397.3**	**25.8**	**941.0**	**55.8**	**125.9**	**12.0**	**193.7**	**2,639.5**
Accumulated depreciation as at 1 Feb 2024 restated	**-734.1**	**-90.8**	**-261.4**	**-2.0**	**-354.2**	**-15.3**	**-87.9**	**4.1**	**-99.1**	**-1,187.4**
Impairment losses as at 1 Feb 2024 restated	**-6.6**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**-6.6**
Net carrying amount as at 1 Feb 2024 restated	**764.1**	**427.1**	**135.9**	**23.8**	**586.8**	**40.5**	**38.0**	**16.1**	**94.6**	**1,445.5**
Gross carrying amount as at 1 Feb 2024 restated	1,504.8	517.9	397.3	25.8	941.0	55.8	125.9	12.0	193.7	2,639.5
Exchange differences	-23.5	-0.2	-0.3	–	-0.5	–	-1.5	-0.6	-2.1	-26.1
Acquisitions	377.2	0.8	0.6	14.1	15.5	–	12.9	1.9	14.8	407.5
Addition due to acquisition of subsidiaries	1.4	–	–	–	–	–	–	–	–	1.4
Disposals and retirements	-64.8	-0.8	-6.7	–	-7.5	-3.0	-7.2	-2.7	-12.9	-85.2
Reclassification (gross carrying amount)	-11.1	2.9	9.4	-10.2	2.1	1.0	4.2	3.0	8.2	-0.8
Reclassification to assets held for sale (gross carrying amount)	–	-17.6	–	–	-17.6	–	–	–	–	-17.6
Gross carrying amount as at 31 Jan 2025	**1,784.0**	**503.0**	**400.3**	**29.7**	**933.0**	**53.8**	**134.3**	**13.6**	**201.7**	**2,918.7**
Accumulated depreciation as at 1 Feb 2024 restated	-734.1	-90.8	-261.4	-2.0	-354.2	-15.3	-87.9	4.1	-99.1	-1,187.4
Exchange differences	11.9	0.1	–	–	0.1	–	1.2	0.2	1.4	13.4
Depreciation	-117.4	-14.8	-22.3	–	-37.1	-1.7	-14.8	-2.3	-18.8	-173.3
Disposals and retirements (depreciation)	44.8	0.1	5.9	–	6.0	1.1	5.6	1.5	8.2	59.0
Reclassification (accumulated depreciation)	10.0	0.2	-8.5	–	-8.3	–	-2.1	0.4	-1.7	–
Reclassification to assets held for sale	–	5.7	–	–	5.7	–	–	–	–	5.7

(all amounts in PLN million unless stated otherwise)

(accumulated depreciation)										
Accumulated depreciation as at 31 Jan 2025	**-784.8**	**-99.5**	**-286.3**	**-2.0**	**-387.8**	**-15.9**	**-98.0**	**3.9**	**-110.0**	**-1,282.6**
Impairment losses as at 1 Feb 2024	-6.6	–	–	–	–	–	–	–	–	-6.6
Exchange differences	0.3	–	–	–	–	–	–	–	–	0.3
Impairment losses recognised	–	-1.9	–	–	-1.9	–	–	–	–	-1.9
Impairment losses reversed	0.7	–	–	–	–	–	–	–	–	0.7
Reclassification to assets held for sale (impairment losses)*	–	1.9	–	–	1.9	–	–	–	–	1.9
Impairment losses as at 31 Jan 2025	**-5.6**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**-5.6**
Net carrying amount as at 31 Jan 2025	**993.6**	**403.5**	**114.0**	**27.7**	**545.2**	**37.9**	**36.3**	**17.5**	**91.7**	**1,630.5**

On 30 April 2024, CCC S.A. reclassified its property in Słupsk as a non-current asset held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. The asset was available for immediate sale in its present condition. The carrying amount of the property was PLN 11.9 million, and the estimated selling price was PLN 10 million; consequently, an impairment loss of PLN 1.9 million was recognised and presented under other expenses. On 4 June 2024, the property was sold for PLN 10.0 million.

Building K1 in Zielona Góra, Poland, owned by Modivo S.A., classified as an asset held for sale as at 31 January 2024, was sold in the three months to 30 April 2024. The Group recognised a gain on disposal of PLN 15.3 million, presented under other income.

The carrying amount of property, plant and equipment as at 31 January 2024, as disclosed in the approved financial statements, is presented in the table below:

	LEASEHOLD IMPROVEMENTS	**DISTRIBUTION**				**OTHER PROPERTY, PLANT AND EQUIPMENT**				**TOTAL**
		LAND, BUILDINGS AND STRUCTURES	MACHINERY AND EQUIPMENT	PROPERTY, PLANT AND EQUIPMENT UNDER CONSTRUCTION	TOTAL	LAND AND BUILDINGS	MACHINERY AND EQUIPMENT	OTHER	TOTAL	
Gross carrying amount as at 1 Feb 2023	**1,252.3**	**511.4**	**500.3**	**96.6**	**1,108.3**	**59.8**	**83.5**	**37.4**	**180.7**	**2,541.3**
Accumulated depreciation as at 1 Feb 2023	**-590.3**	**-87.7**	**-326.6**	**-2.0**	**-416.3**	**-14.2**	**-59.6**	**-13.6**	**-87.4**	**-1,094.0**
Impairment losses as at 1 Feb 2023	**-5.3**	**–**	**–**	**–**	**–**	**–**	**–**	**-0.1**	**-0.1**	**-5.4**
Net carrying amount as at 1 Feb 2023	**656.7**	**423.7**	**173.7**	**94.6**	**692.0**	**45.6**	**23.9**	**23.7**	**93.2**	**1,441.9**
Gross carrying amount as at 1 Feb 2023	1,252.3	511.4	500.3	96.6	1,108.3	59.8	83.5	37.4	180.7	2,541.3
Exchange differences	-37.4	–	–	–	–	–	-24.4	15.3	-9.1	-46.5
Acquisitions	167.3	-0.3	5.3	64.6	69.6	3.1	–	2.6	5.7	242.6
Addition due to acquisition of subsidiaries	4.0	–	–	0.1	0.1	–	–	0.8	0.8	4.9
Disposals and retirements	-43.6	–	-13.6	–	-13.6	-0.7	-2.9	-7.1	-10.7	-67.9
Other (gross carrying amount)	40.3	69.9	67.8	-98.4	39.3	-36.8	-5.5	-37.2	-79.5	0.1
Reclassification to assets held for sale (gross carrying amount)	–	-33.7	-0.5	-0.4	-34.6	–	–	–	–	-34.6
Gross carrying amount as at 31 Jan 2024	**1,382.9**	**547.3**	**559.3**	**62.5**	**1,169.1**	**25.4**	**50.7**	**11.8**	**87.9**	**2,639.9**

(all amounts in PLN million unless stated otherwise)

Accumulated depreciation as at 1 Feb 2023	-590.3	-87.7	-326.6	-2.0	-416.3	-14.2	-59.6	-13.6	-87.4	-1,094.0
Exchange differences	21.8	–	–	–	–	–	15.8	-9.9	5.9	27.7
Depreciation	-105.4	-17.0	-56.0	–	-73.0	2.5	-1.5	-2.5	-1.5	-179.9
Disposals and retirements (depreciation)	32.8	–	6.5	–	6.5	-0.6	2.8	7.0	9.2	48.5
Reclassification (accumulated depreciation)	-22.1	-1.8	-3.6	-0.4	-5.8	3.4	3.6	20.8	27.8	-0.1
Reclassification to assets held for sale (accumulated depreciation)	–	9.3	0.3	0.4	10.0	–	–	–	–	10.0
Accumulated depreciation as at 31 Jan 2024	**-663.2**	**-97.2**	**-379.4**	**-2.0**	**-478.6**	**-8.9**	**-38.9**	**1.8**	**-46.0**	**-1,187.8**
Impairment losses as at 1 Feb 2023	-5.3	–	–	–	–	–	–	-0.1	-0.1	-5.4
Exchange differences	0.3	–	–	–	–	–	–	0.1	0.1	0.4
Impairment losses recognised	-3.4	–	–	–	–	–	–	–	–	-3.4
Impairment losses reversed	0.2	–	–	–	–	–	–	–	–	0.2
Impairment losses utilised	1.6	–	–	–	–	–	–	–	–	1.6
Reclassification to assets held for sale (impairment losses)	–	–	–	–	–	–	–	–	–	–
Impairment losses as at 31 Jan 2024	**-6.6**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**-6.6**
Net carrying amount as at 31 Jan 2024	**713.1**	**450.1**	**179.9**	**60.5**	**690.5**	**16.5**	**11.8**	**13.6**	**41.9**	**1,445.5**

The Group reviewed the useful lives and allocation of its property, plant and equipment and, as a result, reclassified assets as at 31 January 2024 as follows (net carrying amounts): leasehold improvement: increase of PLN 51.0 million; distribution assets: decrease of PLN 103.7 million; other assets: increase of PLN 52.7 million. The reclassification had no effect on the total carrying amount of property, plant and equipment.

(all amounts in PLN million unless stated otherwise)

The table below sets out the restated carrying amount of property, plant and equipment as at 31 January 2024:

	LEASEHOLD IMPROVEMENTS	**DISTRIBUTION**				**OTHER PROPERTY, PLANT AND EQUIPMENT**				**TOTAL**
		LAND, BUILDINGS AND STRUCTURES	MACHINERY AND EQUIPMENT	PROPERTY, PLANT AND EQUIPMENT UNDER CONSTRUCTION	TOTAL	LAND AND BUILDINGS	MACHINERY AND EQUIPMENT	OTHER	TOTAL	
Gross carrying amount as at 1 Feb 2023	**1,252.3**	**511.4**	**500.3**	**96.6**	**1,108.3**	**59.8**	**83.5**	**37.4**	**180.7**	**2,541.3**
Accumulated depreciation as at 1 Feb 2023	**-590.3**	**-87.7**	**-326.6**	**-2.0**	**-416.3**	**-14.2**	**-59.6**	**-13.6**	**-87.4**	**-1,094.0**
Impairment losses as at 1 Feb 2023	**-5.3**	**–**	**–**	**–**	**–**	**–**	**–**	**-0.1**	**-0.1**	**-5.4**
Net carrying amount as at 1 Feb 2023	**656.7**	**423.7**	**173.7**	**94.6**	**692.0**	**45.6**	**23.9**	**23.7**	**93.2**	**1,441.9**
Gross carrying amount as at 1 Feb 2023	1,252.3	511.4	500.3	96.6	1,108.3	59.8	83.5	37.4	180.7	2,541.3
Exchange differences	-37.4	–	–	–	–	–	-24.4	15.3	-9.1	-46.5
Acquisitions	167.3	-0.3	5.3	64.6	69.6	3.1	–	2.6	5.7	242.6
Addition due to acquisition of subsidiaries	4.0	–	–	0.1	0.1	–	–	0.8	0.8	4.9
Disposals and retirements	-43.6	–	-13.6	–	-13.6	-0.7	-2.9	-7.1	-10.7	-67.9
Other (gross carrying amount)	162.2	40.5	-94.2	-135.1	-188.8	-6.4	69.7	-37.0	26.3	-0.3
Reclassification to assets held for sale (gross carrying amount)	–	-33.7	-0.5	-0.4	-34.6	–	–	–	–	-34.6
Gross carrying amount as at 31 Jan 2024	**1,504.8**	**517.9**	**397.3**	**25.8**	**941.0**	**55.8**	**125.9**	**12.0**	**193.7**	**2,639.5**
Accumulated depreciation as at 1 Feb 2023	-590.3	-87.7	-326.6	-2.0	-416.3	-14.2	-59.6	-13.6	-87.4	-1,094.0
Exchange differences	21.8	–	–	–	–	–	15.8	-9.9	5.9	27.7
Depreciation	-105.4	-17.0	-56.0	–	-73.0	2.5	-1.5	-2.5	-1.5	-179.9
Disposals and retirements (depreciation)	32.8	–	6.5	–	6.5	-0.6	2.8	7.0	9.2	48.5
Reclassification (accumulated depreciation)	-93.0	4.6	114.4	-0.4	118.6	-3.0	-45.4	23.1	-25.3	0.3
Reclassification to assets held for sale (accumulated depreciation)	–	9.3	0.3	0.4	10.0	–	–	–	–	10.0
Accumulated depreciation as at 31 Jan 2024	**-734.1**	**-90.8**	**-261.4**	**-2.0**	**-354.2**	**-15.3**	**-87.9**	**4.1**	**-99.1**	**-1,187.4**
Impairment losses as at 1 Feb 2023	-5.3	–	–	–	–	–	–	-0.1	-0.1	-5.4
Exchange differences	0.3	–	–	–	–	–	–	0.1	0.1	0.4
Impairment losses recognised	-3.4	–	–	–	–	–	–	–	–	-3.4
Impairment losses reversed	0.2	–	–	–	–	–	–	–	–	0.2
Impairment losses utilised	1.6	–	–	–	–	–	–	–	–	1.6
Reclassification to assets held for sale (impairment losses)	–	–	–	–	–	–	–	–	–	–

Impairment losses as at 31 Jan 2024	**-6.6**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**-6.6**
Net carrying amount as at 31 Jan 2024	**764.1**	**427.1**	**135.9**	**23.8**	**586.8**	**40.5**	**38.0**	**16.1**	**94.6**	**1,445.5**

For details of asset impairment tests, see Note 5.5 below.

5.4 RIGHT-OF-USE ASSETS, LEASE LIABILITIES AND LEASE RECEIVABLES

ACCOUNTING POLICY

At the commencement date of the lease, the CCC Group recognises the right-of-use asset at cost. The cost of the right-of-use asset includes:

- the initial amount of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the lessee; and
- an estimate of the costs expected to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located, or restoring the asset to the condition required under the lease terms, unless such costs are incurred in the production of inventories.

Some of the Group's lease contracts include options to extend or terminate the lease. The lease term is initially determined based on the contractual end date and is subsequently revised when the Group becomes aware of a decision to exercise an extension or termination option. Lease terms are determined based on commercial rationale. Where the Group expects to exercise an extension option, the lease term used for measurement purposes is extended accordingly.

The Group also enters into open-ended lease contracts. In such cases, the lease term is determined based on the Management Board's judgement, reflecting the period over which it is reasonably certain that the lease will continue.

In addition, the Group holds lease contracts with terms of 12 months or less, as well as low-value leases, including for computer hardware (e.g. printers) and payment terminals. The Group applies the practical expedients available under IFRS 16 for short-term leases and leases of low-value assets.

At the commencement date, the lessee measures the lease liability at the present value of the lease payments that remain outstanding at that date. Lease payments are discounted using the interest rate implicit in the lease, where that rate can be readily determined. If it cannot be readily determined, the lessee applies its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are unpaid at that date:

- fixed lease payments, including in-substance fixed payments (as defined in paragraph B42 of the Standard), less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate applicable at the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option, if the lessee is reasonably certain to exercise that option, based on the criteria in paragraphs B37–B40 of the Standard; and
- penalties payable for terminating the lease, if the lease term reflects the lessee exercising a termination option.

Variable lease payments that depend on an index or a rate include, for example, payments linked to a consumer price index, a benchmark interest rate, or market rental levels. For each type of lease contract, the Group estimates an appropriate discount rate, which affects the measurement of the lease liability. In determining the discount rate, the Group considers the nature and duration of the lease, the currency of the contract, and the margin it would reasonably expect to pay to external financial institutions in an arm's length financing arrangement.

The lease liability is remeasured periodically to reflect lease payments made.

The costs of using leased assets are recognised in the statement of profit or loss under 'Depreciation' and in 'Finance costs' as interest expense.

Right-of-use assets are depreciated on a straight-line basis over the lease term, while lease liabilities are measured using the effective interest method.

The Group recognises and measures lease contracts that meet the recognition criteria of IFRS 16. The following components are recognised in the statement of profit or loss as current-period expenses:

- depreciation of right-of-use assets,
- interest expense on lease liabilities,
- foreign exchange gains or losses.

A lease modification is accounted for as a separate lease if both of the following conditions are met:

a) the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
b) the lease consideration increases by an amount commensurate with the stand-alone price for the additional rights, adjusted as appropriate to reflect the specific terms and circumstances of the contract.

For a lease modification that is not accounted for as a separate lease, the Group, at the effective date of the modification (i.e., the date on which the annex or amending agreement is signed by the final contracting party), performs the following:

a) allocates the consideration in the modified contract;
b) determines the revised lease term; and
c) remeasures the lease liability by discounting the revised lease payments using a revised discount rate. The revised discount rate is determined as the interest rate implicit in the lease for the remaining lease term, if that rate can be readily determined. If not, the Group uses its incremental borrowing rate as at the effective date of the modification.

For a lease modification that is not accounted for as a separate lease, the Group accounts for the remeasurement of the lease liability as follows:

a) for modifications that decrease the scope of the lease, the carrying amount of the right-of-use asset is reduced to reflect the partial or full termination of the lease. Any resulting gain or loss is recognised in profit or loss;
b) for all other modifications, the carrying amount of the right-of-use asset is adjusted accordingly.

The Group as the lessor

At the commencement date, the Group classifies each lease contract as either:

- a finance lease, if the lease transfers substantially all the risks and rewards incidental to ownership of the underlying asset, or
- an operating lease, if it does not.

In determining the lease classification, the Group considers, among other factors, whether the lease term represents a major portion of the asset's economic useful life.

Finance leases are presented in the statement of financial position as lease receivables, measured at the net investment in the lease, which comprises the present value of lease payments and unguaranteed residual value, less principal payments received in the reporting period. The principal component is calculated using a constant periodic rate of return on the lessor's outstanding net investment. Finance income arising from interest on finance leases is recognised over the lease term based on a fixed periodic rate of return on the lessor's net investment in the lease. Income from operating leases is recognised in the statement of profit or loss on a straight-line basis over the lease term.

(all amounts in PLN million unless stated otherwise)

The table below presents the carrying amount of right-of-use assets as at the reporting date.

	RIGHT-OF-USE ASSETS FROM LEASE CONTRACTS					
	Stores	Warehouse	Vehicles	Offices	Other	Total
Gross carrying amount as at 1 Feb 2024	**2,928.0**	**31.0**	**17.8**	**138.5**	**36.1**	**3,151.4**
Accumulated depreciation as at 1 Feb 2024	**-1,650.9**	**-7.6**	**-13.1**	**-50.2**	**-13.4**	**-1,735.2**
Impairment losses as at 1 Feb 2024	**-16.1**	**–**	**–**	**–**	**–**	**-16.1**
Net carrying amount as at 1 Feb 2024	**1,261.0**	**23.4**	**4.7**	**88.3**	**22.7**	**1,400.1**
Gross carrying amount as at 1 Feb 2024	2,928.0	31.0	17.8	138.5	36.1	3,151.4
Exchange differences (gross carrying amount)	-114.3	-0.5	–	-3.2	-0.5	-118.5
New lease contracts	230.2	17.3	5.2	78.4	8.2	339.3
Changes due to contract modifications	316.6	1.8	0.7	16.1	0.8	335.9
Changes due to lease modification – reduction in lease term – gross carrying amount	-147.5	-5.4	-6.7	-8.7	-13.8	-182.2
Other	–	0.3	–	0.3	–	0.6
Lease renewal	2.3	0.2	–	0.1	0.1	2.7
Gross carrying amount as at 31 Jan 2025	**3,215.3**	**44.7**	**17.0**	**221.5**	**30.9**	**3,529.2**
Accumulated depreciation as at 1 Feb 2024	-1,650.9	-7.6	-13.1	-50.2	-13.4	-1,735.2
Exchange differences – accumulated depreciation	83.4	0.3	–	1.3	0.1	85.1
Depreciation for the period	-338.6	-4.2	-4.5	-22.4	-9.6	-379.3
Changes due to lease modification – reduction in lease term – depreciation	72.1	1.6	6.1	2.7	13.6	96.1
Accumulated depreciation as at 31 Jan 2025	**-1,834.0**	**-9.9**	**-11.5**	**-68.6**	**-9.3**	**-1,933.3**
Impairment losses as at 1 Feb 2024	-16.1	–	–	–	–	-16.1
Exchange differences	0.8	–	–	–	–	0.8
Impairment losses reversed for the period	6.3	–	–	–	–	6.3
Impairment losses as at 31 Jan 2025	**-9.0**	**–**	**–**	**–**	**–**	**-9.0**
Net carrying amount as at 31 Jan 2025	**1,372.3**	**34.8**	**5.5**	**152.9**	**21.6**	**1,586.9**

	RIGHT-OF-USE ASSETS					
	Stores	Warehouse	Vehicles	Offices	Other	Total
Gross carrying amount as at 1 Feb 2023	**2,744.5**	**31.2**	**18.9**	**103.9**	**25.8**	**2,924.3**
Accumulated depreciation as at 1 Feb 2023	**-1,465.1**	**-7.2**	**-10.6**	**-33.8**	**-7.9**	**-1,524.6**
Impairment losses as at 1 Feb 2023	**-19.8**	**–**	**–**	**–**	**–**	**-19.8**
Net carrying amount as at 1 Feb 2023	**1,259.6**	**24.0**	**8.3**	**70.1**	**17.9**	**1,379.9**
Gross carrying amount as at 1 Feb 2023	2,744.5	31.2	18.9	103.9	25.8	2,924.3
Exchange differences (gross carrying amount)	-121.2	-0.5	-0.1	-5.1	-1.5	-128.4
New lease contracts	306.4	0.7	1.3	28.4	9.7	346.5
Changes due to contract modifications	140.6	1.0	1.0	11.2	2.9	156.7
Changes due to lease modification – reduction in lease term – gross carrying amount	-142.3	-1.8	-2.8	–	-0.8	-147.7
Other	-0.7	–	-0.5	–	–	-1.2
Lease renewal	0.7	0.4	–	0.1	–	1.2
Gross carrying amount as at 31 Jan 2024	**2,928.0**	**31.0**	**17.8**	**138.5**	**36.1**	**3,151.4**
Accumulated depreciation as at 1 Feb 2023	-1,465.1	-7.2	-10.6	-33.8	-7.9	-1,524.6
Exchange differences – accumulated depreciation	67.0	0.3	0.1	1.3	0.2	68.9
Depreciation for the period	-353.3	-2.0	-5.2	-17.7	-6.5	-384.7
Changes due to lease modification – reduction in lease term – depreciation	100.5	1.3	2.6	–	0.8	105.2
Accumulated depreciation as at 31 Jan 2024	**-1,650.9**	**-7.6**	**-13.1**	**-50.2**	**-13.4**	**-1,735.2**
Impairment losses as at 1 Feb 2023	-19.8	–	–	–	–	-19.8
Exchange differences	1.5	–	–	–	–	1.5
Impairment losses utilised for the period	0.7	–	–	–	–	0.7
Impairment losses reversed for the period	2.2	–	–	–	–	2.2
Impairment losses as at 31 Jan 2024	**-16.1**	**–**	**–**	**–**	**–**	**-16.1**
Net carrying amount as at 31 Jan 2024	**1,261.0**	**23.4**	**4.7**	**88.3**	**22.7**	**1,400.1**

(all amounts in PLN million unless stated otherwise)

Lease liabilities as at the reporting date are presented in the table below.

	1 Feb 2024–31 Jan 2025	1 Feb 2023–31 Jan 2024
At the beginning of the period	1,732.2	1,779.7
Accrued interest	103.6	80.6
Lease payments	-451.5	-476.1
Exchange differences	-53.1	-132.3
New lease contracts	345.9	346.5
Modification of contractual terms	291.8	182.5
Indexation	27.1	–
Lease renewal	2.7	1.2
Change in scope – reduction of contract term	-6.8	-49.9
At the end of the period	**1,991.9**	**1,732.2**

For details of asset impairment tests, see Note 5.5 below.

The amount of lease interest paid in the period from 1 February 2024 to 31 January 2025 was PLN 97.5 million, compared with PLN 78.5 million in the previous reporting period.

The table below presents the movement in lease receivables. The Group subleases office and retail space to unrelated third parties and classifies these subleases as finance leases.

	1 Feb 2024–31 Jan 2025	1 Feb 2023–31 Jan 2024
At the beginning of the period	–	–
Accrued interest	0.4	–
Lease payments	-0.8	–
Exchange differences	-0.2	–
New lease contracts	12.1	–
Modification of contractual terms	2.5	–
Change in scope – reduction of contract term	-2.2	–
At the end of the period	**11.8**	**–**
short-term	2.4	–
long-term	9.4	–

5.5 IMPAIRMENT OF NON-CURRENT ASSETS

ACCOUNTING POLICY

The Group assesses, at each reporting date, whether there are any indicators of impairment in respect of non-current assets. For the purposes of impairment testing, assets are grouped into the smallest identifiable group of assets that generates largely independent cash inflows – referred to as cash-generating units (CGUs).

An impairment loss is determined by estimating the recoverable amount of the cash-generating unit to which the asset has been allocated. An impairment loss is recognised when the recoverable amount of a cash-generating unit is lower than its carrying amount. Depreciable assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Any impairment loss is recognised in the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of fair value less costs of disposal and value in use.

Non-financial assets for which an impairment loss was previously recognised are reviewed at each reporting date for indicators suggesting that the impairment loss may no longer exist or may have decreased.

The Group performs annual impairment tests on intangible assets with indefinite useful lives, intangible assets not yet available for use, and goodwill, irrespective of whether any indicators of impairment have been identified.

Where goodwill forms part of a cash-generating unit (CGU) and the Group disposes of an operation within that CGU, the goodwill associated with the operation disposed of is included in the carrying amount of that operation when determining the gain or loss on disposal. In such cases, the goodwill disposed of is measured based on the relative values of the operation disposed of and the portion of the CGU retained.

In the retail segment, each individual store is treated as a separate cash-generating unit.

Given that, in the Group's view, the carrying amount of corporate assets cannot be allocated on a reasonable and consistent basis to individual cash-generating units (stores), the Group performs impairment testing in two stages:

- first, it compares the recoverable amount of each CGU with the carrying amount of its net assets, excluding corporate assets. Any resulting impairment loss is recognised; and next
- the Group identifies the smallest group of CGUs that includes the tested unit and to which a portion of corporate assets can be reasonably and consistently allocated. The recoverable amount of this aggregated group is then compared with the carrying amount of its net assets, including the allocated share of corporate assets.

In line with the principles described above, the Group reviews assets for impairment at each reporting date. The operating result of each retail unit (store) is reviewed. In assessing whether to recognise an impairment loss on non-financial non-current assets, the Group considers, among other factors, the following indicators:

- the store must be in operation for at least 30 months, and
- the store has generated a gross loss in each of the last two years of operation, or
- an analysis of the present value of future cash flows indicates that the capital expenditure incurred may not be recoverable. For example, impairment testing is performed for stores that have been operating for less than 30 months where performance is significantly below expectations and no reversal of the negative trend is anticipated. In the case of stores in new markets, additional indicators relating to market entry and the early-stage commercial viability of a newly entered region.

An impairment loss on a cash-generating unit – or the smallest group of units to which goodwill or corporate assets have been allocated – is recognised only when the recoverable amount of the unit (or group of units) is lower than its carrying amount.

Administrative expenses, other expenses, and certain store-operating and selling expenses (not directly attributable to a cash-generating unit), net of other income, have not been allocated – as it is not possible to assign them directly to individual stores under the CCC Group's operating model. The Group also considered the possibility of allocating these costs to individual cash-generating units; however, due to the lack of homogeneity among the CGUs, it was not possible to allocate them on a reasonable and consistent basis. Such expenses were thus allocated to operating segments (business lines).

REVIEW OF IMPAIRMENT INDICATORS AND ASSETS SUBJECT TO TESTING

As at 31 January 2025, in line with its accounting policies, the Group performed impairment tests on intangible assets with indefinite useful lives and on goodwill, and identified impairment indicators in respect of certain cash-generating units, namely individual stores. In light of the identified impairment indicators, the Group also performed impairment testing at the aggregated level, taking into account corporate assets allocated to business lines (operating segments). The table below presents cash-generating units /groups of cash-generating units for which impairment tests were carried out:

	Operating segment (business line)	Group of cash-generating units (below operating segment level)	Cash-generating unit (store)
Eobuwie segment (including goodwill and trademark)	X		
MODIVO segment	X		
HalfPrice segment	X		
Gino Rossi trademark		X	
DeeZee trademark		X	
Goodwill attributable to Shoe Express		X	
Goodwill attributable to ADLER International		X	
Goodwill attributable to UAB CCC Lithuania		X	
Goodwill attributable to OU CCC Estonia		X	
Goodwill attributable to CCC Shoes Latvia		X	
Goodwill attributable to Boardriders S.r.o.		X	
Stores (cash-generating units) for which impairment indicators were identified			X

KEY ASSUMPTIONS USED IN IMPAIRMENT TESTING

The recoverable amount for each cash-generating unit, or group of units to which assets were allocated, was determined based on value in use. This was calculated using discounted cash flow projections derived from the Annual Budget for 2025 and longer-term financial plans. In line with the requirements of IAS 36, the projections excluded new investments, including the opening of new stores. The assumptions used in preparing the Annual Budget for 2024 include the inflation rate and exchange rates for key currencies (EUR and USD).

The main assumptions used to determine the value in use were:

- average EBITDA margin,

- expected revenue CAGR during the forecast period (five years),
- residual growth rate,
- discount rate based on the weighted average cost of capital, reflecting current market assessments of the time value of money and the business risk.

The Annual Budget was prepared based on estimates of certain macroeconomic variables including:

- an inflation rate of 5.6%, based on available market analyses and closely aligned with the inflation rate projected in the state budget for the next year, with the exception of costs that are subject to statutory adjustments. At the same time, the Group anticipates that inflationary cost increases will be offset by cost-saving measures, including the benefit of additional efficiency programmes launched in 2024;
- the budget's key foreign-exchange assumptions were an EUR/PLN rate of 4.35 and a USD/PLN rate of 4.30;
- based on internal analysis, the budget assumes an average 1M WIBOR reference rate – the benchmark for the CCC Group's funding cost – of 5.8 %.

Details of these assumptions are provided in the sections below relating to the respective impairment tests.

IMPAIRMENT TESTING OF CASH-GENERATING UNITS (STORE-LEVEL TESTING)

As at 31 January 2025, the Group identified indicators of impairment in respect of store-related assets and right-of-use assets for stores that recorded operating losses (at the EBIT level) in 2023 and 2024. Each store is a separate cash-generating unit and was tested for impairment separately. The number of stores tested for impairment in the current year was 17, compared with 40 in the previous financial year.

For each store tested, the projection period was aligned with the remaining term of the relevant lease contract. The following parameters were used to calculate the value in use:

- revenue per square metre of the store space and selling expenses,
- sensitivity of direct costs to changes in revenue,
- projected gross margin as a percentage of revenue,
- a discount rate based on the weighted average cost of capital, reflecting current market assessments of the time value of money and the specific business risks associated with the cash-generating unit.

Projections for revenue growth and gross margin in 2025 were based on market- and store-level plans aligned with the Group's Annual Budget for 2025. Revenue projections for the years 2026 to 2028 were based on expected changes in key assumptions relative to the baseline year 2025, reflecting the Group's growth plans in line with its strategic priorities.

Changes in individual cost items were estimated based on the Annual Budget for 2025. For the following years, estimates were made based on the projected inflation rates for each respective country as outlined in the Strategy. The assumed inflationary trajectory of cost items was adjusted to reflect the expected benefits of programmes implemented to improve the profitability of stores.

In estimating value in use, management believes that no reasonably possible change in any of the key assumptions described above would cause the carrying amount of the cash-generating unit to exceed its recoverable amount.

As at 31 January 2025, impairment losses on stores (primarily relating to invesmment in stores and right-of-use assets) amounted to PLN 14.6 million, compared with PLN 22.7 million as at 31 January 2024. The change resulted from the disposal of assets previously subject to impairment.

IMPAIRMENT TESTS FOR GROUPS OF CASH-GENERATING UNITS

In accordance with the requirement to test trademarks and goodwill for impairment, the following assets were identified as subject to testing at the level of groups of cash-generating units, being the lowest level at which such assets can be allocated:

- Gino Rossi trademark,
- DeeZee trademark,
- goodwill attributable to Shoe Express,
- goodwill attributable to ADLER International,
- goodwill attributable to UAB CCC Lithuania,
- goodwill attributable to OU CCC Estonia,
- goodwill attributable to CCC Shoes Latvia,
- goodwill attributable to Boardriders S.r.o.

The Gino Rossi and DeeZee trademarks are intangible asset withs indefinite useful lives. The recoverable amount was determined based on value in use, calculated using cash flow projections relating to sales of Gino Rossi and DeeZee branded products through the CCC, Modivo, and eObuwie business lines.

(all amounts in PLN million unless stated otherwise)

The goodwill recognised on Shoe Express, Adler International, CCC UAB CCC Lithuania, OU CCC Estonia, CCC Shoes Latvia, and Boardriders S.r.o. arose from the acquisitions of, respectively: Shoe Express S.A. (Romania); the business acquired as an organised part of Adler International Sp. z o.o. sp.k.; UAB CCC Lithuania; OU CCC Estonia; CCC Shoes Latvia; and Boardriders S.r.o. The recoverable amount was determined based on value in use, calculated using a five-year cash flow forecast relating to the operations of: Shoe Express S.A. (within the CCC and HalfPrice business lines), the acquired stores forming the organised part of Adler International (within the CCC business line), UAB CCC Lithuania, OU CCC Estonia, CCC Shoes Latvia, and Boardriders S.r.o.

The factors affecting the recoverable amount are described above in the section 'Key assumptions used in impairment testing' and were consistent across all tests performed.

The key parameters based on the adopted assumptions were as follows:

31 Jan 2025	Gino Rossi trademark	DeeZee trademark	Goodwill attributable to Shoe Express	Goodwill attributable to Adler International	Goodwill attributable to UAB CCC Lithuania	Goodwill attributable to OU CCC Estonia	Goodwill attributable to CCC Shoes Latvia	Goodwill attributable to Boardriders S.r.o.
Discount rate	9.83%	9.83%	13.11%	9.83%	7.66%	7.41%	7.31%	7.32%
Average EBITDA margin	25.9%	27.6%	37.7%	42.4%	20.0%	23.3%	18.3%	142.7%
Expected EBITDA CAGR during the forecast period (five years)	4.4%	0.8%	4.0%	5.4%	6.0%	6.2%	6.5%	3.2%
Residual growth rate	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

31 Jan 2024	Gino Rossi trademark	Goodwill attributable to Shoe Express	Goodwill attributable to Adler International
Discount rate	11.0%	13.8%	11.0%
Average EBITDA margin	14.2%	17.0%	38.4%
Expected EBITDA CAGR during the forecast period (five years)	2.0%	2.8%	13.6%
Residual growth rate	2.0%	2.0%	2.0%

Impairment tests were carried out as at 31 January 2025 and did not indicate a need to recognise impairment losses. Impairment tests performed as at 31 January 2024 likewise did not indicate a need to recognise impairment losses.

In estimating value in use, management believes that no reasonably possible change in any of the key assumptions described above would cause the carrying amount of the group of cash-generating units to exceed its recoverable amount.

The third stage of impairment testing was performed at the highest level of aggregation, being the business line (i.e., operating segment).

IMPAIRMENT TESTS AT THE LEVEL OF OPERATING SEGMENTS (BUSINESS LINES)

As it was not possible to allocate corporate assets to cash-generating units on a reasonable and consistent basis, and due to the existence of impairment indicators described below, as well as the allocation of goodwill (to the eobuwie segment), impairment tests were carried out at the level of business lines (operating segments), including the corporate assets allocated to each business line. For detailed information on the reportable segments, see Note 2 'Segments and revenue'.

As at the reporting date, the following segments were tested:

- The HalfPrice segment,
- The MODIVO segment, and
- The eobuwie segment.

For the CCC business line, an analysis of impairment indicators was carried out and did not reveal a need to perform an impairment test. No material technological, market, economic or legal changes were identified in the external environment.

For the HP business line, impairment indicators were identified and an impairment test was carried out. The test covered non-current assets (excluding deferred tax assets and long-term investments) allocated to the HalfPrice operating segment, together with net working capital allocated to the segment. The recoverable amount was determined based on the value in use calculated using a cash flow projection related to sales of products through the HalfPrice business line (operating segment) based on its existing assets. The cash flow projection covered the years 2025 and 2026–2029.

For the MODIVO and eobuvie business lines, impairment indicators were identified and an impairment test was carried out. The tests covered non-current assets allocated to each operating segment together with net working capital allocated to the segments. The recoverable amount was determined based on the value in use calculated using a cash flow projection related to sales of products through the each of the business lines (operating segments). The cash flow projection covered the years 2025 and 2026–2029.

(all amounts in PLN million unless stated otherwise)

The parameters used to calculate value in use included:

- revenue and its key drivers, including footfall, conversion rate, average basket value, and their changes over the successive years of the forecast period,
- gross margin and its evolution driven by macroeconomic factors such as foreign exchange rates and the product offering,
- individual cost components, reflecting the impact of inflation and changes in key economic parameters, in particular the increase in wages (including the minimum wage).

Key parameters based on the adopted assumptions were as follows:

31 Jan 2025	HalfPrice	Modivo	eobuwie
Discount rate	9.83%	9.83%	9.83%
Average EBITDA margin	21.6%	21.7%	13.7%
Expected sales CAGR during the forecast period (five years)	4.4%	9.7%	13.0%
Residual growth rate	2.0%	2.0%	2.0%

Impairment tests were carried out as at 31 January 2025, revealing no need to recognise impairment losses.

In addition, sensitivity analyses were performed for each impairment test to assess their responsiveness to changes in key assumptions.

The table below presents the change in each key assumption that would cause the recoverable amount to equal the carrying amount, taking into account the effect of such a change on other variables.

31 Jan 2025	HalfPrice	Modivo	eobuwie
Increase in discount rate resulting in impairment loss	31.6 p.p.	63.1 p.p.	31.8 p.p.
Decrease in average EBITDA margin resulting in impairment loss	12.8 p.p.	23.6 p.p.	9.4 p.p.
Decrease in expected sales CAGR during the forecast period (5 years) resulting in impairment loss	4.4 p.p.	10.0 p.p.	4.3 p.p.

As at the reporting date 31 January 2024, the following segments were tested:

- The CCC segment,
- The HalfPrice segment,
- The DeeZee segment,
- The MODIVO segment,
- The eobuwie segment.

The impairment test for the CCC business line was carried out following underperformance against budget, attributable to macroeconomic factors. The test covered non-current assets (excluding deferred tax assets and long-term investments) allocated to the CCC operating segment, together with net working capital allocated to that segment. The recoverable amount was determined based on the value in use calculated using a cash flow projection related to sales of products and other activities through the CCC business line (operating segment), based on the current asset base. The cash flow projection covered the years 2024 and 2025–2028.

The impairment test for the HalfPrice business line was carried out due to the allocation of certain corporate assets to that business line. The test covered non-current assets (excluding deferred tax assets and long-term investments) allocated to the HalfPrice operating segment, together with net working capital allocated to that segment. The recoverable amount was determined based on the value in use calculated using a cash flow projection related to sales of products through the HalfPrice business line (operating segment) based on its existing assets. The cash flow projection covered the years 2024 and 2025–2028.

Impairment tests were carried out for the MODIVO, eobuwie and DeeZee business lines due to underperformance against budget, attributable to macroeconomic factors. The tests covered non-current assets allocated to each operating segment together with net working capital allocated to that segment. The recoverable amount was determined based on the value in use calculated using a cash flow projection related to sales of products through the respective business line (operating segment). The cash flow projection covered the years 2024 and 2025–2028.

(all amounts in PLN million unless stated otherwise)

The parameters used to calculate the value in use included:

- revenue and its key drivers, including footfall, conversion rate, average basket value, and their changes over the successive years of the forecast period,
- gross margin and its evolution driven by macroeconomic factors such as foreign exchange rates and the product offering,
- individual cost components, reflecting the impact of inflation and changes in key economic parameters, in particular the increase in wages (including the minimum wage).

The projected results for the CCC business line, prepared for the purpose of impairment testing, reflect accelerated revenue growth relative to the financial year ended 31 January 2023. This growth is driven by the enhanced attractiveness of the product offering, the inclusion of a portfolio of licensed and complementary products currently being rolled out, and a strengthening macroeconomic environment. Contributing factors include improved consumer confidence, higher household income from government benefits (notably the uplift in the 500+ childcare befit programme), and rising wages, including an increase in the statutory minimum wage. The estimated financial results also reflect an improvement in the EBITDA margin (17.3% in 2023), supported by a higher gross margin of 55.5%, driven by an increased share of current-season collections (resulting in lower promotional discounting) and the strengthening of the zloty, which reduced unit product costs. We also expect to maintain strict cost discipline (costs were reduced by PLN 234.1 million in 2023 compared with the previous financial year), through continued optimisation of in-store process efficiency and a stable headcount in central functions.

The impairment test for the DeeZee business line assumes continued growth, supported by an expanded product offering and the development of the e-commerce channel, including changes to geographical coverage.

The sales growth assumptions for the Modivo business line reflect its early stage of development, resulting in a low comparative base (sales for the financial year ended 31 January 2023 amounted to PLN 1,091 million). The assumed growth also takes into account the continued expansion of the loyalty programme and an expected increase in user sessions, driven by improvements in collection quality while maintaining competitive pricing. In addition, the efficiency of performance marketing spend is expected to improve through the application of artificial intelligence technologies in optimising customer communication channels. At the same time, margins are expected to improve through optimisation of the inventory structure and lower customer acquisition costs, supported by increased brand recognition.

For the eobuwie business line, the impairment tests assume a return to a growth trajectory in sales. In the financial year ended 31 January 2023, sales declined by 7.8% year on year, primarily due to the ongoing optimisation of the inventory structure throughout 2023. This optimisation adversely affected the business line's underlying profitability and led to a 2.5 percentage point decrease in gross margin compared with the previous year. This trend is expected to be supported by improving macroeconomic indicators, including consumer confidence and disposable income. The Group anticipates a return to profitability, supported by ongoing optimisation of purchasing processes and operational areas, including the implementation of cost-saving programmes. In 2023, the EBITDA margin was -1.6%.

The factors affecting the recoverable amount are described above in the section 'Key assumptions used in impairment testing' and were consistent across all tests performed.

Key parameters based on the adopted assumptions were as follows:

31 Jan 2024	CCC	HalfPrice	DeeZee	Modivo	eobuwie
Discount rate	11.0%	11.0%	11.0%	11.0%	11.0%
Average EBITDA margin	18.8%	16.6%	7.7%	10.1%	9.4%
Expected sales CAGR during the forecast period (five years)	5.3%	6.0%	2.0%	18.6%	11.9%
Residual growth rate	2.0%	2.0%	2.0%	2.0%	2.0%

Impairment tests were carried out as at 31 January 2024, revealing no need to recognise impairment losses.

In addition, a sensitivity analysis was carried out for the individual impairment tests, which showed their sensitivity to changes in key parameters.

The table below presents the change in each key assumption that would cause the recoverable amount to equal the carrying amount, taking into account the effect of such a change on other variables.

31 Jan 2024	CCC	HalfPrice	DeeZee	Modivo	eobuwie
Increase in discount rate resulting in impairment loss	14.4 p.p.	17.8 p.p.	62.7 p.p.	40.4 p.p.	24.1 p.p.
Decrease in average EBITDA margin resulting in impairment loss	4.7 p.p.	2.1 p.p.	3.2 p.p.	6.7 p.p.	5.7 p.p.
Decrease in expected sales CAGR during the forecast period (5 years) resulting in impairment loss	2.7 p.p.	4.3 p.p.	2.9 p.p.	5.9 p.p.	4.2 p.p.

5.6 ASSETS HELD FOR SALE

ACCOUNTING POLICY

Non-current assets are classified as held for sale when their carrying amount is expected to be recovered principally through a sale transaction rather than through continuing use. To be classified as held for sale, an asset must be available for immediate sale in its present condition, with a sale highly probable within one year. The Group must be actively committed to locating a buyer. Such assets are measured at the lower of carrying amount and fair value less costs of disposal.

On 30 April 2024, CCC S.A. reclassified its property in Słupsk as a non-current asset held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. The asset was available for immediate sale in its present condition. The carrying amount of the property was PLN 11.9 million, and the estimated selling price was PLN 10 million; consequently, an impairment loss of PLN 1.9 million was recognised and presented under other expenses. On 4 June 2024, the property was sold for PLN 10.0 million.

Building K1 in Zielona Góra, Poland, owned by Modivo S.A., classified as an asset held for sale as at 31 January 2024, was sold in the three months to 30 April 2024. The Group recognised a gain on disposal of PLN 15.3 million, presented under other income.

As of the reporting date, the Group had no assets held for sale.

5.7 INVENTORIES

ACCOUNTING POLICY

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less variable costs necessary to make the sale.

The CCC Group has analysed, in light of the IFRS Interpretations Committee's guidance (IFRIC Update, June 2021, Agenda Decision, 'IAS 2 Inventories – Costs Necessary to Sell Inventories'), the additional costs incurred in the selling process that are necessary to complete a sale and which, under IAS 2, qualify for inclusion in the calculation of net realisable value (NRV). To determine the costs necessary to complete a sale, the Group considered the nature of inventories held, the sales channels used, and analysed the cost structure. The net realisable value of inventories held in HalfPrice stores and central warehouses dedicated to the HalfPrice chain is assessed based on historical gross margins in that channel, together with the current pricing strategy.

The costs incurred to complete a sale vary by sales channel, resulting in different cost structures for the digital channel and for offline stores. In the digital channel, the Group includes courier delivery costs, packaging expenses, and payment processing fees in the costs necessary to complete a sale. For offline store sales, selling costs include logistics costs associated with product roll-offs (i.e. the redirection of goods from stores to central warehouses at the end of the season), repackaging costs at the central warehouse, and an allocation for employee-related costs. In both channels, an allocation of marketing expenses is also included in the costs necessary to complete a sale.

Merchandise is recorded using both quantity and value measures and is measured at:

– for imported goods – at purchase cost, including the purchase price, international and domestic transport to the first point of unloading in the country, insurance, and import duties; any amounts in foreign currencies are translated at the rate stated in the customs documents,
– for goods purchased in Poland – at purchase prices; other purchase-related costs, being immaterial in amount, are recognised in profit or loss when incurred.

If circumstances indicate that the carrying amount of inventories exceeds their net realisable value, a write-down is recognised in cost of sales. If the circumstances cease to exist, the write-down is reversed by reducing the cost of sales.

To determine the amount of inventory write-downs, the Group applies a valuation model based on inventory ageing, incorporating forecast selling prices for specific product lines. These forecasts are based on an analysis of historical data, the Group's current circumstances, and its micro- and macroeconomic environment, all of which may affect the degree of estimation uncertainty.

Significant estimates and judgements primarily involve the analysis of achievable sales margins, forecast future selling prices, inventory turnover, additional selling costs necessary to complete inventory sales, and the effectiveness of marketing activities. As part of its ongoing inventory management, the Company monitors stock levels by age profile and actively supports sales through targeted promotional activities.

In assessing the level and value of inventories, the Group identifies footwear as the principal product category, with other products – mainly, clothing, handbags and accessories – presented as a separate group. For the principal product category, the Group reviews factors affecting its measurement, including expected sales volumes, forecast margins, planned discounts, alignment with fashion trends and customer preferences, and the level of additional costs required to adapt the products for sale in future seasons. For the other products, the Group analyses primarily the product life cycle and planned discounts. Average discounts granted on non-footwear products are typically lower than those on footwear; in addition, this product group does not require any material adaptation costs for sale in future periods.

(all amounts in PLN million unless stated otherwise)

Results of these analyses are reflected in the estimation of inventory write-downs. For the principal product category, inventory write-downs tend to be higher, primarily due to the faster obsolescence of footwear compared with other product groups. In addition, the seasonal replacement of merchandise in the principal product group – involving cyclical transfers between central warehouses and stores, as well as returns from stores to warehouses – generates additional handling costs and contributes to higher inventory write-downs on footwear. This process does not apply to non-footwear products. In addition, the faster turnover of these inventories supports a lower level of write-downs.

When assessing the age of footwear inventories, the Group determines an appropriate write-down rate, expressed as a percentage, which is then used to calculate the amount of write-downs. The product-level analysis includes inventories held for more than two years, and correspondingly older inventories in the off-price segment.

The key discount policy assumptions affecting the measurement of inventories at net realisable value are as follows:

- the level of markdowns (i.e., discounts) depends on the age of inventories, with discount rates increasing over time. This is primarily due to the deterioration in footwear quality caused by storage and in-store display, as well as the reduced availability of popular sizes, all of which reduce the inventory's appeal to customers;
- discount campaigns are aligned with entire collections or product groups to maximise their intended impact;
- the expected rate of inventory turnover declines over time, and discount levels are increased to improve the price competitiveness of the goods.

	31 Jan 2025	31 Jan 2024
Materials	6.1	17.7
Merchandise	3,577.6	2,887.1
Right of return asset	46.3	69.4
Total (gross)	**3,630.0**	**2,974.2**
Impairment write-downs	-51.0	-62.6
Total (net)	**3,579.0**	**2,911.6**

The CCC Group aims to optimise inventory levels while maintaining sufficient product availability to support maximum sales potential.

One of the key drivers of inventory levels is the shift in the product portfolio, particularly the increased share of licensed merchandise. As a result, net inventories increased by 22.92% relative to 31 January 2024.

As customers have the right to return unused goods, the Group recognises a refund liability and a corresponding right of return asset. Revenue from deliveries made after the reporting date is recognised in the subsequent period, while returns reduce revenue in the current period. The related asset is presented within inventories, and the corresponding liability is included in other liabilities. As at the reporting date, the asset amounted to PLN 46.3 million and the liability amounted to PLN 63.8 million.

Inventory write-downs and movements in write-downs are presented below.

	1 Feb 2024–31 Jan 2025	1 Feb 2023–31 Jan 2024
At the beginning of the period	**62.6**	**70.4**
Recognised in cost of sales	41.8	38.7
Utilisation	-10.8	-8.4
Reversed through cost of sales	-41.7	-38.1
Exchange differences	-0.9	–
At the end of the period	**51.0**	**62.6**

During the financial year 2024, the Group recognised and reversed net inventory write-downs of PLN 0.1 million. The reduction in inventory write-downs at the reporting date was due to an improved inventory structure, higher turnover, and a decline in impaired inventories intended for resale or disposal.

(all amounts in PLN million unless stated otherwise)

The following table presents the inventory age analysis.

	31 Jan 2025	31 Jan 2024
up to 1 year	3,339.6	2,709.1
1 to 2 years	275.7	232.1
2 to 3 years	13.7	28.5
over 3 years	1.0	4.5
Total gross carrying amount	**3,630.0**	**2,974.2**

5.8 TRADE RECEIVABLES, OTHER RECEIVABLES, AND LOANS

ACCOUNTING POLICY

Trade receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, net of expected credit loss allowances. Further details are provided in Note 6.1. Trade receivables that are expected to be settled within one year or in the normal course of business are classified as current assets.

Trade receivables include amounts due from courier service providers and receivables arising from wholesale sales.

Other receivables

Other receivables that do not qualify as financial assets are initially recognised at nominal value and measured at the end of the reporting period at the amount due.

	31 Jan 2025	31 Jan 2024
Gross trade receivables	430.1	295.0
Loss allowance	-99.2	-100.9
Total net receivables	**330.9**	**194.1**
Advances for inventory deliveries	98.0	57.5
Prepaid expenses	76.6	58.8
Tax receivables other than income tax	85.3	26.5
Receivables from the disposal of property, plant and equipment	25.7	2.4
Other	44.4	37.8
Total other receivables	**330.0**	**183.0**

	31 Jan 2025	31 Jan 2024
Other non-current receivables	17.7	–
Total other non-current receivables	**17.7**	**–**

Loss allowance on trade receivables	1 Feb 2024–31 Jan 2025	1 Feb 2023–31 Jan 2024
At the beginning of the period	**-100.9**	**-100.8**
a) increase	-2.9	-10.4
b) decrease – used	0.2	5.0
c) decrease – reversed	6.7	6.3
d) other changes	-2.3	-1.0
At the end of the period	**-99.2**	**-100.9**

Trade receivables increased by PLN 136.8 million compared with 31 January 2024, primarily due to higher wholesale sales.

Other receivables primarily comprise prepaid expenses relating to licensing fees for future periods and advances for inventory deliveries. The balance mainly reflects prepayments for the Spring/Summer 2025 collection and bank commissions deferred over time. Another significant component of other receivables is tax-related receivables, primarily VAT recoverable.

Other receivables also include amounts due in respect of volume-based supplier rebates and receivables related to security deposits and guarantees. Trade receivables are non-interest bearing and typically have a market-based payment term. The Group follows a policy of trading only with customers whose creditworthiness has been verified. In the opinion of the Management Board, there is no credit risk exceeding the amount covered by the expected credit loss allowance recognised on the Group's trade receivables.

(all amounts in PLN million unless stated otherwise)

The Group classified loans as financial assets that were credit-impaired as at the reporting date. Further details are provided in Notes 3.3 and 6.1. The gross carrying amount of the loans was PLN 130.2 million at both reporting dates and was fully covered by a loss allowance, reflecting the impairment of both trade receivables and loans to the HRG associate, following a deterioration in its financial condition as a result of the COVID-19 pandemic. As at the reporting date and 31 January 2024, HR Group Holding s.a.r.l. was in bankruptcy and an impairment loss for the entire amount of the loan advanced to that entity was recognised.

5.9 CASH

ACCOUNTING POLICY

Cash and cash equivalents include cash in hand and bank deposits payable on demand. Current account borrowings are presented in the statement of financial position as a component of financing liabilities. For the purpose of the statement of cash flows, current account borrowings are not offset against cash and cash equivalents.

	31 Jan 2025	31 Jan 2024
Cash in hand and in transit [1]	53.3	22.5
Cash at bank	369.2	210.8
Short-term deposits (up to 3 months)	15.3	28.5
Cash in VAT accounts (split payment)	23.4	4.7
Total	**461.2**	**266.5**

[1] As at the reporting date, cash in hand and in transit comprised cash in hand of PLN 11.6 million and cash in transit of PLN 41.7 million.

Cash is exposed to credit risk, currency risk, and interest rate risk. For details of the Group's risk management policies and related disclosures – including credit quality assessment and sensitivity analysis of exposure to currency and interest rate risk – see Note 6.1.

5.10 TRADE AND OTHER PAYABLES

ACCOUNTING POLICY

Trade payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method.

Trade payables are classified as current liabilities if they are expected to be settled in the normal operating cycle, are due within twelve months of the reporting date, or if the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting date.

The Group incurs costs related to the Employee Capital Plans (PPK) through contributions to a pension fund. These are post-employment benefits classified as a defined contribution plan. PPK contributions are recognised in the same cost category as the related salaries and wages. Obligations under PPK are presented as other non-financial liabilities within 'Other liabilities'.

	31 Jan 2025	31 Jan 2024
Trade payables:		
trade payables – excluding balances subject to reverse factoring arrangements	1,790.3	1,276.4
trade payables –subject to reverse factoring arrangements	611.2	466.1
investment-related payables	100.5	77.7
investment-related payables – subject to reverse factoring arrangements	13.8	–
Total trade and other payables	**2,515.8**	**1,820.2**
Liabilities in respect of indirect taxes, customs duties, and other government levies	238.6	132.0
Liabilities to employees	66.3	99.5
Accrued expenses	36.0	64.9
Deferred income	43.0	39.5
Refund liabilities	63.8	98.7
Contract liabilities	36.0	23.7
Other	8.5	4.4
Total other liabilities	**492.2**	**462.7**

The Group uses reverse factoring services under which, following the submission of an invoice for goods purchased, the factor bank settles the amounts due to suppliers within seven business days. The Group repays its liabilities to the factor bank in line with the original payment terms stated on the invoices. As a result, from the Group's perspective, there is no extension of payment terms compared with previous settlements with suppliers, which typically ranged from 60 to 180 days. Early settlement of the Group's liabilities by the factor is subject to a discount borne by the suppliers. Under the New Financing Agreement, the calculation of the net exposure to EBITDA was revised to include reverse factoring liabilities. As a result, the balance of such liabilities now affects the calculation of bank covenants. The Group's liabilities to the factor are secured, as described in Note 4.2 to these financial statements.

(all amounts in PLN million unless stated otherwise)

The presentation of liabilities subject to reverse factoring in the statement of financial position and the statement of cash flows required the exercise of significant judgement. The Group recognises as factored liabilities those trade payables that have been transferred to the factor. In its assessment, the Management Board also considered the IFRIC decision on Supply Chain Financing issued in December 2020. The Management Board concluded that these balances form part of working capital used in the ordinary course of the Group's business and, in substance, correspond to trade payables, as they are directly attributable to arrangements with suppliers.

Given the nature of the reverse factoring arrangements and taking into account the guidance from the IFRIC decision, the Group presents these liabilities as a separate class of financial liabilities within 'Trade and other payables'. Payments to the factor are presented in the statement of cash flows within net cash flows from operating activities, as they effectively represent payments for goods delivered. The table below presents the reverse factoring agreements, along with the applicable limits and their utilisation as at the reporting date.

	31 Jan 2025				31 Jan 2024		
Type of supplier financing agreement	End date	Limit	Used	Amount of liabilities paid by the factor to suppliers	Limit	Used	Amount of liabilities paid by the factor to suppliers
	FINANCING OF THE CCC BUSINESS UNIT						
Tranche B* under the syndicated agreement	June 2026	600.0	491.1	491.1	5.4	141.3	141.3
Tranche C under the syndicated agreement	expired	–	–	–	47.9	10.3	10.3
Agreement with Santander Bank with BGK guarantee	expired	–	–	–	98.3	72.8	72.8
Agreement with Bank Millennium with BGK guarantee	expired	–	–	–	39.8	7.7	7.7
Total for CCC BUSINESS UNIT		**600.0**	**491.1**	**491.1**	**191.4**	**232.1**	**232.1**
	FINANCING OF THE MODIVO BUSINESS UNIT						
Agreement with Pekao S.A.	unspecified	110.0	56.8	56.8	80.0	60.8	60.8
Agreement with Pekao S.A. with BGK guarantee	expired	–	–	–	30.0	19.3	19.3
Agreement with Pekao S.A. with BGK guarantee	July 2025	70.0	24.0	24.0	70.0	46.7	46.7
Agreement with PKO BP with BGK guarantee	November 2025	140.0	53.1	53.1	60.0	39.9	39.9
Agreement with PKO BP	expired	–	–	–	80.0	67.3	67.3
Total MODIVO BUSINESS UNIT		**320.0**	**133.9**	**133.9**	**320.0**	**234.0**	**234.0**
Total CCC Group		**920.0**	**625.0**	**625.0**	**511.4**	**466.1**	**466.1**

* interchangeability of limits across banking products available Details of the available credit facility limits and their availability periods are provided in the 'Debt and liquidity of the CCC Group' section of the Directors' Report.

	31 Jan 2025	31 Jan 2024
Construction retention deposits	2.8	3.3
Other	–	0.7
Total other non-current liabilities	**2.8**	**4.0**

Accruals include, among other items, accrued holiday entitlements of PLN 25.1 million (PLN 17.9 million in the previous period).

	31 Jan 2025	31 Jan 2024
Derivative financial instruments embedded in bonds issued to PFR – Equity Kicker	–	6.6
Total other non-current financial liabilities	**–**	**6.6**
Derivative financial instruments embedded in bonds convertible into Modivo shares (voluntary conversion option)	–	3.4
Total other current financial liabilities	**–**	**3.4**

Further details on other current and non-current financial liabilities are provided in Note 6.1 to these financial statements.

(all amounts in PLN million unless stated otherwise)

Trade and other payables are exposed to foreign exchange risk. Foreign exchange risk management and sensitivity analysis are presented in Note 6.1.

These liabilities are also subject to liquidity risk (see Note 6.1 for additional information).

The fair value of liabilities to suppliers is approximately equal to their carrying amount.

CAPITAL COMMITMENTS AND OTHER FUTURE CONTRACTUAL OBLIGATIONS

As at 31 January 2025 and 31 January 2024, the Group had no material capital commitments or other future contractual obligations.

5.11 PROVISIONS

ACCOUNTING POLICY

Provisions primarily relate to long-service awards, retirement severance benefits, warranty repairs, and legal disputes.

The provision for warranty repairs is recognised based on the Group's best estimate of expected returns arising from product claims, using historical data. A product claim ratio is calculated based on multi-period analysis and the Group's experience, in order to simplify the estimation process. Revenue earned in a given period serves as the basis for determining the volume of expected returns and, accordingly, the level of product claims. The provision is adjusted in subsequent periods through increases or reversals depending on the volume of revenue generated.

The provision for legal disputes is recognised at the amount representing the best estimate of the expenditure required to settle the obligations.

Under the Group's employee benefit plans, employees are entitled to long-service and retirement awards. Retirement awards are paid as a lump sum upon retirement and are determined based on the employee's years of service and average salary. The Group recognises a provision for future retirement benefit obligations in order to allocate the related costs to the relevant periods. The present value of these obligations is determined as at each reporting date by an independent actuary.

Long-term defined benefits plan during employment

Under the terms of the collective labour agreement, a group of employees has the right to receive long-service benefits whose amount depends on the length of service. The eligible employees receive, on a one-off basis, an equivalent of 100% of their monthly base pay after 10 years of service, an equivalent of 150% of their monthly base pay after 15 years of service, an equivalent of 200% of their monthly base pay after 20 years of service, and an equivalent of 250% of their monthly base pay after 25 years of service. These benefits are recognised based on actuarial valuations. The Group recognises a provision for future long-service awards based on an actuarial valuation using the projected unit credit method.

	PROVISION FOR LONG-SERVICE AWARDS AND RETIREMENT BENEFITS	PROVISION FOR RETURNS AND PRODUCT CLAIMS	PROVISION FOR LEGAL DISPUTES	OTHER PROVISIONS	TOTAL
As at 1 Feb 2024	**16.5**	**4.8**	**0.2**	**0.6**	**22.1**
current	3.7	4.8	0.2	0.6	9.3
non-current	12.8	–	–	–	12.8
As at 1 Feb 2024	**16.5**	**4.8**	**0.2**	**0.6**	**22.1**
Recognised	2.6	7.0	–	–	9.6
Used	–	-0.6	–	–	-0.6
Reversed	-0.7	-0.7	-0.1	–	-1.5
As at 31 Jan 2025	**18.4**	**10.5**	**0.1**	**0.6**	**29.6**
current	3.8	10.5	0.1	0.6	15.0
non-current	14.6	–	–	–	14.6

(all amounts in PLN million unless stated otherwise)

	PROVISION FOR LONG-SERVICE AWARDS AND RETIREMENT BENEFITS	PROVISION FOR RETURNS AND PRODUCT CLAIMS	PROVISION FOR LEGAL DISPUTES	OTHER PROVISIONS	TOTAL
As at 1 Feb 2023	**16.7**	**8.7**	**1.5**	**0.6**	**27.5**
current	3.7	8.7	1.5	0.6	14.5
non-current	13.0	–	–	–	13.0
As at 1 Feb 2023	**16.7**	**8.7**	**1.5**	**0.6**	**27.5**
Recognised	3.7	1.8	–	46.1	51.6
Used	-3.0	-5.5	–	–	-8.5
Reversed	-0.9	-0.2	-1.3	-46.1	-48.5
As at 31 Jan 2024	**16.5**	**4.8**	**0.2**	**0.6**	**22.1**
current	3.7	4.8	0.2	0.6	9.3
non-current	12.8	–	–	–	12.8

6. OTHER NOTES

6.1 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

ACCOUNTING POLICY

Financial assets

Classification of financial assets

Financial assets are classified into the following categories:

- measured at amortised cost,
- measured at fair value through profit or loss,
- measured at fair value through other comprehensive income.

The Group classifies financial assets based on its business model for managing financial assets and the contractual cash flow characteristics of the assets (the SPPI test). The Group reclassifies investments in debt instruments if, and only if, the management model for such assets changes.

Measurement at initial recognition

Except for certain trade receivables, financial assets are initially recognised at fair value. For financial assets other than those measured at fair value through profit or loss, fair value is increased by transaction costs that are directly attributable to the acquisition of the financial asset.

Derecognition

Financial assets are derecognised when either:

- the contractual rights to the cash flows from the financial assets expire, or
- the rights to the cash flows have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Measurement after initial recognition

For the purpose of measurement subsequent to initial recognition, financial assets are classified into the following four categories:

- debt instruments measured at amortised cost,
- debt instruments measured at fair value through other comprehensive income,
- equity instruments measured at fair value through other comprehensive income,
- financial assets measured at fair value through profit or loss.

Debt instruments – financial assets measured at amortised cost

A financial asset is measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets to collect contractual cash flows, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group classifies the following types of financial assets as measured at amortised cost:

- trade receivables,
- loans that meet the SPPI classification test and, in line with the business model, are recognised as held to collect cash flows,
- cash and cash equivalents.

Interest income is calculated using the effective interest rate method and disclosed in the statement of profit or loss/ statement of comprehensive income in the line item 'Interest income'.

Debt instruments – financial assets at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- the financial asset is held within a business model whose objective is both to receive contractual cash flows and to sell the financial asset; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income, foreign exchange differences and gains and losses on impairment are recognised in profit or loss and calculated in the same way as for financial assets carried at amortised cost. Other changes in fair value are recognised in other comprehensive income. When a financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss.

Interest income is calculated using the effective interest rate method and disclosed in the statement of profit or loss/ statement of comprehensive income in the line item 'Interest income'.

Equity instruments – financial assets measured at fair value through other comprehensive income

On initial recognition, the Group may make an irrevocable election to recognise in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument that is neither held for trading nor is contingent consideration recognised by the acquirer in a business combination to which IFRS 3 applies. Such election is made separately for each such equity instrument. Accumulated gains or losses previously recognised in other comprehensive income are not reclassified to profit or loss. Dividends are recognised in profit or loss/ statement of comprehensive income when the Group's right to receive dividend is established, unless the dividend clearly represents recovery of a portion of the investment cost.

Financial assets measured at fair value through profit or loss

Financial assets which are not measured at amortised cost or at fair value through other comprehensive income are measured at fair value through profit or loss. The Group classifies derivative financial instruments and listed equity instruments that have not been irrevocably designated as measured at fair value through other comprehensive income as financial assets measured at fair value through profit or loss. Gain or loss on measurement of those assets at fair value is recognised in profit or loss. Dividends are recognised in profit or loss in the statement of comprehensive income when the Group's right to receive dividend is established.

Offsetting of financial assets and financial liabilities

If the Group:

- has a legally enforceable right of set-off, and
- intends to settle on a net basis, or to recover the asset and settle the liability simultaneously, then the financial asset and the financial liability are offset and disclosed in the statement of financial position on a net basis.

Impairment of financial assets

The Group assesses expected credit losses (ECL) associated with financial instruments measured at amortised cost and fair value through other comprehensive income, regardless of whether there is any indicator of impairment.

For short-term trade receivables that do not contain a significant financing component, lease receivables and other receivables, the Group applies the simplified approach under IFRS 9 and recognises an expected credit loss allowance based on lifetime expected credit losses from the date of initial recognition.

In cases where an individual assessment is warranted, the Group determines the probability of default using market data published by Moody's.

The Group's principal business activities are concentrated in the retail, digital, and wholesale segments. Trade receivables primarily relate to the wholesale segment and cooperation with franchise partners. Receivables attributable to the retail and digital segments are immaterial. Expected credit loss allowances are recognised for receivables from entities that the Group considers to have a significantly increased risk of default in the near term.

For other financial assets, the Group measures the allowance for expected credit losses in an amount equal to 12-month expected credit losses. If the credit risk has increased significantly since initial recognition, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

The Group considers the credit risk associated with a financial instrument to have increased significantly since initial recognition if:

- the receivable is past due by more than 60 days;
- there has been a significant deterioration in the debtor's credit rating;
- the debtor has reported a deterioration in financial performance;
- credit facilities extended to the debtor have been withdrawn, or the debtor is in breach of covenants attached to these facilities;
- the debtor has experienced a significant loss of market share or key trading partners, adverse legislative changes affecting its business, significant adverse developments in its sales or supply markets (including those caused by foreign exchange rate movements or adverse commodity price fluctuations), or unforeseen events adversely impacting its operations;
- the debtor is subject to material litigation proceedings that could impair the recoverability of amounts due; or
- there has been a significant decline in the fair value of collateral held.

If days past due exceed 180, the Group considers the debtor to have defaulted.

The Group recognises an expected credit loss allowance for financial assets at an amount equal to the difference between their carrying amount and the present value of estimated future cash flows discounted at the financial assets' original effective interest rate.

Fair value of financial assets and financial liabilities

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. The Group measures financial instruments, including derivative instruments (forward contracts and put options), at fair value at each reporting date. Derivatives are recognised as assets when their fair value is positive and as liabilities when their fair value is negative. Gains and losses arising from changes in the fair value of derivatives that do not qualify for hedge accounting are recognised directly in profit or loss for the period. The fair value of foreign exchange forward contracts is determined by reference to prevailing market forward exchange rates for contracts with similar maturity profiles.

All financial assets and financial liabilities measured at fair value, or for which fair value is disclosed in the financial statements, are categorised within the fair value hierarchy described below, based on the lowest-level input that is significant to the fair value measurement in its entirety.

Level of fair value hierarchy	Description
Level 1	Prices quoted on an active market for identical assets or liabilities.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly.
Level 3	Inputs to measure an asset or liability that are not based on observable market data (unobservable inputs).

(all amounts in PLN million unless stated otherwise)

	31 Jan 2025		31 Jan 2024	
	FINANCIAL ASSETS	FINANCIAL LIABILITIES	FINANCIAL ASSETS	FINANCIAL LIABILITIES
Financial assets at amortised cost	**829.6**	**–**	**463.0**	**–**
Trade receivables	330.9	–	194.1	–
Lease receivables	11.8	–	–	–
Receivables from the disposal of property, plant and equipment	25.7	–	2.4	–
Cash and cash equivalents	461.2	–	266.5	–
Financial assets measured at fair value through profit or loss	**12.5**	**–**	**11.7**	**–**
Other financial assets (shares)	11.5	–	11.2	–
Other financial assets (derivative financial instruments – forwards)	1.0	–	0.5	–
Financial liabilities at amortised cost	**–**	**6,578.8**	**–**	**5,928.0**
Financing liabilities	–	1,896.7	–	2,095.4
Trade and other payables	–	2,515.8	–	1,820.2
Refund liabilities	–	63.8	–	98.7
Lease liabilities	–	1,991.9	–	1,732.2
Put liabilities over non-controlling interests	–	110.6	–	181.5
Financial liabilities measured at fair value through profit or loss	**–**	**–**	**–**	**21.1**
Put liabilities over non-controlling interests	–	–	–	11.1
Derivative financial instruments embedded in bonds issued to PFR – Equity Kicker	–	–	–	6.6
Derivative financial instruments embedded in bonds convertible into Modivo shares (voluntary conversion option)	–	–	–	3.4

31 Jan 2025	TOTAL CARRYING AMOUNT	LEVEL OF FAIR VALUE HIERARCHY
Financial assets measured at fair value through profit or loss	**12.5**	
Other financial assets (shares)	11.5	3
Other financial assets (derivative financial instruments – forwards)	1.0	2

31 Jan 2024	TOTAL CARRYING AMOUNT	LEVEL OF FAIR VALUE HIERARCHY
Financial assets measured at fair value through profit or loss	**11.7**	
Other financial assets (shares)	11.2	3
Other financial assets (derivative financial instruments – forwards)	0.5	2
Financial liabilities measured at fair value through profit or loss	**21.1**	
Derivative financial instruments embedded in bonds issued to PFR – Equity Kicker	6.6	3
Put liabilities over non-controlling interests	11.1	3
Derivative financial instruments embedded in bonds convertible into Modivo shares (voluntary conversion option)	3.4	3

Put liabilities over non-controlling interests – DeeZee option

The Group measures the put liabilities over non-controlling interests in DeeZee Sp. z o.o. at amortised cost, with subsequent changes recognised in profit or loss. The carrying amount as at the reporting date is as follows:

Put liabilities over non-controlling interests – DeeZee option	31 Jan 2025	31 Jan 2024
At the beginning of the period	**11.1**	**31.1**
Remeasurement	11.3	-20.0
Payment	-11.6	–
At the end of the period	**10.8**	**11.1**

The fair value of the option related to DeeZee Sp. z o.o. was recognised as a liability arising from the obligation to purchase non-controlling interests. In measuring the option to acquire non-controlling interests in DeeZee Sp. z o.o., the key determinants were the EBITDA level and net debt at the option exercise dates. The value of the future liability was determined using the relevant EBITDA multiples set out in the investment agreements. Following a review of the financial data received from that company – which represent the main parameter affecting the valuation of financial instruments arising from the option – the fair value of the financial instrument was remeasured. A remeasurement loss of PLN 11.3 million was recognised in the statement of comprehensive income under finance costs. The liability was measured at the amount due as at the reporting date. For the comparative period, the estimated value was determined using a discount rate of 11%. As the obligation has become due, the liability is presented under current liabilities.

(all amounts in PLN million unless stated otherwise)

Put liabilities over non-controlling interests – MKK3 option

The Group submitted an offer to MKK3 Sp. z o.o. to acquire the remaining 5.01% of shares in Modivo S.A. held by MKK3 under a put option ('Put Option'). On 21 December 2022, an annex was signed amending certain terms of the Put Option. As a result, the option became unconditionally exercisable during the period from 1 July 2023 to 30 June 2026, and is set to expire upon the initial public offering (IPO) of Modivo. The option exercise price was set at PLN 180 million. In the previous financial year, taking into account the amended terms of the agreement as well as the Management Board's decision to schedule the initial public offering of Modivo S.A. for a date after 1 July 2023 (i.e., after the option became exercisable), the Group assessed that the circumstances giving rise to the recognition of the Put Option liability had changed and recognised the liability in the consolidated financial statements. The liability was recognised at nominal value, discounted using a rate corresponding to the effective interest rate of 9.1%. The liability is measured at amortised cost with changes recognised in profit or loss.

On 6 September 2024, CCC S.A., together with CCC Shoes & Bags Sp. z o.o., entered into an amendment with the minority shareholder of Modivo S.A. (i.e. MKK3 Sp. z o.o.) to the agreement governing the obligation to acquire a shareholding in Modivo S.A., in respect of which the CCC Group recognises the related liability. Under the terms of the amendment, the option liability bears interest at an annual rate of 10%, accruing from 1 January 2025 if the option is not exercised by that date. Implementation of this amendment was conditional upon the consent of the Group's financing institutions, which was obtained on 2 October 2023. The amendment also introduced the possibility of exercising the option in up to three tranches, with no single tranche representing less than 10% of the shareholding subject to the option. The amendment also deferred the date from which MKK3 Sp. z o.o. is entitled to exercise the option to 3 October 2024 (previously 1 July 2024). The option expiry date remains unchanged at 30 June 2026 or the date of Modivo's IPO, whichever is earlier. In the Group's view, the amended agreement does not represent a material modification of the contractual terms.

On 12 November 2024, the Company acquired a 2.5% interest in Modivo S.A. from MKK3 Sp. z o.o., representing 49.8% of the shareholding covered by the option, for a total consideration of PLN 97.8 million. As a result of the partial exercise of the option, the Group's share of Modivo S.A.'s profit or loss increased to 77.2% (compared with 74.7% as at 31 January 2024). In the statement of changes in equity, a transfer of non-controlling interests to retained earnings is recognised in the amount of PLN 5.8 million (the remaining portion relates to the partial exercise of the DeeZee option). After the reporting date, it was determined that the remaining shares will be purchased no later than July 2025.

Put liabilities over non-controlling interests – MKK3 option	31 Jan 2025	31 Jan 2024
At the beginning of the period	**181.5**	**173.5**
Remeasurement	16.1	8.0
Payment	-97.8	–
At the end of the period	**99.8**	**181.5**

Derivative financial instruments embedded in bonds issued to PFR – Equity Kicker

The Group measured at fair value a derivative financial instrument related to a potential obligation under the so-called Equity Kicker mechanism, linked to a bond issue subscribed for by PFR Inwestycje Fundusz Inwestycyjny Zamknięty.

The amount of the Equity Kicker depends on the investor's average annual return on the bonds. As long as the investor's average annual return remains below 13% (the Equity Kicker Threshold), the Equity Kicker amounts to 30% of profit from the sale of up to 720,000 shares. If the investor's average annual return exceeds the Equity Kicker Threshold, the portion of the Equity Kicker attributable to the excess is reduced to 10% of the profit on shares, calculated and payable solely on the amount above the threshold.

The Equity Kicker represents the issuer's obligation to pay PFR a premium, in accordance with a formula agreed between PFR and the Group. The derivative financial instrument, based on the measurement of Modivo shares, was separated and measured at fair value at each reporting date. As the conditions for exercise of the derivative were not met, its fair value at the bond redemption date was PLN 0.0 million. The change in fair value during the reporting period amounted to PLN 6.6 million and was recorded in finance income. As at the reporting date, the value of the instrument was PLN 0, and it is due to expire at the end of June 2025.

Derivative financial instruments embedded in bonds issued to PFR – Equity Kicker	31 Jan 2025	31 Jan 2024
At the beginning of the period	**6.6**	**6.5**
Remeasurement	-6.6	0.1
At the end of the period	**–**	**6.6**

Derivative financial instruments embedded in bonds convertible into Modivo shares – voluntary conversion option

The Group measures at fair value the embedded derivative contained in the bond agreement providing for the conversion of bonds into shares, issued to an entity within the Softbank Group, as described in Note 4.2.

(all amounts in PLN million unless stated otherwise)

The derivative financial instrument, linked to the valuation of Modivo shares, was bifurcated and measured at fair value on initial recognition and at each subsequent reporting date. As at 31 January 2024, the fair value of the instrument was PLN 3.4 million. Following discussions with Softbank, the Management Board concluded that voluntary conversion of the bonds held by Softbank into Modivo shares is unlikely, given the limited liquidity of Modivo shares as the company is not publicly listed. As at 31 January 2025, the instrument had a fair value close to zero, with the change in value recognised in finance income.

Derivative financial instruments embedded in convertible bonds issued by Modivo S.A. – voluntary conversion option.	31 Jan 2025	31 Jan 2024
At the beginning of the period	**3.4**	**15.8**
Remeasurement	-3.4	-12.4
At the end of the period	**–**	**3.4**

In the Group's view, the fair value of variable-rate loans, trade receivables, receivables from the disposal of property, plant and equipment, lease receivables, cash and cash equivalents, derivative financial instruments, other financial assets, short-term variable-rate borrowings, trade and other payables, and refund liabilities does not differ materially from their carrying amounts, primarily due to their short-term nature. The fair value of long-term variable-rate borrowings and lease liabilities also does not differ materially from their carrying amounts. The Group considers the variable interest rates applied to be consistent with prevailing market rates.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The CCC Group is exposed to a range of financial risks arising from its operations. The Management Board identifies the principal risks as foreign exchange risk, interest rate risk, credit risk (as described below), and liquidity risk (see Note 4.3).

The Group's approach to risk management, including credit quality assessment, maximum exposure to credit risk, and sensitivity to movements in foreign exchange rates, is presented below.

FOREIGN EXCHANGE RISK

The CCC Group conducts international operations and is therefore exposed to foreign exchange risk, primarily in relation to USD and EUR. This exposure arises mainly from merchandise purchases in China, India, and Bangladesh, as well as from rental payments and loans granted. The principal items in the statement of financial position exposed to foreign exchange risk include trade payables (arising from merchandise purchases), lease liabilities, trade receivables (arising from wholesale sales), and cash and cash equivalents. The Group actively monitors exchange rate fluctuations and takes ongoing measures to mitigate the adverse impact of currency movements, for example, by factoring exchange rate changes into product pricing. The Group manages its foreign exchange risk exposure using derivative instruments, primarily forward contracts. Hedge accounting is not applied.

The table below presents the Group's exposure to foreign exchange risk.

31 Jan 2025	TOTAL CARRYING AMOUNT	FOREIGN CURRENCY-DENOMINATED ITEMS TRANSLATED INTO PLN			ITEMS IN THE FUNCTIONAL CURRENCY
		USD	EUR	OTHER	
Financial assets at amortised cost	**829.6**	**4.8**	**314.9**	**213.5**	**296.4**
Trade receivables	330.9	3.5	122.3	118.9	86.2
Receivables from the disposal of property, plant and equipment	25.7	–	–	–	25.7
Lease receivables	11.8	–	11.8	–	–
Cash and cash equivalents	461.2	1.3	180.8	94.6	184.5
Financial assets measured at fair value through profit or loss	**12.5**	**1.0**	**–**	**–**	**11.5**
Other financial assets (shares)	11.5	–	–	–	11.5
Derivative financial instruments (embedded derivatives)	1.0	1.0	–	–	–
Financial liabilities at amortised cost	**6,578.8**	**390.8**	**2,083.9**	**225.0**	**3,879.1**
Financing liabilities	1,896.7	–	4.8	4.5	1,887.4
Trade and other payables	2,515.8	382.5	269.6	185.5	1,678.2
Refund liabilities	63.8	–	0.6	2.1	61.1
Lease liabilities	1,991.9	8.3	1,808.9	32.9	141.8
Put liabilities over non-controlling interests	110.6	–	–	–	110.6

(all amounts in PLN million unless stated otherwise)

31 Jan 2024	TOTAL CARRYING AMOUNT	FOREIGN CURRENCY-DENOMINATED ITEMS TRANSLATED INTO PLN			ITEMS IN THE FUNCTIONAL CURRENCY
		USD	EUR	OTHER	
Financial assets at amortised cost	**463.0**	**6.5**	**100.9**	**125.1**	**230.5**
Trade receivables	194.1	3.7	23.7	62.4	104.3
Receivables from the disposal of property, plant and equipment	2.4	–	–	–	2.4
Cash and cash equivalents	266.5	2.8	77.2	62.7	123.8
Financial assets measured at fair value through profit or loss	**11.7**	**0.5**	**–**	**–**	**11.2**
Other financial assets (shares)	11.2	–	–	–	11.2
Derivative financial instruments (embedded derivatives)	0.5	0.5	–	–	–
Financial liabilities at amortised cost	**5,928.0**	**516.0**	**1,748.7**	**185.9**	**3,477.4**
Financing liabilities	2,095.4	–	–	–	2,095.4
Trade and other payables	1,820.2	501.9	165.7	157.4	995.2
Refund liabilities	98.7	–	1.0	2.5	95.2
Lease liabilities	1,732.2	14.1	1,582.0	26.0	110.1
Put liabilities over non-controlling interests	181.5	–	–	–	181.5
Financial liabilities measured at fair value through profit or loss	**21.1**	**–**	**–**	**–**	**21.1**
Put liabilities over non-controlling interests	11.1	–	–	–	11.1
Derivative financial instruments embedded in bonds issued to PFR – Equity Kicker	6.6	–	–	–	6.6
Derivative financial instruments embedded in bonds convertible into Modivo shares (voluntary conversion option)	3.4	–	–	–	3.4

The table below presents the Group's sensitivity analysis in respect of foreign exchange risk. Had the exchange rates for financial assets and liabilities denominated in foreign currencies – particularly USD and EUR – been PLN 0.05 higher or lower as at 31 January 2025, the impact on profit before tax would have been as follows:

31 Jan 2025	Change in the USD exchange rate			Change in the EUR exchange rate		
	PLN equivalent of USD exposure	0.05	-0.05	PLN equivalent of EUR exposure	0.05	-0.05
Financial assets at amortised cost	**4.8**	**–**	**–**	**314.9**	**3.6**	**-3.6**
Trade receivables	3.5	–	–	122.3	1.4	-1.4
Lease receivables	–	–	–	11.8	0.1	-0.1
Cash and cash equivalents	1.3	–	–	180.8	2.1	-2.1
Financial assets measured at fair value through profit or loss	**1.0**	**–**	**–**	**–**	**–**	**–**
Other financial assets (derivative financial instruments – forwards)	1.0	–	–	–	–	–
Financial liabilities at amortised cost	**-390.8**	**-4.9**	**4.9**	**-2,083.9**	**-24.0**	**24.0**
Financing liabilities	–	–	–	-4.8	-0.1	0.1
Trade and other payables	-382.5	-4.8	4.8	-269.6	-3.1	3.1
Refund liabilities	–	–	–	-0.6	–	–
Lease liabilities	-8.3	-0.1	0.1	-1,808.9	-20.8	20.8
Impact on net profit		**-4.9**	**4.9**		**-20.4**	**20.4**

(all amounts in PLN million unless stated otherwise)

31 Jan 2024	Change in the USD exchange rate			Change in the EUR exchange rate		
	PLN equivalent of USD exposure	0.05	-0.05	PLN equivalent of EUR exposure	0.05	-0.05
Financial assets at amortised cost	**6.5**	**–**	**–**	**100.9**	**1.2**	**-1.2**
Trade receivables	3.7	–	–	23.7	0.3	-0.3
Cash and cash equivalents	2.8	–	–	77.2	0.9	-0.9
Financial liabilities measured at fair value through profit or loss	**0.5**	**–**	**–**	**–**	**–**	**–**
Other financial assets (derivative financial instruments – forwards)	0.5	–	–	–	–	–
Financial liabilities at amortised cost	**-516.0**	**-6.5**	**6.5**	**-1,746.7**	**-20.1**	**20.1**
Trade and other payables	-501,9	-6.3	6.3	-165.7	-1.9	1.9
Refund liabilities	–	–	–	1.0	–	–
Lease liabilities	-14.1	-0.2	0.2	-1,582.0	-18.2	18.2
Impact on net profit		**-6.5**	**6.5**		**-18.9**	**18.9**

INTEREST RATE RISK

The CCC Group is exposed to interest rate risk primarily in connection with borrowings under credit facilities and issued bonds, as well as cash balances and loans granted.

A portion of the Group's borrowings bears interest at variable rates referenced to WIBOR and LIBOR. An increase in interest rates raises the cost of debt servicing, partly offset by interest income on cash deposits. The Group does not apply hedge accounting to mitigate the impact on profit or loss of cash flow variability resulting from movements in interest rates. The table below presents an interest-rate sensitivity analysis, showing the effect of reasonably possible movements in rates during the periods presented, as assessed by the Group.

	EXPOSURE TO INTEREST RATE RISK %		Impact 1 Feb 2024–31 Jan 2025		Impact 1 Feb 2023–31 Jan 2024	
	31 Jan 2025	31 Jan 2024	+1 P.P.	-1 P.P.	+1 P.P.	-1 P.P.
Cash in bank accounts	384.5	239.3	3.8	-3.8	2.4	-2.4
Financing liabilities	-1,896.7	-1,356.1	-19.0	19.0	-13.6	13.6
Impact on net profit			**-15.1**	**15.1**	**-11.2**	**11.2**

Had interest rates on borrowings during the period been 1 percentage point higher or lower, profit for the period would have been PLN 15.1 million lower or higher, respectively (1 February 2023 to 31 January 2024: PLN 11.2 million lower or higher, respectively).

CREDIT RISK

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is exposed to credit risk mainly through its trade receivables (in the wholesale business), loans, and cash and cash equivalents in bank accounts.

The maximum exposure to credit risk as at the reporting dates of 31 January 2025 and 31 January 2024 is presented in the table below:

	31 Jan 2025	31 Jan 2024
Loans	130.2	130.2
Trade receivables	430.1	295.0
Lease receivables	11.8	0.0
Receivables from the disposal of property, plant and equipment	25.7	2.4
Cash and cash equivalents	461.2	266.5
Total gross carrying amount	**1,059.0**	**694.1**

In 2020, following a deterioration in the financial condition of the associate HRG as a result of the COVID-19 pandemic, loans with a gross carrying amount of PLN 130.2 million were fully written down through the recognition of a credit loss allowance covering 100% of the exposure. As at the reporting date and as at 31 January 2024, HR Group Holding s.a.r.l. was in bankruptcy proceedings.

For trade customers, the Company assesses credit risk by reviewing each customer's financial position and its ability to settle outstanding amounts.

(all amounts in PLN million unless stated otherwise)

The Group recognised a credit loss allowance for trade receivables where an individual assessment was deemed appropriate. In such cases, the Group assessed that credit risk had increased and recognised a loss allowance either in full or based on the recoverable amount, taking into account all information available about the counterparty.

The individual approach was applied to gross receivables totalling PLN 268.7 million, primarily comprising amounts due from wholesale customers. Receivables from entities in bankruptcy, with a total gross carrying amount of PLN 80.7 million, were fully covered by a credit loss allowance. The amount of the allowance remained unchanged from 31 January 2024. The remaining wholesale receivables, totalling PLN 161.8 million, were assessed as not requiring any loss allowance. The remaining customer receivables, of PLN 161.4 million, were reviewed individually and are partially covered by a loss allowance of PLN 18.5 million. As at 31 January 2025, the total credit loss allowance for trade receivables amounted to PLN 99.2 million.

31 Jan 2025	Not past due	Past due more than 30 days	Past due more than 60 days	Past due more than 90 days	Past due more than 180 days	Total
Total gross receivables	268.5	15.0	5.2	10.6	130.8	430.1

Two customers of the CCC Group each represent more than 10 % of trade receivables; the balances are considered fully recoverable and no loss allowance has been recognised.

Standard payment terms are up to 180 days. Given the Group's close commercial relationships with these counterparties, no security is held against the receivables.

The credit risk of cash in bank accounts is limited as the relationship banks are institutions with high credit ratings assigned by international rating agencies.

	31 Jan 2025	31 Jan 2024
AA-rated banks	13.9	22.2
A-rated banks	345.9	150.2
BAA-rated banks	38.0	23.5
BA-rated banks	–	4.3
Other – not classified [1]	10.1	43.8
Total cash at banks	**407.9**	**244.0**

[1] Banks not rated by international rating agencies

Moody's credit risk rating	
AAA	The highest quality, subject to the lowest level of credit risk
AA	High quality, subject to very low credit risk
A	Upper-medium grade, subject to low credit risk
BAA	Medium-grade, subject to moderate credit risk, may possess certain speculative characteristics
BA	Speculative, subject to substantial credit risk
B	Speculative, subject to high credit risk
CAA	Speculative of poor standing, subject to very high credit risk
CA	Speculative and likely in, or very near, default, with some prospect of recovery of principal and interest
C	The lowest rated and typically in default, with little prospect for recovery of principal or interest.

6.2 ACQUISITION OF SUBSIDIARIES AND ASSOCIATES

ACCOUNTING POLICY

Basis of consolidation

Subject to adjustments made to ensure compliance with IFRS, the financial statements of the subsidiaries are prepared for the same reporting period as the financial statements of the parent, using uniform accounting policies, and with accounting policies consistently applied to economic events and transactions of a similar nature. Adjustments are made to eliminate any discrepancies in the applied accounting policies.

Any balances and transactions of significant value between Group companies, including unrealised gains from intra-Group transactions, were fully eliminated. Unrealised losses are eliminated unless they are indicative of impairment.

The Group accounts for business combinations using the acquisition method. The consideration transferred for the acquisition of a business is measured at fair value of transferred assets, liabilities incurred towards the previous owners of the acquiree, and shares issued by the Group. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. As of the acquisition date, the Group recognises any non-controlling interest in the acquired entity at fair value or at its proportionate share in the identifiable net assets of the acquiree, representing the non-controlling interest.

The excess of the acquisition price and non-controlling interests over the fair value of the acquired net assets is recognised as goodwill.

Transaction costs are recognised in profit or loss as incurred.

Where the Group has not acquired 100% of the shares in a subsidiary and there is an option to purchase non-controlling interests, the option is considered in the context of IFRS 9. If the liability for the buy-out of a non-controlling interests in a subsidiary is a variable consideration, calculated based on EBITDA of that company, it is considered that due to such structure of the price it is highly probable that risks and benefits have not been transferred to the parent as at the option origination date, and therefore the financial liability under the put option reduces the amount of equity.

Any subsequent changes in the carrying amount of a financial liability that result from remeasurement of the current amount due upon exercise of the option to sell non-controlling interests are recognised in profit or loss attributable to the parent.

Seeking to expand its product portfolio through the addition of new brands such as Roxy, Billabong and Quicksilver, the CCC Group acquired Rawaki Sp. z o.o. of Warsaw, First Distribution s.r.o. (Czech Republic) and Boardriders s.r.o. (Slovakia).

On 4 June 2024, following the fulfilment of conditions under the preliminary share purchase agreement, the CCC Group acquired control of those companies. Following completion of the transaction, CCC S.A. acquired 100% of the shares (carrying full voting rights) in Rawaki Sp. z o.o. and 90% of the shares in First Distribution s.r.o., while CCC Shoes & Bags Sp. z o.o. acquired the remaining 10%. Boardriders s.r.o. is a wholly owned subsidiary of First Distribution s.r.o. The transaction was a cash purchase. The table below shows the companies' balance-sheet data as at the acquisition date, i.e., 4 June 2024, translated at the exchange rate effective for 4 June 2024 (CZK 1 – PLN 0.1740, EUR 1 – PLN 4.2923).

As at 31 January 2025, the Group completed the final accounting for the business combinations. Based on the final purchase price allocation, the Group recognised a gain on bargain purchase in respect of Rawaki Sp. z o.o. and First Distribution s.r.o., amounting to PLN 3.6 million and PLN 4.4 million, respectively. The gain primarily resulted from the fair value measurement of the acquired non-current assets, as the purchase price mechanism was largely based on adjusted working capital. The goodwill arising from the acquisition of Boardriders s.r.o. is estimated at PLN 1.3 million.

Revenues of Rawaki Sp. z o.o., First Distribution s.r.o. and Boardriders s.r.o. recognised in the consolidated statement of comprehensive income as of 4 June 2024 were, respectively: PLN 22.7 million, PLN 11.1 million and PLN 2.3 million. The companies' net profits for the same period were: PLN 1.4 million, PLN 0.1 million and PLN 0.1 million.

Recognised amounts of identifiable acquired assets and assumed liabilities (PLN million) as at 4 June 2024	Rawaki Sp. z o.o.	First Distribution s.r.o.	Boardriders s.r.o.
Non-current assets			
Property, plant and equipment – manufacturing and distribution	0.7	0.6	0.1
Right-of-use assets	2.3	1.2	0.2
Deferred tax assets	1.5	–	–
Long-term investments	–	1.0	–
Total non-current assets	**4.5**	**2.8**	**0.3**
Current assets			
Inventories	1.6	1.2	0.5
Trade receivables	9.0	3.7	1.0
Other receivables	0.1	2.0	0.6
Cash and cash equivalents	5.8	4.7	0.3
Total current assets	**16.5**	**11.6**	**2.4**
Total assets	**21.0**	**14.4**	**2.7**
Non-current liabilities			
Lease liabilities	0.6	0.2	–
Total non-current liabilities	**0.6**	**0.2**	–
Current liabilities			
Trade payables	0.2	0.2	1.5
Other liabilities	2.0	–	2.4
Current tax liabilities	–	0.3	–
Provisions	–	0.5	–
Lease liabilities	1.7	0.9	0.1
Total current liabilities	**3.9**	**1.9**	**4.0**
Total liabilities	**4.5**	**2.1**	**4.0**
Net assets	**16.5**	**12.3**	**-1.3**
Net assets attributable to the acquired interests	16.5	12.3	-1.3
Consideration transferred	12.9	7.9	–
Goodwill determined	–	–	**1.3**
Gain on bargain purchase	**3.6**	**4.4**	–
Cash consideration paid	**12.9**	**7.9**	–
Cash paid	12.9	7.9	–
Exchange rate as at the acquisition date	1.0000	0.1740	4.2923

6.3 ASSOCIATES

ACCOUNTING POLICY

Associates are those entities over which the parent has significant influence, either directly or indirectly through its subsidiaries, but which are not its subsidiaries.

The Group's investments in associates are accounted for in the consolidated financial statements using the equity method. Under the equity method, an investment in an associate is recognised initially at cost and subsequently adjusted to reflect the Group's share in the associate's profit or loss and other comprehensive income. If the Group's share in the losses of an associate exceeds its interest in that entity, the Group ceases to recognise its share in further losses. Any further losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is recognised using the equity method starting from the date on which the entity becomes an associate. At the date of making an investment in an associate, the amount by which costs of the investment exceed the Group's share in the net fair value of the identifiable assets and liabilities of that entity is recognised as goodwill and included in the carrying amount of the investment. The amount by which the Group's share of the net fair value of the identifiable assets and liabilities exceeds the cost of the investment is recognised directly in profit or loss in the period in which the investment is made.

After applying the equity method, including recognising the associate's losses, the entity applies paragraphs 41A-41C of IAS 28 *Investments in Associates and Joint Ventures* to determine whether there is objective evidence that its net investment in an associate is impaired.

Where necessary, the entire carrying amount of the investment is tested for impairment in accordance with IAS 36 *Impairment of Assets* as a single asset, by comparing its recoverable amount with its carrying amount. Any impairment loss recognised is included in the carrying amount of the investment. A reversal of that impairment is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

(all amounts in PLN million unless stated otherwise)

The Group ceases to apply the equity method on the date when the investee ceases to be its associate and when the investment is classified as held for sale. The difference between the carrying amount of the associate or joint venture as at the date of ceasing to apply the equity method and the fair value of retained shares and proceeds from disposal of a part of shares in this entity is taken into account when calculating the profit or loss on disposal of the associate.

The financial year of the associates and the parent is different for the HR Group (ending on 30 September) and for Pronos sp. z o.o. (ending on 31 December).

The duration of the reporting periods and the time lag between reporting dates are, and will remain, consistent in future periods.

On 19 December 2024, the CCC S.A. Group sold its shares in the associate Pronos Sp. z o.o. As a result of the transaction, the Group recognised a loss on the sale of shares in the amount of PLN 1.2 million presented in finance costs.

	1 Jan 2024–31 Dec 2025	1 Jan 2023–31 Dec 2024
Revenue	–	11.1
Operating costs	–	-14.6
Other income and other expenses	–	2.9
Finance income and finance costs	–	0.3
Net profit (loss)	–	**-0.3**
Income tax	–	-0.2
Profit/(loss) for the financial year	–	**-0.5**
Other comprehensive income	–	–
Total comprehensive income	–	**-0.5**
CCC Group's share of profit/(loss)	–	**-0.1**

Carrying amount of investment in the associate, determined using the equity method	31 Dec 2025	31 Dec 2024
Current assets	–	11.9
Non-current assets	–	4.1
Current liabilities	–	0.5
Non-current liabilities	–	–
Equity	–	15.5
Share	–	3.8

Associate	OWNERSHIP INTEREST AS AT 1 FEB 2024	Disposal of shares	OWNERSHIP INTERESTS AS AT 31 JAN 2025
HR Group	–	–	–
Pronos Sp. z o.o.	4.0	-4.0	–
Total	**4.0**	**-4.0**	**–**

Associate	OWNERSHIP INTERESTS AS AT 1 FEB 2023	Share of net profit/(loss) of associates for the period	Other	OWNERSHIP INTERESTS AS AT 31 JAN 2024
HR Group	–	–	–	–
Pronos Sp. z o.o.	3.7	-0.1	0.4	4.0
Total	**3.7**	**-0.1**	**0.4**	**4.0**

(all amounts in PLN million unless stated otherwise)

6.4 RELATED-PARTY TRANSACTIONS

In the presented periods, the Group entered into the following related-party transactions:

	Liabilities to related parties (including financing liabilities)	Receivables from related parties (including loans)	Liabilities to related parties (including financing liabilities)	Receivables from related parties (including loans)
	31 Jan 2025	31 Jan 2025	31 Jan 2024	31 Jan 2024
ASSOCIATES	–	–	2.0	–
ENTITIES RELATED TO KEY MANAGEMENT PERSONNEL	1.1	12.7	1.1	13.1
Total	**1.1**	**12.7**	**3.1**	**13.1**

	Income from related-party transactions	Purchases from related parties	Income from related-party transactions	Purchases from related parties
	1 Feb 2024–31 Jan 2025	1 Feb 2024–31 Jan 2025	1 Feb 2023–31 Jan 2024	1 Feb 2023–31 Jan 2024
ASSOCIATES	2.2	2.4	0.4	4.9
ENTITIES RELATED TO KEY MANAGEMENT PERSONNEL	–	6.4	0.9	12.3
Total	**2.2**	**8.8**	**1.3**	**17.2**

All related-party transactions were entered into on an arm’s length basis.

REMUNERATION OF KEY MANAGEMENT PERSONNEL

In the reporting periods, the Group incurred short-term employee benefit expenses as presented in the table below.

For information on other benefits related to the remuneration of the Management Board, see Note 6.5.

	FIXED REMUNERATION	OTHER (BONUSES)	TOTAL
1 Feb 2024–31 Jan 2025			
Members of Management Board	2.7	2.1	4.8
Supervisory Board	1.2	–	1.2
Total	**3.9**	**2.1**	**6.0**
1 Feb 2023–31 Jan 2024			
Members of Management Board	3.3	0.5	3.8
Supervisory Board	1.1	–	1.1
Total	**4.4**	**0.5**	**4.9**

6.5 SHARE-BASED PAYMENTS

ACCOUNTING POLICY

Employees (including members of the Management Board) of the CCC Group receive awards based on the price (or value) of CCC shares (‘cash-settled share-based payments’).

In cash-settled share-based payment transactions, the Group measures the goods or services acquired and the liability incurred at the fair value of the liability. Until the liability is settled, the Group measures the fair value of the liability at the end of each reporting period and at the date of settlement, with any changes in the fair value recognised in profit or loss for the period under administrative expenses.

In transactions where payments are made in the form of equity-settled share-based payments, the Group measures the acquired goods or services and the corresponding increase in equity directly at the fair value of the goods or services received, except when it is not possible to reliably estimate their fair value. The total amount to be recognised as an expense is determined by reference to the fair value of the options granted:

- taking into account any market conditions (for example, the price of the entity's shares);
- without taking account of the effect of any length of service-related or non-market vesting conditions; and
- taking into account the effect of any non-vesting conditions.

The total cost is recognised over the vesting period, i.e., the period during which all the specified vesting conditions must be met. At the end of each reporting period, the Group reviews its estimates of the number of options expected to vest as a result of such non-market vesting conditions. The Group presents the effect of a potential revision to the original estimates in the statement of profit or loss for a given period under administrative expenses, with a corresponding adjustment to equity.

Incentive scheme for the CCC Management Board implemented in 2021–2025

In accordance with the Remuneration Policy for Members of the Management Board and Supervisory Board of CCC S.A. (consolidated text incorporating the amendments adopted by Resolution No. 19/ZWZA/2021 of the Annual General Meeting held on 22 June 2021), members of the Management Board are entitled to variable remuneration, including a long-term incentive linked to the growth in CCC S.A.'s value, defined as an increase in its share price. This incentive was awarded to each member of the Management Board in respect of two performance periods, both of which had ended as at the reporting date.

The amount of the bonus awarded to each Management Board member for the respective periods is as follows:

a) for the first period: 100,000 multiplied by the difference between the average share price in the second quarter of CCC S.A.'s 2021 financial year (1 May 2021 to 31 July 2021), which was PLN 118.5, and the issue price of Series I and Series J shares of PLN 37.0 (the base price for the first period);
b) for the second period: 100,000 multiplied by the difference between the average share price in the second quarter of CCC S.A.'s 2024 financial year (1 May to 31 July 2024), which was PLN 124.4, and the average share price in the second quarter of the 2021 financial year, which served as the base price for the second period and was PLN 118.5.

The scheme could, by decision of the Supervisory Board, be settled in CCC S.A. shares if the General Meeting were to adopt a resolution on a conditional share capital increase linked to the issue of subscription warrants. Due to certain contractual restrictions, settlement of the scheme through the issue of new shares – and thus alternative settlement in the Company shares – was not practically feasible. As a result, the Group accounted for the scheme as a cash-settled share-based payment transaction.

The long-term bonus for the first period was paid in cash in two equal instalments, on 31 August 2021 and 30 November 2021. The long-term bonus for the second period was paid in cash in two equal instalments on 30 September 2024 and 30 November 2024, totalling PLN 1.8 million.

Following the vesting of the bonus for the first performance period, the Company recognised a PLN 24.4 million expense in 2021; for the second period, it recognised an expense of PLN 1.2 million in 2024. In both cases, the cost was presented as part of management expenses. As at 31 January 2024, a provision of PLN 0.02 million was recognised under other current liabilities. This provision was fully utilised by 31 January 2025.

Incentive scheme for key personnel of the Modivo Group implemented in 2021–2024

Key management personnel of Modivo S.A. and its subsidiaries were granted rights to subscribe for or purchase shares in Modivo S.A. Communication to participants of their inclusion in the scheme and the number of rights granted began on 14 January 2022; this date was designated as the start of the service period and the beginning of the vesting period. The Supervisory Board gave final approval to the participant list on 7 February 2022 (the grant date), and the fair value of the equity instruments granted was measured on that date.

In its original form, the scheme was to run until 31 August 2024 or until Modivo's majority shareholder disposed of at least 50 per cent of Modivo's shares – whether in a single transaction or a series of transactions – or lost majority voting control as a result of another entity acquiring shares, whichever occurred first. Vesting of the rights is conditional on the participant maintaining continuous service with Modivo or another entity within the Modivo Group up to the settlement date and on the Company reaching a market capitalisation of at least PLN 8.0 billion. The scheme provides for the issue of no more than 7,680,500 rights (shares), with the number of rights vesting increasing each time the Company surpasses successive valuation thresholds.

On 27 June 2023 the incentive scheme was amended to enhance its attractiveness. The key changes were:

- Lower valuation thresholds for 100% of Modivo's equity at which rights vest, including a reduction of the first threshold from PLN 8 billion to PLN 6 billion;
- A substantially larger allotment of rights to the first valuation threshold of PLN 6 billion; and
- A new termination clause stipulating that the scheme will end on the date Modivo shares are admitted to trading on a regulated market, in addition to the existing termination date of 31 December 2025 (originally 31 August 2024) or upon the majority shareholder disposing of more than 50% of Modivo shares, whichever occurs first. At initial recognition, the Group considered an IPO to be the most likely termination event and therefore recognised the scheme over the period ending on the planned IPO date.

The modification applies to the rights granted under the previous version of the scheme (Stages 1 and 2) that were still outstanding on the modification date, 27 June 2023. To determine the modification cost – which increases the fair value of the equity instruments granted – the fair value of the rights was measured, at 27 June 2023, both under the original terms of the scheme and under the amended terms. The excess of the modified fair value over the original fair value (the incremental fair value) is being recognised over the remaining life of the modified scheme. The expense based on the original grant-date fair values (7 February 2022 and 31 July 2022) continues to be recognised, adjusted only for rights forfeited to date. Following the modification, a total of 392,673 Stage 1 and Stage 2 rights remained outstanding in the scheme as at 27 June 2023.

In June 2023, the Group granted 165,780 new rights under Stage 3 of the scheme.

On 1 December 2024, in view of the likely abandonment of the planned Modivo IPO, the Group resolved to amend the scheme's settlement mechanism: participants will now be settled in cash rather than in Modivo S.A. shares, as originally envisaged. Accordingly, the scheme has been reclassified as cash-settled, with an assumed expiry date of 31 December 2025. The Group has therefore re-measured the scheme at fair value as at that date, applying the valuation mechanism specified in the plan rules for a cash-settled arrangement. The resulting liability has been recognised within current liabilities, with a corresponding adjustment to equity in accordance with IFRS 2.

By the reporting date most participants had forfeited their rights, leaving 51,562 rights outstanding, all in Stages 1 and 2. The fair value of the scheme at the reporting date was PLN 2.2 million. The key inputs used in the valuation are the forecast EBITDA of Modivo S.A. for the 12-month period immediately preceding the scheme's maturity date, the estimated net debt at that date, and the expected enterprise-value multiple based on comparable companies. The Group also applied an assumed probability of participants remaining in the scheme, based on historical experience.

As a result of the changes described, the Group recognised a PLN 28.2 million reduction in administrative expenses for the reporting period (prior year: a PLN 11.3 million increase). The amount was recorded within salaries and employee-benefits expense, with an offsetting entry in 'Other liabilities – Liabilities to employees'.

The principal assumptions are set out above and the comparative figures are presented below.

	Fair-value measurement as at 31 January 2024 – Stages 1 & 2 (pre-modification)	Fair-value measurement as at 31 January 2024 – Stages 1 & 2 (incremental increase post-modification)	Fair-value measurement as at 31 January 2024 – Stage 3
Model applied	Monte Carlo		
Number of rights (shares / share options)	361,155.0		166,280.0
Measurement date / measurement date - modification date	7 February 2022 for 630,177 rights and 1 August 2022 for 7,612 rights (figures before adjustment for participant turnover)	27 June 2023	
Options exercise period	Two-year period starting from the schemes's termination date		
Expected share-price volatility	7 February 2022 – 31% to 1 August 2022 – 38.9%	35.6%	
Cumulative cost recognised to date (PLN million)	**21.4**	**5.0**	**3.9**
Total estimated cost of the scheme (PLN million)	**38.8**		

6.6 AUDITOR'S FEES

AUDITOR'S FEES	1 Feb 2024–31 Jan 2025	1 Feb 2023–31 Jan 2024
CCC Group and CCC S.A.		
Audit and reviews of financial statements	0.7	0.9
SUBSIDIARIES		
Audit and reviews of financial statements	0.7	0.9
Other services	0.6	0.4
TOTAL	**2.0**	**2.2**

6.7 EVENTS AFTER THE REPORTING DATE

Buy-out of Modivo minority shareholders and new share issue by CCC

On 17 February 2025 the Management Board of CCC S.A. announced that it had held preliminary discussions on 8 January 2025 with the minority shareholders of Modivo S.A. and had decided to open negotiations on the proposed acquisition by CCC of Modivo shares held by those minority shareholders (collectively, the 'Investors'). The intention was to finance the buy-out with proceeds from a new share issue by CCC, in which the Investors might participate.

All terms of the transaction were subject to negotiation and approval by CCC and the Investors and to the execution of the necessary legal documentation.

On the same day the Management Board reported that CCC had concluded negotiations with Modivo's minority shareholders – A&R Investments Limited (Birkirkara), EMBUD 2 sp. z o.o. S.K.A. (Warsaw), MKK3 sp. z o.o. (Zielona Góra) and Orion 47 Damian Zapłata S.K.A. (Warsaw) (collectively, the 'Modivo Minority Shareholders') – on the terms of their sale of Modivo shares to CCC, to be financed from the proceeds of CCC's planned Series N share issue ('New Issue Shares').

The purpose of the transaction is to achieve full consolidation of Modivo's ownership structure, which the Company believes is essential for the further, comprehensive operational integration of Modivo with the other entities in the CCC Group. That integration encompasses cost, process and systems alignment, as well as human-resources management, and is intended to optimise operations and give all CCC Group entities full access to a unified customer base, thereby further enhancing the Group's profitability.

Accordingly, on 17 February 2025 the Company entered into conditional share-purchase agreements with the Modivo Minority Shareholders (the 'Conditional Agreements'). Under the Conditional Agreements the Minority Shareholders undertook to sell to CCC an aggregate 2,290,505 Modivo shares, representing 22.81% of Modivo's share capital and carrying the same number of voting rights (the 'Total Share Package') – i.e. all Modivo shares held by the Minority Shareholders.

Settlement of the total consideration for the Total Share Package was completed in part after the reporting date, on 9 April 2025, using proceeds from CCC's Series N share issue, as set out below:

- approximately PLN 1.236 billion was paid in cash to the Modivo Minority Shareholders out of the proceeds of the New Issue Shares (this payment did not include the amount due to MKK3);
- PLN 50 million will be settled by contractual set-off of mutual receivables between the Company and the sellers under the Conditional Agreements (and the related share transfer agreements) and by the subscription of 2,500,000 Series D subscription warrants that the Company intends to issue to A&R and EMBUD 2 at an issue price of PLN 20 per warrant. These warrants will entitle the holders, subject to the conditions set out in the shareholders' resolution authorising the issue, to subscribe for 2,500,000 Series O ordinary bearer shares of the Company at an issue price equal to that of the New Issue Shares (the 'Warrants').

The aggregate valuation of the Total Share Package is PLN 1.41 billion. The detailed terms of the issuance of New Issue Shares and the Series D Warrants issued under the Company's conditional share-capital increase were published in the shareholders' resolutions released in a separate Current Report dated 17 March 2025.

Total proceeds from the share issue amounted to PLN 1,550 million. Ultro Investment PSA, a subsidiary of Dariusz Miłek, subscribed shares with an aggregate value of PLN 500 million, fully paid in cash. The issue price was PLN 190 per share. Costs directly attributable to the share issue will be recognised in equity. The share-capital increase – comprising 8,157,894 new ordinary shares with a par value of PLN 0.10 each (total par value PLN 815,789.40) – was registered with the National Court Register on 2 April 2025. The excess of proceeds over nominal value has been credited to the share-premium account. The New Issue Shares were admitted to trading on 14 April 2025.

Registration of the Series D subscription warrants with the Central Securities Depository of Poland (CSDP) took place on 9 April 2025.

The transfer of the Total Share Package by Modivo's Minority Shareholders (excluding the buy-out of the shares held by MKK3 under its put option, which is to be completed no later than the second quarter of 2025) was effected on 9 April 2025. On that date the parties executed the share transfer agreements contemplated in the Conditional Agreements once all the transaction's conditions precedent had been satisfied. Those conditions comprised: the adoption by the Company's General Meeting of resolutions authorising the issue of the New Issue Shares and the issue of the Warrants under a conditional share-capital increase; the receipt by the Company of consent from the banks financing CCC Group entities for the acquisition of the Total Share Package; and the successful completion of the New Issue Share offering (collectively, the 'Conditions Precedent').

CCC S.A. incentive scheme

On 17 March 2025, the General Meeting approved an incentive scheme designed to reward and motivate the Company's President and Chief Executive Officer, Dariusz Miłek (the 'Primary Beneficiary'), together with selected key employees, consultants and members of the Group's management bodies (the 'Additional Beneficiaries'). The scheme is intended to align their interests with sustained growth in the Company's share price and to strengthen their long-term commitment to CCC. The scheme grants the Primary Beneficiary and the Additional Beneficiaries the right to subscribe, in aggregate, for up to 3,000,000 Series P ordinary shares of the Company at an issue price of PLN 200 per share, through the award of up to 3,000,000 Series E subscription warrants, each warrant carrying the right to subscribe for one share.

The Primary Beneficiary may apply to the Company's Supervisory Board for the grant of the subscription warrants no earlier than two years and no later than five years after the scheme's approval date. The number of subscription warrants to be issued will depend on the market price of one CCC share, in line with the quantitative thresholds set out in the scheme rules.

The Primary Beneficiary may receive up to 50% of the warrants requested in any given request and may, in that request, designate an entity under his control to take all or part of his allocation. The remaining 50 % of the warrants may be granted only to the Additional Beneficiaries. Pre-emptive rights of the Company's existing shareholders have been disapplied, and the warrants will be issued free of charge.

The incentive scheme will be measured in the Company's accounts in the first quarter of 2025, i.e., on the date the scheme is approved by the General Meeting.

Changes in dividend policy

On 17 March 2025 the Management Board of CCC S.A. announced that it had adopted a resolution to revise the Company's dividend policy. The revised policy now reads as follows:

"The Management Board of CCC intends to propose to the General Meeting a dividend distribution of:

- 25%–66% of the CCC Group's consolidated net profit attributable to the owners of the parent for the financial year ending 31 January 2026; and
- 50%–66% of the CCC Group's consolidated net profit attributable to the owners of the parent for each of the financial years ending 31 January 2027, 31 January 2028 and 31 January 2029;

provided that the distribution would not breach the financing documents of CCC or its affiliates, including a requirement that the Group's net-debt-to-EBITDA ratio at the close of the financial year to which the proposed profit distribution relates is below 3.0.

In formulating its profit-distribution recommendation for any given year, the Management Board will take into account the Group's financial position and liquidity, existing and future obligations (including potential constraints under facility agreements and debt-instrument terms) and its assessment of the CCC Group's outlook in prevailing market and macroeconomic conditions.

This dividend policy will take effect with the distribution of consolidated net profit for the financial year ending 31 January 2026."

Amendments to the syndicated facility agreement

On 31 March 2025 the Group executed an amendment to the credit facilities agreement dated 12 July 2024, as announced in Current Report No. 23/2024 of that date. Under the amendment the lenders undertook to:

- increase the existing revolving facility, provided in the form of reverse-factoring and guarantee lines, by PLN 875.0 million, with a further incremental increase of PLN 425.0 million available upon satisfaction of additional conditions set out in the facility agreement (an aggregate potential increase of PLN 1,300.0 million); and
- make available a PLN 200.0 million term facilty, amortising through 1 August 2030, to finance construction of the HalfPrice distribution and warehouse centre.

Draw-down of the increased and additional facilities was subject to the customary conditions precedent for transactions of this nature, including delivery to the lenders of standard documents and certificates, an information package, registry extracts and legal opinions, together with the execution or amendment of security documents in the agreed form. All such conditions had been satisfied by the date of this report.

Under the new agreement, the Capital Expenditure covenant has been amended. If the Net Financial Exposure ratio is greater than or equal to 2.0, CapEx for 2025 may not exceed PLN 367.0 million. If the ratio is below 2.0, the limit increases to PLN 767.0 million for that year. The permitted CapEx levels for subsequent years are set out in the Directors' Report.

The transaction marks a further phase in the CCC Group's previously announced programme to optimise its financing structure – focused in particular on optimising working-capital financing, further reducing finance costs and supporting the continued development of the high-margin HalfPrice concept.

Resignation of Management Board member

On 19 April 2025 Karol Półtorak tendered his resignation as Vice-President and member of the Management Board, effective 21 April 2025, citing plans to join the Management Board of Modivo S.A. and focus on digital sales and the development of Modivo.

The consolidated financial statements were authorised for issue by the Management Board on 29 April 2025.	
Edyta Skrzypiec-Rychlik	Chief Accountant
Signatures of all Management Board Members:	
Dariusz Miłek	President of the Management Board
Łukasz Stelmach	Vice President of the Management Board

Polkowice, 29 April 2025