Financial statements

FINANCIAL STATEMENTS OF CCC S.A.
FOR THE 12 MONTHS

from 1 February 2024
to 31 January 2025

Contents

Statement of comprehensive income

NOTE		1 Feb 2024–31 Jan 2025	1 Feb 2023–31 Jan 2024
3.1	Revenue	2,774.6	2,655.6
3.2	Cost of sales	-1,907.3	-1,887.0
	Gross profit	**867.3**	**768.6**
3.2	Store-operating and selling expenses	-704.6	-635.5
3.2	Administrative expenses	-89.6	-79.1
3.3	Other income	10.5	28.2
3.3	Other expenses	-15.2	-6.2
3.3	(Recognised) / Reversed expected credit loss allowances (impairment of receivables)	0.1	-9.2
	Operating profit/(loss)	**68.5**	**66.8**
3.3	Finance income	83.4	214.3
3.3	(Recognised) / Reversed expected credit loss allowances	23.0	92.1
3.3	Impairment losses on shares	–	-9.2
3.3	Finance costs	-113.9	-144.9
	Profit/(loss) before tax	**61.0**	**219.1**
3.4	Income tax	-5.3	1.7
	NET PROFIT (LOSS)	**55.7**	**220.8**
	TOTAL COMPREHENSIVE INCOME	**55.7**	**220.8**
	Weighted average number of ordinary shares (million)	**68.9**	**66.1**
	Basic and diluted earnings/(loss) per share (PLN)	**0.81**	**3.34**

(all amounts in PLN million unless stated otherwise)

Statement of financial position

NOTE		31 Jan 2025	31 Jan 2024
6.1	Intangible assets	2.1	3.2
6.1.1	Goodwill	48.8	48.8
6.2	Property, plant and equipment – Leasehold improvements	336.7	266.2
6.2	Property, plant and equipment – Distribution assets	–	5.6
6.2	Property, plant and equipment – Other assets	16.5	36.4
6.3	Right-of-use assets	378.2	378.0
3.4	Deferred tax assets	76.1	60.9
4.2	Loans	462.6	869.1
4.1	Long-term investments	1,310.3	1,290.1
	Other long-term receivables	3.2	0.1
6.3	Lease receivables	78.5	86.2
	Non-current assets	**2,713.0**	**3,044.6**
6.4	Inventories	464.5	351.3
6.5	Trade receivables	42.9	67.2
4.2	Loans	42.1	52.3
6.5	Other receivables	38.1	46.7
6.6	Cash and cash equivalents	47.9	33.4
6.3	Lease receivables	30.1	29.8
	Current assets	**665.6**	**580.7**
	TOTAL ASSETS	**3,378.6**	**3,625.3**
5.2	Liabilities under borrowings and bonds	348.5	537.6
6.8	Provisions	3.8	3.6
6.3	Lease liabilities	399.6	404.9
6.7	Oher non-current liabilities	1.0	1.3
7.1	Other non-current financial liabilities	–	6.6
	Non-current liabilities	**752.9**	**954.0**
5.2	Liabilities under borrowings and bonds	11.0	253.5
6.7	Trade and other payables	274.9	164.0
6.7	Other liabilities	108.4	101.5
3.4	Current tax liabilities	9.0	0.9
6.8	Provisions	14.1	12.2
6.3	Lease liabilities	205.1	191.7
	Current liabilities	**622.5**	**723.8**
	TOTAL LIABILITIES	**1,375.4**	**1,677.8**
	NET ASSETS	**2,003.2**	**1,947.5**
	Equity		
5.1	Share capital	6.9	6.9
5.1	Share premium account	1,648.2	1,648.2
5.1	Retained earnings	348.1	292.4
	TOTAL EQUITY	**2,003.2**	**1,947.5**
	TOTAL EQUITY AND LIABILITIES	**3,378.6**	**3,625.3**

(all amounts in PLN million unless stated otherwise)

Statement of cash flows

		1 Feb 2024–31 Jan 2025	1 Feb 2023–31 Jan 2024
	Profit/(loss) before tax	**61.0**	**219.1**
3.2	Depreciation	151.7	149.3
	Impairment of property, plant and equipment, rights-of-use assets, and intangible assets	10.8	–
3.3	(Gain) loss from investing activities	0.3	11.0
5.2	Finance costs	90.6	131.1
5.4	Other non-cash adjustments	-73.6	-293.8
3.4	Income taxes paid	-12.5	-3.1
	Operating cash flow before changes in working capital	**228.3**	**213.6**
	Changes in working capital		
6.4	Change in inventories and inventory write-downs	-113.2	26.5
6.5	Change in receivables	34.3	-45.7
6.7	Change in current liabilities (excluding interest-bearing borrowings and bonds)	91.9	67.4
	Net cash from / (used in) operating activities	**241.3**	**261.8**
	Proceeds from disposal of property, plant and equipment	22.8	1.1
4.2	Repayment of loans and payment of interest	103.8	62.4
6.2	Purchase of property, plant and equipment and intangible assets	-100.9	-35.5
4.2	Loans	-5.9	-508.2
4.1	Acquisition of investments in associates	-20.2	–
6.3	Other investing cash flows	30.8	32.8
	Net cash from / (used in) investing activities	**30.4**	**-447.4**
5.2	Proceeds from bank borrowings and bonds payable	510.0	–
5.1	Issue of shares	–	501.6
6.3	Lease payments	-115.3	-157.2
5.2, 6.3	Interest paid	-99.8	-156.9
5.2	Repayment of borrowings and bonds	-549.4	-20.6
5.2	Payments for commission fees on credit facilities	-16.2	–
6.3	Other financing cash flows	13.5	14.1
	Net cash from / (used in) financing activities	**-257.2**	**181.0**
	TOTAL CASH FLOWS	**14.5**	**-4.6**
	Net increase /(decrease) in cash and cash equivalents	14.5	-4.6
	Cash and cash equivalents at the beginning of the period	**33.4**	**38.0**
	Cash and cash equivalents at the end of the period	**47.9**	**33.4**

(all amounts in PLN million unless stated otherwise)

Statement of changes in equity

	SHARE CAPITAL	SHARE PREMIUM	RETAINED EARNINGS	TOTAL EQUITY
As at 1 Feb 2024	**6.9**	**1,648.2**	**292.4**	**1,947.5**
Net profit (loss) for period	–	–	55.7	55.7
Total comprehensive income	**–**	**–**	**55.7**	**55.7**
As at 31 Jan 2025	**6.9**	**1,648.2**	**348.1**	**2,003.2**

	SHARE CAPITAL	SHARE PREMIUM	RETAINED EARNINGS	TOTAL EQUITY
As at 1 Feb 2023	**5.5**	**1,148.0**	**71.6**	**1,225.1**
Net profit (loss) for period	–	–	220.8	220.8
Total comprehensive income	**–**	**–**	**220.8**	**220.8**
Issue of shares	1.4	500.2	–	501.6
Total transactions with owners of the parent	**1.4**	**500.2**	**–**	**501.6**
As at 31 Jan 2024	**6.9**	**1,648.2**	**292.4**	**1,947.5**

(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	
KRS:	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 at the date of issue of the financial statements:	President of the Management Board Vice President of the Management Board	Dariusz Miłek Łukasz Stelmach

CCC S.A. (the 'Company', the 'Parent') has been listed on the Warsaw Stock Exchange since 2004.

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.

As of the reporting date and as at the date of issue this report, the Supervisory Board was composed of: Wiesław Oleś as Chairman, with Zofia Dzik, Filip Gorczyca, Marcin Stańko, and Piotr Kamiński serving as Members of the Supervisory Board.

These separate financial statements of CCC S.A. cover the 12-month period ended 31 January 2025 and include comparative information for the 12-month period ended – and as at – 31 January 2024.

The separate financial statements of CCC S.A. for the 12-month period ended 31 January 2025 were authorised for issue by the Management Board on 29 April 2025.

The Company is the parent of the CCC Group (the 'CCC Group', the 'Group'). The Company has also prepared consolidated financial statements for the 12-month period ending on 31 January 2025, which were authorised for issue by the Management Board on 29 April 2025. The consolidated financial statements of the CCC Group have been prepared in compliance with International Financial Reporting Standards (IFRS). The statements can be accessed on the Company's website.

The Company has an unlimited duration.

BASIS OF PREPARATION

The separate financial statements of the Company have been prepared in compliance with International Financial Reporting Standards as endorsed by the European Union (EU IFRSs). As at the date of authorisation of these financial statements for issue, given the ongoing process of implementing IFRS in the EU, the IFRSs applicable to these financial statements do not differ from the EU IFRSs.

These financial statements have been prepared on a historical cost basis, except for derivative financial instruments 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.

GOING CONCERN

These financial statements have been prepared under the going concern assumption, indicating that the Company and the CCC Group (the 'Group') are expected to continue their operations for the foreseeable future, specifically for a period of 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 financing agreements concluded by the Group, the Group is required to comply with certain financial covenants, separately for the CCC Business Unit and for the Modivo Business Unit. Non-compliance with any of the covenants at the Modivo Business Unit is tantamount to a breach of the financing terms at the CCC Business Unit, and may potentially accelerate repayment of credit facilities with respect to which the Company is an obligor (debtor).

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

Under the financing agreements concluded by the Group, the Group is required to comply with certain financial covenants, separately for the CCC Business Unit and for the Modivo Business Unit. Non-compliance with any of the covenants at the Modivo Business Unit is tantamount to a breach of the financing terms at the CCC Business Unit, and may potentially accelerate repayment of credit facilities with respect to which the Company is an obligor (debtor).

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 to the Consolidated Financial Statements of the CCC Group 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 earlier periods, given its financial position, Modivo either complied with the covenants in its loan agreements or sought – and obtained – lender waivers or amendments for certain 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 the financial statements as appropriate.

EFFECT OF CHANGES IN THE ECONOMIC SITUATION ON THE VALUATION OF ASSETS AND LIABILITIES OF CCC S.A.

Inventory write-downs

Details are provided in Note 6.4.

Impairment losses on shares

As at 31 January 2025, the Company carried out a detailed review – taking account of macroeconomic developments – to determine whether any indicators of impairment existed for its investments in subsidiaries and associates. Where indicators are identified, the Company performs an impairment test. Having completed the test as at 31 January 2025, the Company recognised no impairment loss on those investments. For more information, see Note 4.1.

Assessment of expected credit losses (ECL)

As at 31 January 2025, the Company re-evaluated its expected credit loss (ECL) calculations, reviewing both macroeconomic developments and exposure-specific risks to determine whether the underlying assumptions required adjustment and whether an additional risk overlay was warranted in light of current conditions and forward-looking forecasts. The Company recognises and measures expected credit losses on financial assets carried at amortised cost, irrespective of whether evidence of impairment exists. Details of the policy are provided in Note 7.1.

The Company's trade receivables relate chiefly to the Retail segment and, to an immaterial extent, the Digital segment, together with amounts due from related parties under contractual arrangements. As of the reporting date, the Company recognised an impairment loss of PLN 13.5 million on receivables, compared with PLN 12.9 million as at 31 January 2024.

During the reporting period, none of the loans experienced a significant increase in credit risk relative to their initial recognition. During the reporting period, loans with an aggregate principal of PLN 447.9 million were repaid or settled by set-off. A lower probability-of-default (PD) parameter and improved borrower credit ratings reduced the expected credit loss allowance by PLN 18.8 million. At the reporting date, the loss allowance on loans totalled PLN 131.8 million.

The Company also measures the risk associated with financial guarantees it has provided, and in the reporting period recognised an expected credit loss allowance for the risk of PLN 5.6 million (31 January 2024: PLN 9.8 million). The decline chiefly reflects the lower PD parameter, partly offset by higher indebtedness in the CCC Business Unit covered by the guarantees.

Further information on the allowances and provisions recognised, together with an analysis of movements therein, is provided in Notes 4.1, 6.8 and 7.1.

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

As at 31 January 2025, the Company carried out a detailed impairment-indicator review, taking into account significant changes in operating conditions and the wider economic environment stemming from macro-economic developments, to determine whether any indicators of potential impairment existed for its property, plant and equipment, intangible assets with finite useful lives, or right-of-use assets. Where such indicators were found to exist, the Company tested the assets for impairment. The Company also performed an annual impairment test with respect to goodwill. In the period for which these separate financial statements were prepared, no impairment losses on the above assets were recognised. For details of the assessment and tests, see Notes 6.1, 6.2 and 6.3.

Renegotiation of commercial space lease contracts

The macroeconomic situation, especially the inflation rate, has a significant impact on the market of retail space lease. Following the renegotiation of lease contracts during 2024, the carrying amounts of right-of-use assets and the corresponding lease liabilities changed. Further details are provided in Note 6.3.

Other accounting matters

As at the date of these financial statements, the Company has not identified any material risks that may arise from potential breaches of the terms stipulated in its existing trade and supply contracts..

(all amounts in PLN million unless stated otherwise)

As a result of financing agreements entered into with banks other institutions, the Company 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'.

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; see the 'Going concern' note and Note 5.2 for further detail.

Based on its financial projections for subsequent reporting periods, the Company believes that the recognised deferred tax asset is recoverable.

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 its own judgement in the application of the accounting policies adopted by the Company. Key estimates made by the Management Board are presented in the relevant notes to the financial statements.

The following section sets out the significant accounting estimates and judgements applied to specific line items in the statement of profit or loss and other comprehensive income and the statement of financial position.

<table>
<tr><th>Note</th><th>Title</th><th>Profit or loss item</th><th>Statement of financial position item</th></tr>
<tr><td rowspan="2">3.1, 3.2, 6.5, 6.8</td><td rowspan="2">revenue from contracts with customers</td><td>Revenue</td><td>Inventories</td></tr>
<tr><td>Cost of sales</td><td>Other liabilities</td></tr>
<tr><td rowspan="3">3.1, 3.2, 6.5, 6.9</td><td rowspan="3">estimate of returns and product claims</td><td>Revenue</td><td>Inventories</td></tr>
<tr><td rowspan="2">Cost of sales</td><td>Provisions</td></tr>
<tr><td>Other liabilities</td></tr>
<tr><td>3.2, 6.5</td><td>inventory write-downs</td><td>Cost of sales</td><td>Inventories</td></tr>
<tr><td rowspan="4">3.2, 3.3, 6.1, 6.3, 6.4</td><td rowspan="4">impairment of non-financial assets</td><td>Store-operating and selling expenses</td><td>Property, plant and equipment</td></tr>
<tr><td>Administrative expenses</td><td>Right-of-use assets</td></tr>
<tr><td rowspan="2">Other expenses</td><td>Intangible assets</td></tr>
<tr><td>Goodwill</td></tr>
<tr><td rowspan="3">6.4</td><td rowspan="3">incremental borrowing rate</td><td rowspan="3"></td><td>Right-of-use assets</td></tr>
<tr><td>Lease receivables</td></tr>
<tr><td>Lease liabilities</td></tr>
<tr><td rowspan="2">3.3, 6.6</td><td rowspan="2">impairment of financial assets</td><td rowspan="2">(Recognised) / Reversed expected credit loss allowances</td><td>Trade receivables</td></tr>
<tr><td>Other receivables</td></tr>
</table>

Other significant estimates include the useful economic lives of property, plant and equipment and intangible assets; the fair-value measurement of financial instruments and share-based payment awards; and the recoverability of deferred tax assets.

IMPACT OF CLIMATE CHANGE ON THE BUSINESS OF THE COMPANY

Climate-related risks are assessed both in terms of the impact of climate change on the Company's ongoing operations and the impact of the Company'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 Company takes into account climate-related issues in its estimates and assumptions. In the opinion of the Management Board, climate-related issues do not currently, nor are they expected to in the short term, materially affect the Company's operations or the valuation of individual items in these financial statements. The Company'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 15 years. In contrast, there are no material climate-related clauses or climate-related liabilities. The Company 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 Company. As of the reporting date, the Company does not have any legal or customarily expected obligations related to climate issues that would necessitate the recording of a liability or a provision in the financial statement.

While physical and transition risks may impact the Company's operations in the future in the medium and long term, at present, they do not significantly affect asset recoverability or the valuation of liabilities presented in these financial statements.

Specifically, concerning asset impairment, the Company considers there are no indications that non-financial assets could be impaired due to physical risks associated with climate change, given the Company's minimal direct exposure to significant climate-related risks in this context. At the same time, the Company concluded that climate-related factors did not have a material bearing on the key assumptions applied in the 2024 impairment tests of its non-current non-financial assets.

While changes in climate patterns may influence the seasonality of the Company'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 Company's business, which focuses primarily on footwear and accessories. Furthermore, the Company proactively addresses the risk of weather affecting sales by diversifying its product portfolio to include a greater proportion of all-season offerings. This includes athletic footwear, both from Sprandi's proprietary brand and from third-party brands that are well-recognised by consumers, including licenced brands, and therefore the Company does not factor this element into its risk assessments.

Indirectly, the Company experiences the effects of climate change through its impact on stakeholders along the Company's supply chain. Looking ahead, the Company expects to take further climate-related considerations into account in its financing and insurance arrangements.

Throughout the financial year, the Company collected environmental and social data; the CCC Group's Sustainability Strategy is described in greater detail in the CCC Group Sustainability Report for 2024.

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.

New and amended accounting standards

As of 1 February 2024, the Company 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 financial statements.

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

Issued standards and interpretations which are not yet effective and have not been adopted early by the Company

The Company 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 Company'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: *Presentation and Disclosure in Financial Statements* – 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;
- 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

The Company applies the exemption for segment disclosures under IFRS 8 par. 4, therefore the analysis of the Company's operating segments was presented in the consolidated financial statements of the Group.

For detailed information on seasonality and periodic changes in sales, see the 'Seasonality' section of the Directors' Report.

3. NOTES TO THE 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 Company recognises revenue at the moment of handing over the goods to the customer in the value reflecting the price expected by the entity in return for the handover of those goods and services.

Revenue includes revenue from sales of merchandise and products generated 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 Company's business. Revenue is presented net of value added tax, refunds, rebates and discounts.

The Management Board of the Company carried out a comprehensive analysis to determine whether a particular entity acts as an agent or principal, taking into account the cooperation agreements concluded between the Company and its subsidiary CCC.eu Sp. z o.o. ("CCC.eu") and the actual business model described below. In line with the business model, CCC.eu supplies goods to CCC S.A. which then sells the goods in stores in Poland.

Elements which may indicate that the Company could be treated as an agent are the following conditions resulting from the concluded contracts:

- In accordance with the adopted settlement model, the Company is guaranteed to earn a fixed operating margin;
- Goods that the Company has not sold within a specified season may be returned to CCC.eu, with CCC.eu retaining the right to request the return of such goods. Notably, CCC.eu bears the costs associated with these returns;
- CCC.eu establishes standards and provides assistance to the Company in matters relating to pricing policies, promotions, and in-store discounts. This includes recommendations on retail prices, guidelines for markdowns and markups, as well as discounts and promotional offers for customers;
- CCC.eu is responsible for decisions relating to the assortment and volume of goods supplied to the Company;
- The Company processes refunds from retail customers and manages after-sales complaints, with CCC.eu bearing the full cost of these complaints.

The Management Board of the Company believes that other elements of the partnership with CCC.eu are of greater importance and override in assessing the Company's role. The Management Board holds the view that the Company does not serve as an agent, as it is subject to considerable business risks and benefits from the sales of goods acquired from CCC.eu. This assessment of the Company's role is corroborated by the following terms of mutual cooperation:

- The Company holds the primary responsibility for delivering goods to the customer, and the Company is accountable for the acceptability of products purchased by the customer. Sales of goods acquired from CCC.eu are conducted under the Company's name and on its own account, with purchases from CCC.eu occurring on Carriage Paid To (CPT) conditions, where the transfer of ownership takes place at the moment of loading onto the transport vehicle;
- The Company incurs risk associated with inventory before and after a customer places an order, during the execution of deliveries or returns. Inventory remaining with the Company is owned by it, and the Company bears the risk related to any potential loss of such inventory;
- The Company receives only recommendations from CCC.eu regarding pricing, bonus, and discount policies, and retains full freedom in setting prices
- The Company bears the entire credit risk of its customers;
- The Company bears full reputational risk related to the quality of the goods sold, and potential customer complaints may have an adverse effect on the Company's situation.

Therefore, in the opinion of the Management Board CCC S.A. should not be treated as an agent within the meaning of IFRS 15. The Company recognises total revenue generated from sales.

Revenue – retail

The Company sells footwear, handbags, shoe care accessories and small clothing accessories 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.

(all amounts in PLN million unless stated otherwise)

Revenue from sales of merchandise – digital

The Company sells footwear, handbags, shoe care products, clothing, accessories, and homewares through online stores operating in local 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 Company 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 Company recognises a contract liability under other liabilities at the time the payment is received.

Returns

The Company operates a returns policy under which customers may return goods within 14 days of purchase. For CCC Club members, the returns policy is as follows:

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

As at the reporting date, the amount of potential returns resulting from the consumer's right of withdrawal in distance and off-premises contracts was also estimated.

In order to estimate the volume of returns, the historical rate of returns to the volume of sales is used. The estimate is used to adjust the amount of revenue. Past experience is used to estimate the amount of refunds and provisions.

Loyalty programme

The Company operates the ‘CCC Club’ loyalty programme, which is designed to promote the Company and 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 Company’s website.

The Company measured the liability under the Programme as at the reporting date and recognised it as liability under contracts with customers, making a relevant adjustment to revenue.

Additional benefits, such as discounts from the Programme partners, are not liabilities of the Company and therefore their disclosure in the Company’s financial statements is not subject to IFRS 15. 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.

The Company distributes gift cards issued by entities within the Group. When a gift card is issued to a customer in exchange for cash, the Company recognises a corresponding liability to the gift-card issuer. 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 Company 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 towards the issuer of the gift card, with a corresponding reduction of revenue previously recognised on the sale of goods. When the gift card is redeemed, the related contract liability is derecognised and revenue is recognised in the statement of profit or loss.

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

	1 Feb 2024–31 Jan 2025	1 Feb 2023–31 Jan 2024
Revenue		
Footwear	2,369.9	2,233.4
Bags	228.4	139.1
Other [1]	152.1	136.8
Total revenue from sales of merchandise	**2,750.4**	**2,509.3**
Services	24.2	146.3
Total revenue	**2,774.6**	**2,655.6**

[1] Other includes primarily (by value) clothing, shoe cosmetics, insoles, belts, wallets, socks, jewellery and accessories.

(all amounts in PLN million unless stated otherwise)

The Company conducts retail and digital sales to retail customers, and sales to none of the customers exceeded 10% of total revenue. In the 2024 financial year, the Company recorded a 4.5% year-on-year increase in revenue, attributable chiefly to a shift in the product mix towards higher-priced licensed merchandise.

Revenue was adjusted by recognising contract liabilities to CCC Club members of PLN 8.9 million (2023: PLN 6.8 million). Gift-card redemptions totalled PLN 72.3 million, up from PLN 16.7 million in the prior year, driven by the launch of complimentary cards and more intensive promotional activity.

3.2. COSTS BY NATURE OF EXPENSE

ACCOUNTING POLICY

Cost of sales

The Company recognises as cost of sales:

- cost of merchandise sold,
- cost of consumable packaging used in fulfilment,
- inventory write-downs,
- inventory discrepancies.

Store-operating and selling expenses

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

- salaries and wages of employees in stores and organisational units supporting sales,
- depreciation of property, plant and equipment,
- depreciation of right-of-use assets,
- variable lease payments (including sales-based rents).
- retail sales tax,
- advertising and promotional expenses,
- other costs,
- low value and short-term leases.

Administrative expenses

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

1 Feb 2024–31 Jan 2025	COST OF SALES	STORE-OPERATING AND SELLING EXPENSES	ADMINISTRATIVE EXPENSES	TOTAL
Cost of merchandise sold	-1,910.5	–	–	-1,910.5
Raw material and consumables used	–	-16.0	-2.9	-18.9
Inventory write-downs	3.2	–	–	3.2
Salaries, wages and employee benefits	–	-281.0	-8.2	-289.2
Transport services	–	-38.2	-0.6	-38.8
Other rental costs – utilities and other variable costs	–	-163.7	-12.1	-175.8
Advertising	–	-0.1	–	-0.1
Depreciation	–	-140.8	-10.9	-151.7
Taxes and charges	–	-18.2	-0.9	-19.1
Other general expenses	–	-46.6	-54.0	-100.6
Total	**-1,907.3**	**-704.6**	**-89.6**	**-2,701.5**

(all amounts in PLN million unless stated otherwise)

1 Feb 2023–31 Jan 2024	COST OF SALES	STORE-OPERATING AND SELLING EXPENSES	ADMINISTRATIVE EXPENSES	TOTAL
Cost of merchandise sold	-1,890.4	–	–	-1,890.4
Raw material and consumables used	–	-18.5	-5.7	-24.2
Inventory write-downs	3.4	–	–	3.4
Salaries, wages and employee benefits	–	-235.4	-18.9	-254.3
Transport services	–	-42.6	-0.6	-43.2
Other rental costs – utilities and other variable costs	–	-146.6	-11.7	-158.3
Advertising	–	-2.3	-0.3	-2.6
Depreciation	–	-136.8	-12.9	-149.7
Taxes and charges	–	-18.7	-1.1	-19.8
Other general expenses	–	-34.6	-27.9	-62.5
Total	**-1,887.0**	**-635.5**	**-79.1**	**-2,601.6**

Cost of sales increased by 1.1% year on year, while revenue rose by 4.5%. Gross margin increased to 31.3% of revenue in the reporting period (28.9% in the prior year). The improvement was driven mainly by a shift in the product mix towards higher-margin licensed merchandise and stronger margins on services rendered to Group entities.

Store-operating and selling expenses rose by 10.9% year on year, driven mainly by:

- staff costs and employee benefits, up by PLN 45.6 million, reflecting the statutory increase in the minimum wage and headcount adjustments designed to deliver cost synergies across the CCC Group; and
- other rental costs, higher by PLN 17.1 million, mainly sales-based rents and variable charges such as utilities and electricity.

Administrative expenses rose year on year, driven by a PLN 26.1 million increase in other costs arising from intragroup IT-service charges, partly offset by a PLN 10.7 million decrease in salaries and employee benefits expense attributable to intra-group synergies.

No government support for staff salaries and employee benefits expense was received in the reporting period, compared with PLN 3.0 million in subsidies in the prior year.

Employee benefit expense is broken down as follows:

	1 Feb 2024–31 Jan 2025	1 Feb 2023–31 Jan 2024
Wages and salaries	-238.5	-208.7
Social security contributions	-38.6	-37.2
Other employee benefit expenses	-9.2	-8.0
Other post-employment benefits	-0.5	–
Costs of contributions to PPK	-0.6	-0.6
Costs of incentive scheme	-1.8	0.2
Total:	**-289.2**	**-254.3**

(all amounts in PLN million unless stated otherwise)

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

	1 Feb 2024–31 Jan 2025	1 Feb 2023–31 Jan 2024
Other income		
Foreign exchange gains on items other than debt	–	1.3
Compensation for damages	0.7	1.1
PFRON wage subsidies	1.7	0.9
Government grants	–	0.3
Gain on settlement of contracts with landlords	6.3	9.7
Gain on settlement of lease contracts	0.9	3.0
Late payment interest	0.1	0.1
Reversal of provision for decommissioning of stores	–	9.1
Other	0.8	2.7
Total other income	**10.5**	**28.2**

	1 Feb 2024–31 Jan 2025	1 Feb 2023–31 Jan 2024
Other expenses		
Loss on disposal of property, plant and equipment	-0.3	-1.9
Measurement of assets held for sale at fair value	-10.8	–
Other	-4.1	-4.3
Total other expenses	**-15.2**	**-6.2**

	1 Feb 2024–31 Jan 2025	1 Feb 2023–31 Jan 2024
(Recognition)/Reversal of expected credit loss allowances (impairment of receivables)		
(Recognition)/Reversal of impairment losses on trade receivables	-0.6	-10.9
(Recognition)/Reversal of impairment losses on lease receivables	0.7	1.7
Total (recognition)/reversal of expected credit loss allowances	**0.1**	**-9.2**

	1 Feb 2024–31 Jan 2025	1 Feb 2023–31 Jan 2024
Finance income		
Interest income on cash in current account and loans	61.4	110.4
Gain/(loss) on modification of financial liability	–	6.0
Foreign exchange gains/(losses)	11.7	31.8
Income on liquidation of CCC Austria	–	62.7
Embedded derivative instruments – Equity Kicker	6.6	–
Guarantees and sureties provided	2.3	3.2
Other finance income	1.4	0.2
Total finance income	**83.4**	**214.3**

	1 Feb 2024–31 Jan 2025	1 Feb 2023–31 Jan 2024
Finance costs		
Interest on borrowings and bonds payable	-87.3	-118.9
Interest expense on lease liabilities	-21.1	-20.2
Commission expense	-2.8	-2.9
Embedded derivative instruments – Equity Kicker	–	-0.1
Guarantees received	-2.7	-2.8
Total finance costs	**-113.9**	**-144.9**

(all amounts in PLN million unless stated otherwise)

	1 Feb 2024–31 Jan 2025	1 Feb 2023–31 Jan 2024
(Recognition)/reversal of loss allowances		
(Recognition) / reversal of provisions for sureties provided for credit facilities used by subsidiaries	4.2	46.1
(Recognition) / reversal of impairment losses on loans and other financial receivables	18.8	46.0
Total (recognition)/reversal of expected credit loss allowances	**23.0**	**92.1**

	1 Feb 2024–31 Jan 2025	1 Feb 2023–31 Jan 2024
Impairment losses on shares		
Impairment losses on shares	–	-9.2
Total impairment losses on shares	**–**	**-9.2**

For information on recognised impairment of non-financial assets, see Note 4.1.

For detailed information on the loans and sureties, including a breakdown by gross carrying amount, credit exposure, and impairment losses, refer to Note 4.2.

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 Company 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 duration of the CCC Tax Group was extended for an additional 12 calendar months, until 31 January 2025, i.e., for the tax 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. The applied income tax rate is 19%.

(all amounts in PLN million unless stated otherwise)

Uncertainty over income tax treatments

If the Company 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 Company 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 Company concludes that it is not probable that a tax authority will accept its tax treatment, the Company reflects the effect of uncertainty in the period in which that conclusion is reached. The Company 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 Company 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.

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 Company 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 Company 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	-17.6	-16.2
Adjustments in respect of current tax from prior years	-3.0	-3.1
Deferred tax	15.3	21.0
Income tax recognised in the statement of comprehensive income	**-5.3**	**1.7**
Current tax recognised in profit or loss	20.6	19.3
Balance of CIT liabilities/(receivables) at the beginning of the period	0.9	-15.4
Balance of CIT receivables/(liabilities) at the end of the period	-9.0	-0.9
Other changes	–	0.1
Income tax paid presented in the statement of cash flows	**12.5**	**3.1**

(all amounts in PLN million unless stated otherwise)

APPLICABLE TAX RATES AND RECONCILIATION OF INCOME TAX CHARGE

	1 Feb 2024–31 Jan 2025	1 Feb 2023–31 Jan 2024
Profit/(loss) before tax	**61.0**	**219.1**
Weighted average tax rate	19%	19%
Tax calculated at the weighted average tax rate	**-11.6**	**-41.6**
Tax effects of the following items:		
Costs not deductible for tax purposes: impairment loss on shares in subsidiaries	–	-1.8
Other costs not deductible for tax purposes	-1.7	-3.6
Gain/(loss) on CCC Shoes and Bags sp. z o.o.	-3.4	-3.8
Deferred tax on tax losses carried forward	–	32.3
Adjustments to losses carried forward	-1.3	–
Income permanently not taxable	–	11.9
Reversal of provisions and impairment losses which were treated as permanent differences	4.6	17.8
Current tax relating to prior years	-3.0	-3.1
Costs excluded under Art. 15e of CIT Act	–	-4.4
Recognition of a deferred tax asset in respect of unutilised borrowing costs carried forward from prior years	10.4	–
Utilisation of borrowing costs carried forward from prior years	1.0	–
Other	-0.3	-2.1
Income tax expense	**-5.3**	**1.7**

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			
Impairment losses/write-downs on assets: inventories and receivables	0.8	-2.3	3.1
Provisions for liabilities	6.8	3.9	2.9
Tax losses	53.0	7.4	45.6
Measurement of lease contracts	107.8	-3.7	111.5
Other	–	-2.1	2.1
Unutilised borrowing costs disallowed under the interest deductibility limit rules in prior years	10.4	10.4	–
CCC Club and similar, and bank guarantees	2.7	0.2	2.5
Total before offset	**181.5**	**13.8**	**167.7**
Liabilities			
Accelerated tax depreciation of property, plant and equipment	2.3	1.3	1.0
Settlement under contracts with landlords	2.1	-1.5	3.6
Other	8.4	0.3	8.1
Measurement of lease contracts	92.6	-1.5	94.1
Total before offset	**105.4**	**-1.4**	**106.8**
Offset	-105.4	1.4	-106.8
Deferred tax balances as disclosed in the statement of financial position			
Assets	76.1	15.2	60.9

(all amounts in PLN million unless stated otherwise)

	31 Jan 2024	RECOGNISED IN PROFIT OR LOSS	1 Feb 2023
Assets			
Impairment losses/write-downs on assets: inventories and receivables	3.1	1.1	2.0
Provisions for liabilities	2.9	-14.0	16.9
Other	2.1	-3.6	5.7
Accelerated tax depreciation of property, plant and equipment	111.5	-16.5	128.0
Tax losses	45.6	45.6	–
Measurement of lease contracts	–	-1.0	1.0
Measurement of financial instruments	2.5	3.9	-1.4
Total before offset	**167.7**	**15.5**	**152.2**
Liabilities			
Accelerated tax depreciation of property, plant and equipment	1.0	1.0	–
Settlement under contracts with landlords	3.6	-1.2	4.8
Other	8.1	4.7	3.4
Measurement of lease contracts	94.1	-10.0	104.1
Total before offset	**106.8**	**-5.5**	**112.3**
Offset	-106.8	5.5	-112.3
Deferred tax balances as disclosed in the statement of financial position			
Assets	60.9	21.0	39.9

A deferred tax asset of PLN 53.0 million (comparative period: PLN 45.6 million) has been recognised in respect of tax-loss carry-forwards within the capital-gains basket for corporate income-tax purposes. 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 expiration periods of tax losses are presented in the table below:

	2026	2027	2028	2029	Total
Nominal amount of tax losses	16.5	153.0	63.7	45.6	278.8
Tax loss asset	3.1	29.1	12.1	8.7	53.0

The Management Board expects the tax group to generate sufficient capital gains in the 2026 and 2027 tax years to utilise the losses against which the deferred tax asset has been recognised.

As at 31 January 2025, the Company recognised a deferred tax asset in respect of borrowing costs incurred in 2022 and 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 Company 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 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 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.

UNRECOGNISED DEFERRED TAX ASSETS

As at the reporting date, the unrecognised deferred tax asset amounted to PLN 11.4 million and related to borrowing costs incurred by the Company in 2023 and 2022. 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. Under the applicable regulations, the unutilised borrowing costs may be carried forward for up to five years. Due to uncertainty over the extent to which these temporary differences can be utilised, the Management Board has not recognised a deferred tax asset for this item in the current period.

(all amounts in PLN million unless stated otherwise)

4. LONG-TERM INVESTMENTS, LOANS AND RELATED-PARTY TRANSACTIONS

4.1. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

ACCOUNTING POLICY

Subsidiaries in are those entities over which the Company exercises control. Investments in subsidiaries are measured at cost less impairment losses. Transaction costs related to the acquisition of investments increase the carrying amount of the investment. Associates are companies over which the Company has significant influence but does not exercise control. Investments in associates are measured at historical cost net of impairment.

Impairment of non-financial assets

Impairment tests are performed when there are indications of impairment by calculating the recoverable amount as the higher of the fair value less costs to sell and value in use. An impairment loss is the excess of the carrying amount over the recoverable amount.

The Company holds interests in the following subsidiaries and associates:

COMPANY NAME	REGISTERED OFFICE/COUNTRY	PRINCIPAL BUSINESS	INTEREST	INCENTIVE SCHEME	INTEREST	INCENTIVE SCHEME
			31 Jan 2025		31 Jan 2024	
Subsidiaries						
CCC Czech s.r.o.	Prague, Czech Republic	trade	38.0	2.1	38.0	2.1
CCC Hrvatska d.o.o.	Zagreb, Croatia	trade	2.9	0.2	2.9	0.2
CCC Hungary Shoes Kft.	Budapest, Hungary	trade	0.1	1.2	0.1	1.2
C-AirOP Ltd.	Douglas, Isle of Man	trade	–	–	–	–
CCC Obutev d.o.o.	Maribor, Slovenia	trade	2.0	0.2	2.0	0.2
CCC Shoes & Bags Sp. z o.o.	Polkowice, Poland	investments	280.7	–	280.7	–
CCC Shoes Bulgaria EOOD	Sofia, Bulgaria	trade	0.2	0.3	0.2	0.3
CCC Slovakia s.r.o.	Bratislava, Slovakia	trade	–	0.4	–	0.4
CCC.eu Sp. z o.o.	Polkowice, Poland	trade	867.5	25.2	867.5	25.2
Modivo S.A. [1]	Zielona Góra, Poland	trade	–	0.5	–	0.5
HalfPrice Sp. z o.o.	Polkowice, Poland	trade	58.2	–	58.2	–
UAB CCC Lithuania	Vilnius, Lithuania	services	–	–	–	–
SIA CCC Shoes Latvia	Riga, Latvia	trade	–	–	–	–
OU CCC Estonia	Tallinn, Estonia	trade	–	–	–	–
CCC Ukraina Sp. z o.o.	Lviv, Ukraine	trade	9.4	–	9.4	–
CCC Tech Sp. z o.o.	Polkowice, Poland	services	–	–	–	–
Rawaki Sp. z o.o. [2]	Warsaw, Poland	trade	12.9	–	–	–
First distribution S.r.o. [2]	Prague, Czech Republic	trade	7.1	–	–	–
HalfPrice España S.L. [3]	Saragossa, Spain	trade	–	–	–	–
CCC Retail Sp. z o.o. [4]	Polkowice, Poland	trade	–	–	–	–
HalfPrice Retail Sp. z o.o. [5]	Polkowice, Poland	trade	–	–	–	–
Associates						
HR Group Holding s.a.r.l. [6]	Luxembourg	services	–	–	–	–
Other entities						
Xpress Sp. z o.o.	Wrocław, Poland	services	1.0	–	1.0	–
MKRI Sp. z o.o. [7]	Malbork, Poland	trade	0.2	–	–	–
Total			**1,280.2**	**30.1**	**1,260.0**	**30.1**

[1] The Modivo Group comprises: eobuwie.pl Logistics Sp. z o.o., eschuhe.de GmbH, eschuhe.CH GmbH, Modivo.cz s.r.o., Branded Shoes and Bags Sp. z o.o., epantofi modivo s.r.l., Modivo.lv SIA, Modivo S.A., and Modivo S.R.L. Modivo S.A. holds 100% of shares in each of these companies. The amount presented in the table above represents the value of the incentive scheme. Modivo S.A. is a subsidiary of CCC Shoes & Bags Sp. z o.o. (77.19%).
[2] 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) and FirstDistribution s.r.o. (Prague, Czech Republic), signed on 10 May 2024 by the CCC Group. The total consideration for the above entities was USD 4.8 million.
[3] 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.
[4] CCC Retail Sp. z o.o., incorporated in Polkowice, Poland, was established on 31 January 2025, with CCC S.A. acquiring 100% of the shares in the new company.
[5] HalfPrice Retail Sp. z o.o., incorporated in Polkowice, Poland, was established on 31 January 2025, with CCC S.A. acquiring 100% of the shares in the new company.

(all amounts in PLN million unless stated otherwise)

[6] On 12 April 2023, the Management Board of HR Group filed an application with the District Court in Osnabrück to commence insolvency proceedings.
[7] On 20 September 2024, the CCC Group entered into an agreement to acquire a 10% equity interest in MKRI Sp. z o.o., with the aim of broadening the Group's product portfolio.

Shares as at 31 January 2025	% ownership interest	Gross carrying amount	Impairment write-downs	Net carrying amount
CCC Czech s.r.o.	100%	40.1	–	40.1
CCC Hrvatska d.o.o.	100%	3.1	–	3.1
CCC Hungary Shoes Kft.	100%	1.3	–	1.3
C-AirOP Ltd.	50%	–	–	–
CCC Obutev d.o.o.	100%	2.2	–	2.2
CCC Shoes & Bags d.o.o. Beograde	100%	6.4	-6.4	–
CCC Shoes & Bags Sp. z o.o.	100%	280.7	–	280.7
CCC Shoes Bulgaria EOOD	100%	0.5	–	0.5
CCC Slovakia s.r.o.	100%	0.4	–	0.4
CCC.eu Sp. z o.o.	100%	892.7	–	892.7
Modivo S.A.	77%	0.5	–	0.5
UAB CCC Lithuania	100%	–	–	–
SIA CCC Shoes Latvia	100%	–	–	–
OU CCC Estonia	100%	–	–	–
HalfPrice Sp. z o.o.	100%	58.2	–	58.2
CCC Ukraina Sp. z o.o.	75%	12.2	-2.8	9.4
CCC Tech Sp. z o.o.	0%	–	–	–
Rawaki Sp. z o.o.	100%	12.9	–	12.9
First Distribution s.r.o.	90%	7.1	–	7.1
HalfPrice España S.L.	100%	–	–	–
CCC Retail Sp. z o.o.	100%	–	–	–
HalfPrice Retail Sp. z o.o.	100%	–	–	–
HR Group Holding s.a.r.l.	31%	–	–	–
Xpress Sp. z o.o.	1%	1.0	–	1.0
MKRI Sp. z o.o.	10%	0.2	–	0.2
Total		**1,319.5**	**-9.2**	**1,310.3**

Shares as at 31 January 2024	% ownership interest	Gross carrying amount	Impairment write-downs	Net carrying amount
CCC Czech s.r.o.	100%	40.1	–	40.1
CCC Hrvatska d.o.o.	100%	3.1	–	3.1
CCC Hungary Shoes Kft.	100%	1.3	–	1.3
C-AirOP Ltd.	50%	–	–	–
CCC Obutev d.o.o.	100%	2.2	–	2.2
CCC Shoes & Bags d.o.o. Beograde	100%	6.4	-6.4	–
CCC Shoes & Bags Sp. z o.o.	100%	280.7	–	280.7
CCC Shoes Bulgaria EOOD	100%	0.5	–	0.5
CCC Slovakia s.r.o.	100%	0.4	–	0.4
CCC.eu Sp. z o.o.	100%	892.7	–	892.7
Modivo S.A.	75%	0.5	–	0.5
HalfPrice Sp. z o.o.	100%	58.2	–	58.2
UAB CCC Lithuania	100%	–	–	–
SIA CCC Shoes Latvia	100%	–	–	–
OU CCC Estonia	100%	–	–	–
CCC Ukraina Sp. z o.o.	75%	12.2	-2.8	9.4
HR Group Holding s.a.r.l.	31%	–	–	–
Xpress Sp. z o.o.	1%	1.0	–	1.0
Total		**1,299.3**	**-9.2**	**1,290.1**

Impairment of shares

As at 31 January 2025, the Company reviewed indicators of impairment of its shareholdings in subsidiaries. The Company did not identify any indicators of impairment in its investments in subsidiaries or associates.

(all amounts in PLN million unless stated otherwise)

4.2. LOANS

ACCOUNTING POLICY

Loans advanced are initially measured at fair value and as at subsequent reporting dates at amortised cost through profit or loss.

Impairment of financial assets

As at each reporting date, the Company assesses whether financial assets have been impaired. For the purposes of this assessment, the Management Board analyses the risk of repayment of loans, taking into account the Company's current financial condition.

The Company 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 Company measures the loss allowance at an amount equal to lifetime expected credit losses.

	1 Feb 2024–31 Jan 2025	1 Feb 2023–31 Jan 2024
At the beginning of the period	**921.4**	**1,006.9**
Granting of loans	7.1	508.2
Interest accrued	61.1	109.7
Repayment of loans with interest	-103.8	-62.4
Recognition of impairment loss	–	-1.2
Reversal of impairment loss	18.8	47.2
Set-off of claims	-400.0	-682.6
Foreign exchange gains/(losses)	0.1	-4.4
At the end of the period	**504.7**	**921.4**
– current	42.1	52.3
– non-current	462.6	869.1

The table below sets out the carrying amount of loans as at the reporting date, by borrower:

31 Jan 2025	Gross carrying amount	Impairment loss	Net carrying amount	Level
CCC Shoes & Bags d.o.o. Beograde	0.3	–	0.3	1
CCC.eu Sp. z o.o.	351.6	-1.1	350.5	1
HalfPrice España s.l.	1.9	–	1.9	1
HR Group Holding S.a.r.l	102.1	-102.1	–	3
HR Group GmbH &Co.KG	28.1	-28.1	–	3
HalfPrice Sp. z o.o.	150.7	-0.5	150.2	1
UAB CCC Lithuania	0.7	–	0.7	1
OU CCC Estonia	1.1	–	1.1	1
Total	**636.5**	**-131.8**	**504.7**	

31 Jan 2024	Gross carrying amount	Impairment loss	Net carrying amount	Level
CCC Obutev d.o.o.	1.8	–	1.8	1
CCC Shoes Bulgaria	8.9	–	8.9	1
CCC Shoes & Bags d.o.o. Beograde	0.2	–	0.2	1
CCC.eu Sp. z o.o.	783.7	-17.7	766.0	1
HR Group Holding S.a.r.l	102.1	-102.1	–	3
HR Group GmbH &Co.KG	28.1	-28.1	–	3
HalfPrice Sp. z o.o.	143.2	-2.7	140.5	1
UAB CCC Lithuania	0.8	–	0.8	1
SIA CCC Shoes Latvia	2.0	–	2.0	1
OU CCC Estonia	1.2	–	1.2	1
Total	**1,072.0**	**-150.6**	**921.4**	

(all amounts in PLN million unless stated otherwise)

Impairment losses on loans	1 Feb 2024–31 Jan 2025	1 Feb 2023–31 Jan 2024
At the beginning of the period	**-150.6**	**-196.6**
Recognised	–	-1.2
Reversed	18.8	47.2
At the end of the period	**-131.8**	**-150.6**

Credit sureties provided as at 31 January 2025	Maximum exposure	Level	Provision
CCC.eu Sp. z o.o.	1,547.2	1	5.6
CCC Hungary Shoes Kft.	6.3	1	–
Total	**1,553.5**		**5.6**

Credit sureties provided as at 31 January 2024	Maximum exposure	Level	Provision
CCC.eu Sp. z o.o.	514.2	1	9.7
CCC Hungary Shoes Kft.	6.1	1	0.1
Total	**520.3**		**9.8**

The expected credit loss allowance fell by PLN 18.8 million to PLN 131.8 million, reflecting: a lower probability-of-default (PD) assumption; the offset of a PLN 400.0 million loan to CCC.eu Sp. z o.o. and a repayment of PLN 31.3 million; and the advance of additional loan tranches totalling PLN 7.1 million to other CCC Group companies.

The provision for expected credit losses on financial guarantees decreased by PLN 4.2 million to PLN 5.6 million, mainly because the probability-of-default assumption was revised downward after the guaranteed CCC Group companies reported results ahead of forecast. For information on the Company's maximum exposure under sureties provided in respect of credit facilities, see Note 5.2.

Interest is charged at floating rates linked to WIBOR or SOFR plus a margin for PLN-denominated loans, and to EURIBOR for foreign-currency loans. For further analysis of the interest rate risk and credit risk, see Note 7.1.

The loans are exposed to credit risk, interest rate risk, and currency risk.

The table below shows the current terms of loans advanced as at 31 January 2025.

BORROWER	AGREEMENT DATE	MATURITY DATE	LIMIT	CURRENCY	INTEREST RATE
CCC.eu Sp. z o.o.	17 Dec 2014	31 Jul 2026	9.3	USD	3M SOFR + 1.21%
CCC.eu Sp. z o.o.	22 Jun 2021	31 Jul 2026	1,600.0	PLN	3M WIBOR + 1.67%
CCC Shoes Bulgaria	4 Dec 2014	31 Jan 2025	4.0	BGN	3M EURIBOR + 2.27%
OU CCC Estonia	9 May 2022	31 Jul 2026	0.3	EUR	3M EURIBOR + 1.51%
SIA CCC Shoes Latvia	19 May 2022	31 Jul 2026	0.5	EUR	3M EURIBOR + 1.36%
UAB CCC Lithuania	10 May 2022	31 Jul 2026	0.7	EUR	3M EURIBOR + 1.35%
HR Group GmbH & Co. KG	17 Feb 2020	31 Mar 2023	6.2	EUR	3.0%
HR Group GmbH Holding	31 Jan 2019	31 Dec 2029	35.0	EUR	8.0%
HR Group GmbH Holding	31 Jan 2019	31 Dec 2029	6.5	EUR	8.0%
DeeZee Sp. z o.o.	17 Aug 2021	26 Jul 2026	11.0	PLN	3.6%
HalfPrice Sp. z o.o.	22 Jun 2021	31 Jul 2026	200.0	PLN	3M WIBOR + 1.89%

(all amounts in PLN million unless stated otherwise)

The table below shows the current terms of loans advanced as at 31 January 2024.

BORROWER	AGREEMENT DATE	MATURITY DATE	LIMIT	CURRENCY	INTEREST RATE
CCC.eu Sp. z o.o.	17 Dec 2014	1 Jun 2026	9.3	USD	1.5%
CCC.eu Sp. z o.o.	22 Jun 2021	1 Jun 2026	1,000.0	PLN	3.6%
CCC Shoes Bulgaria	4 Dec 2014	31 Jan 2024	4.0	BGN	3M EURIBOR + 3.12%
OU CCC Estonia	9 May 2022	10 May 2023	0.3	EUR	2.5%
SIA CCC Shoes Latvia	19 May 2022	19 May 2023	0.5	EUR	2.6%
UAB CCC Lithuania	10 May 2022	10 May 2023	0.2	EUR	2.5%
CCC Shoes & Bags d.o.o. Beograde	22 Sep 2016	31 Jan 2024	0.1	EUR	3M EURIBOR + 3.26%
CCC Shoes & Bags d.o.o. Beograde	18 Nov 2016	31 Jan 2024	0.1	EUR	3M EURIBOR + 3.26%
CCC Shoes & Bags d.o.o. Beograde	9 Dec 2016	31 Jan 2024	0.1	EUR	3M EURIBOR + 3.26%
CCC Obutev d.o.o.	18 Feb 2019	28 Feb 2023	0.8	EUR	3M EURIBOR + 3.23%
CCC Obutev d.o.o.	21 Apr 2020	30 Apr 2023	0.3	EUR	3M EURIBOR + 3.23%
HR Group GmbH & Co. KG	17 Feb 2020	31 Mar 2023	6.2	EUR	3.0%
HR Group GmbH Holding	31 Jan 2019	31 Dec 2029	35.0	EUR	8.0%
HR Group GmbH Holding	31 Jan 2019	31 Dec 2029	6.5	EUR	8.0%
DeeZee Sp. z o.o.	17 Aug 2021	26 Jul 2026	11.0	PLN	3.6%
HalfPrice Sp. z o.o.	22 Jun 2021	1 Jun 2026	200.0	PLN	3.6%

The loan agreements listed in the table above are unsecured; no collateral has been pledged.

During the financial year, the estimation techniques and key assumptions remained unchanged from those applied in the Company's separate financial statements for the year ended 31 January 2024.

4.3. RELATED-PARTY TRANSACTIONS

In the presented periods, the Company 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
SUBSIDIARIES	453.5	703.2	465.1	1,020.5
ASSOCIATES	–	–	0.5	0.3
ENTITIES RELATED TO KEY MANAGEMENT PERSONNEL	0.8	–	0.5	–
Total	**454.3**	**703.2**	**466.1**	**1,020.8**

	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
SUBSIDIARIES	174.3	2,118.1	263.3	1,956.9
ASSOCIATES	–	–	0.4	0.3
ENTITIES RELATED TO KEY MANAGEMENT PERSONNEL	–	4.2	0.1	7.5
Total	**174.3**	**2,122.3**	**263.8**	**1,964.7**

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

(all amounts in PLN million unless stated otherwise)

REMUNERATION OF KEY MANAGEMENT PERSONNEL

In the reporting periods, the Company incurred employee benefit expenses and costs of share-based payments as presented in the table below.

GOVERNING BODY	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**

Other remuneration for the Management Board is attributable to, inter alia, share-based payments described in detail in Note 7.2 to these financial statements.

5. DEBT, CAPITAL AND LIQUIDITY MANAGEMENT

5.1. CAPITAL MANAGEMENT

The objective of capital risk management is to ensure the Company'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 Company'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.

For detailed information on the financial ratios and the dividend policy, see the consolidated Directors' Report on the operations of the CCC Group. 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.

In line with industry practice, the Company 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 separate statement of financial position) less cash and cash equivalents. The total amount of capital is calculated as the sum of the equity disclosed in the statement of financial position and the net debt.For detailed information on these metrics, refer to the 'Management of financial resources and liquidity' section in the consolidated Directors' Report on the operations of the CCC Group.

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:

- share capital is recognised at the amount specified in the Articles of Association and disclosed in the court register,
- share premium account,
- retained earnings created from distribution of profit or loss, retained earnings, and net profit (loss) for the reporting period, and based on the existing employee stock option plan.

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

(all amounts in PLN million unless stated otherwise)

SHARE CAPITAL

As at 31 January 2025, the Company's share capital comprised 68.9 million shares with a nominal value of PLN 0.10, including 62.2 million ordinary shares and 6.65 million shares with voting preference. Details of changes in the share capital are set out in the Directors' Report, section 13 'Share capital and shareholders'.

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

Statutory reserve comprises primarily the share premium account. As at 31 January 2025, statutory reserve was PLN 1,648.2 million, unchanged from 31 January 2024.

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 348.1 million. As at 31 January 2024, retained earnings were positive at PLN 292.4 million.

EARNINGS PER SHARE

Earnings per share is calculated as the quotient of net profit for the reporting period attributable to holders of ordinary shares of the Company and the weighted average number of ordinary shares outstanding in the period. Diluted earnings per share is calculated as the quotient of net profit for the reporting period attributable to holders of ordinary shares and the weighted average number of ordinary shares outstanding in the period adjusted for the weighted average number of ordinary shares that would be issued upon conversion of all potentially dilutive equity instruments into ordinary shares.

For the 12 months ended 31 January 2025, basic and diluted earnings per share were PLN 0.81. For the 12 months ended 31 January 2024, basic and diluted earnings per share were PLN 3.34.

	1 Feb 2024–31 Jan 2025	1 Feb 2023–31 Jan 2024
Weighted average number of shares	68,868,000	66,195,959
TOTAL	**68,868,000**	**66,195,959**
Net profit (loss)	55.7	220.8
Basic earnings (loss) per share (PLN)	0.81	3.34
Diluted earnings (loss) per share (PLN)	0.81	3.34

DIVIDEND

In the current and previous years, the Company did not declare or pay any dividend.

5.2. DEBT UNDER BORROWINGS AND BONDS

ACCOUNTING POLICY

Financing liabilities include mainly bank borrowings, lease liabilities and bonds issued. 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 6.2.

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.

LIABILITIES UNDER BORROWINGS AND BONDS

The following note sets out data on the Company's borrowings from financial institutions.

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 million term loan (Tranche A), amortising over five years, drawn in two instalments: PLN 450 million in July 2024 and PLN 150 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. 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 to CCC.eu Sp. z o.o.

In addition, the CCC Business Unit may arrange bank financing for HalfPrice Sp. z o.o.'s new logistics centre, subject to the consent of the majority lenders. The agreement was concluded after the reporting date.

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.

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.

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 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.

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

The new financing agreement is secured by a common security package comprising:

- KUKE guarantees of up to PLN 750.0 million;

(all amounts in PLN million unless stated otherwise)

- 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 Financing 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. Details of the ratio definitions are provided in the Directors' Report.

For information on lease liabilities, see Note 6.3.

The following note sets out data on the Company's borrowings and bonds in issue.

	LIABILITIES UNDER BORROWINGS AND BONDS			TOTAL
	BANK BORROWINGS	OTHER BORROWINGS	BONDS	
As at 1 Feb 2024	**249.9**	**350.7**	**190.5**	**791.1**
Short-term	249.9	1.8	1.8	253.5
Long-term	–	348.9	188.7	537.6
As at 1 Feb 2024	**249.9**	**350.7**	**190.5**	**791.1**
Proceeds from contracted debt				
- financing received	360.0	150.0	–	510.0
Interest accrued	10.0	56.7	17.7	84.4
Debt-related payments				
- principal payments	–	-360.0	-189.4	-549.4
- interest paid	-10.2	-47.4	-18.8	-76.4
Change in current account	-0.2	–	–	-0.2
Other non-cash changes*	-250.0	-150.0	–	-400.0
As at 31 Jan 2025	**359.5**	**–**	**-0.0**	**359.5**
Short-term	**11.0**	**–**	**–**	**11.0**
Tranche C	*11.0*	–	–	*11.0*
Long-term	**348.5**	**–**	**–**	**348.5**
Tranche C	*348.5*	–	–	*348.5*

* Other non-cash movements include: (i) repayment by CCC.eu Sp. z o.o. of a short-term facility guaranteed by BGK, and (ii) set-off of a borrowing previously obtained from CCC.eu Sp. z o.o. against outstanding balances on a loan advanced to the company, as described above.

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

(all amounts in PLN million unless stated otherwise)

	LIABILITIES UNDER BORROWINGS AND BONDS			TOTAL
	BANK BORROWINGS	OTHER BORROWINGS	BONDS	
As at 1 Feb 2023	**249.2**	**401.7**	**211.3**	**862.2**
Short-term	0.1	33.0	21.9	55.0
Long-term	249.1	368.7	189.4	807.2
As at 1 Feb 2023	**249.2**	**401.7**	**211.3**	**862.2**
Proceeds from contracted debt				
- financing received	–	–	–	–
- transaction costs	–	–	–	–
Interest accrued	22.5	71.8	23.4	117.7
Modification	–	-6.0	–	-6.0
Debt-related payments				
- principal payments	–	–	-20.6	-20.6
- interest paid	-21.9	-85.6	-23.6	-131.1
Other non-cash changes	0.1	-31.2	–	-31.1
As at 31 Jan 2024	**249.9**	**350.7**	**190.5**	**791.1**
Short-term	**249.9**	**1.8**	**1.8**	**253.5**
Credit facility with surety from BGK	*249.7*	–	–	*249.7*
CCC0626 bond	–	–	*1.8*	*1.8*
Borrowings from subsidiaries	–	*1.8*	–	*1.8*
Other	*0.2*	–	–	*0.2*
Long-term	**–**	**348.9**	**188.7**	**537.6**
CCC0626 bond	–	–	*188.7*	*188.7*
Borrowings from subsidiaries	–	*348.9*	–	*348.9*

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 7.1.

Collateral and other security for the liabilities are presented below.

	31 Jan 2025	31 Jan 2024
	NOMINAL OR CARRYING AMOUNT OF COLLATERAL	
Sureties	3,240.0	2,231.3
Capped mortgages on real estate	3,240.0	1,913.7
Registered pledge over movable assets	3,240.0	2,228.7
In blanco promissory notes	3.0	3.0

The Company has agreements with banks under which the banks provided guarantees to landlords of the premises rented by the Company.

5.3. 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 table below analyses CCC S.A.'s financial liabilities as at the reporting date, showing their contractual maturity profile and the related undiscounted cash flows under existing financing arrangements.

CCC S.A. recognises revenue from its principal business consisting in retail sale of merchandise. As a rule, cash revenue is received on the date of retail sale transactions; accordingly, CCC S.A. does not bear any significant risk of receipt of payment from retail customers. For retail transactions, the Company generally recognises cash revenue at the point of sale.

In accordance with the terms of the financing agreements, cash proceeds from retail sales are primarily applied towards the timely servicing of the CCC Group's financing liabilities. Under the financing agreements, CCC S.A. 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 Company to meet its financial obligations as they fell due. Moreover, the projected future cash flows from retail and wholesale activities typically enable the Company to entirely cover the anticipated future financing obligations throughout the periods included in the liquidity risk analyses conducted by the Company.

(all amounts in PLN million unless stated otherwise)

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.

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 Company's performance and growth, and strengthen liquidity. Measures taken include efforts to reduce the Company's working capital requirements, lower operating costs, and optimise growth plans.

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

As at 31 Jan 2025	CONTRACTUAL MATURITIES FROM THE END OF THE REPORTING PERIOD					TOTAL UNDISCOUNTED	CARRYING AMOUNT
	UP TO 3 MONTHS	3–12 MONTHS	1–3 YEARS	3–5 YEARS	OVER 5 YEARS		
Bank borrowings	7.8	32.7	102.2	355.7	–	498.4	359.5
Trade and other payables	64.3	196.8	–	–	–	261.1	261.1
Factoring liabilities	13.8	–	–	–	–	13.8	13.8
Sureties provided for credit facilities	1,553.5	–	–	–	–	1,553.5	–
Refund liabilities	10.3	–	–	–	–	10.3	10.3
Lease liabilities	88.3	121.1	267.9	133.9	72.9	684.1	604.7
Total financial liabilities	**1,738.0**	**350.6**	**370.1**	**489.6**	**72.9**	**3,021.2**	**1,249.4**

As at 31 Jan 2024	CONTRACTUAL MATURITIES FROM THE END OF THE REPORTING PERIOD					TOTAL UNDISCOUNTED	CARRYING AMOUNT
	UP TO 3 MONTHS	3–12 MONTHS	1–3 YEARS	3–5 YEARS	OVER 5 YEARS		
Bank borrowings	5.1	260.2	–	–	–	265.3	249.9
Other borrowings	4.6	17.8	37.3	576.0	–	635.7	350.7
Bonds	1.8	19.6	218.5	–	–	239.9	190.5
Derivative financial instruments embedded in bonds issued to PFR – Equity Kicker	–	–	–	6.6	–	6.6	6.6
Trade and other payables	161.5	2.5	–	–	–	164.0	164.0
Credit sureties provided	520.3	–	–	–	–	520.3	–
Refund liabilities	13.2	–	–	–	–	13.2	13.2
Lease liabilities	66.5	128.2	271.1	135.5	59.1	660.4	596.6
Total financial liabilities	**773.0**	**428.3**	**526.9**	**718.1**	**59.1**	**2,505.4**	**1,571.5**

The credit sureties disclosed in the preceding notes are off-balance-sheet liabilities, against which expected credit loss provisions of PLN 5.6 million have been recognised. For more information on the sureties, see Notes 4.2 and 7.1 and the Directors' Report.

(all amounts in PLN million unless stated otherwise)

5.4. ADDITIONAL INFORMATION ON SELECTED ITEMS OF THE STATEMENT OF CASH FLOWS

	Trade receivables, other receivables	Trade payables, other payables, amounts due to employees
As at 1 Feb 2024	113.9	265.5
As at 31 Jan 2025	81.0	383.3
Change in statement of financial position	**32.9**	**117.8**
Difference due to:		
Changes in sureties issued	0.1	–
Changes in investment liabilities/receivables	2.2	-18.3
Set-off of balances	-1.2	–
Other	0.3	-7.6
Change recognised in statement of cash flows	**34.3**	**91.9**

	Trade receivables, other receivables	Trade payables, other payables, amounts due to employees
As at 1 Feb 2023	117.4	292.8
As at 31 Jan 2024	113.9	265.5
Change in statement of financial position	**3.5**	**-27.3**
Difference due to:		
Changes in sureties issued	-0.3	0.5
Changes in investment liabilities/receivables	-3.1	0.5
Netting of receivables against Gino Rossi loan	-19.4	–
Receivables recognised in connection with the acquisition of CCC Ukraina Sp. z o.o.	-12.2	–
Liquidation of CCC Austria Ges.m.b.H	2.5	48.4
Netting of liabilities against loan to CCC.eu Sp. z o.o.	–	32.6
Offset of balances in connection with the carve-out of the organised part of enterprise (ZCP)	-16.9	26.3
Change in expected credit loss allowances	0.4	–
Other	-0.2	-13.6
Change recognised in statement of cash flows	**-45.7**	**67.4**

Other non-cash adjustments	1 Feb 2024–31 Jan 2025	1 Feb 2023–31 Jan 2024
Change in provisions	6.2	-5.1
Change in expected credit loss allowances	-4.9	-94.0
Embedded derivative instruments – Equity Kicker	-6.6	0.1
Sureties	-0.1	-0.1
Interest accrued on loans	-61.1	-109.6
Gain/(loss) on modifications and exchange differences on measurement of financial liabilities	-19.8	-35.8
Gain/(loss) on liquidation of CCC Austria Ges.m.b.H	–	-50.9
Other	12.7	1.6
Total	**-73.6**	**-293.8**

6. NOTES TO THE STATEMENT OF FINANCIAL POSITION

6.1. INTANGIBLE ASSETS

ACCOUNTING POLICY

The Company measures intangible assets at cost less accumulated amortisation and any accumulated impairment losses. Property, plant and equipment are depreciated on a straight-line basis by estimating their useful lives, which are as follows:

- patents and licences – from 5 to 10 years
- trademarks – not amortised

(all amounts in PLN million unless stated otherwise)

- 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 6.2.

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.

	TRADEMARKS, PATENTS, LICENCES	INTANGIBLE ASSETS UNDER DEVELOPMENT	TOTAL
Gross carrying amount as at 1 Feb 2024	**16.8**	**–**	**16.8**
Accumulated amortisation as at 1 Feb 2024	**-13.6**	**–**	**-13.6**
Net carrying amount as at 1 Feb 2024	**3.2**	**–**	**3.2**
Amortisation	-1.2	–	-1.2
Acquisition	–	0.1	0.1
Gross carrying amount as at 31 Jan 2025	**16.8**	**0.1**	**16.9**
Accumulated amortisation as at 31 Jan 2025	**-14.8**	**–**	**-14.8**
Net carrying amount as at 31 Jan 2025	**2.0**	**0.1**	**2.1**

	TRADEMARKS, PATENTS, LICENCES	TOTAL
Gross carrying amount as at 1 Feb 2023	**17.5**	**17.5**
Accumulated amortisation as at 1 Feb 2023	**-12.4**	**-12.4**
Net carrying amount as at 1 Feb 2023	**5.1**	**5.1**
Amortisation	-1.2	-1.2
Disposals and retirements	-1.5	-1.5
Disposals and retirements (amortisation)	0.8	0.8
Gross carrying amount as at 31 Jan 2024	**16.8**	**16.8**
Accumulated amortisation as at 31 Jan 2024	**-13.6**	**-13.6**
Net carrying amount as at 31 Jan 2024	**3.2**	**3.2**

As at 31 January 2025, the net carrying amount of trademarks, patents and licences comprised chiefly: (i) rights acquired in prior years to the BADURA online store and related marketing materials (PLN 0.7 million); (ii) rights to the Gino Rossi online store and database (PLN 0.8 million); and (iii) the AMERICANOS trademark (PLN 0.5 million).

6.1.1. GOODWILL

ACCOUNTING POLICY

Goodwill recognised in the financial statements was recognised on acquisition of an organised part of enterprise (the "acquiree").

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 Company 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 Company 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.

(all amounts in PLN million unless stated otherwise)

Company	Acquisition date	As at 31 Jan 2024	As at 31 Jan 2025
Adler International Sp. z o.o. sp. k.	Jul 2018	48.8	48.8

As at 31 January 2025, the Company tested for impairment the cash-generating units to which the goodwill arising on the acquisition of the organised part of the enterprise Adler International Sp. z o.o. sp.k. had been allocated. The testing indicated that no impairment charge was required. The management of the Company believes that no reasonably possible change to any of the key assumptions of the test would result in the carrying amount of the tested unit exceeding significantly its recoverable amount.

The goodwill of Adler International arose from the acquisition of an organised part of the enterprise of Adler International Sp. z o.o. sp.k. The recoverable amount was determined based on the value in use calculated using a five-year cash flow projection related to the operations of the stores acquired as part of the OPE.

The recoverable amount of each cash-generating unit (or group of units to which the assets were allocated) was determined on a value-in-use basis, calculated from discounted cash-flow projections drawn from the 2025 Annual Budget and longer-term forecasts. Among the additional assumptions underlying the 2025 Annual Budget – beyond those set out below – are the expected rate of inflation and the projected movements in the euro and US-dollar exchange rates.

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 amounts assigned to each of these parameters reflect the Company's experience adjusted for expected changes in the period covered by the forecast.

The underlying assumptions of the impairment test are presented below.

	31 Jan 2025	31 Jan 2024
Discount rate	9.8%	11.0%
Average EBITDA margin	42.4%	38.4%
Expected EBITDA CAGR	5.4%	5.5%
Residual growth rate	2.0%	2.0%

6.2. PROPERTY, PLANT AND EQUIPMENT

ACCOUNTING POLICY

Property, plant and equipment include: leasehold improvements – expenditure on leased premises used in the Company’s retail operations; and items of property, plant and equipment used in distribution activities – such as warehouses – and other assets, for example offices premises and land.

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.

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

(all amounts in PLN million unless stated otherwise)

GROUP OF PROPERTY, PLANT AND EQUIPMENT	DEPRECIATION PERIOD	REMAINING USEFUL LIFE
Leasehold improvements	* useful life of a leasehold improvement	* usually 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 10 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.

Impairment of non-financial non-current assets

The Company assesses, at each reporting date, whether there are any indicators of impairment in respect of non-current assets. 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. 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). 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.

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

Given that the carrying amount of corporate assets (including real property) cannot, in the Company's opinion, be allocated on a reasonable and consistent basis to any cash-generating units (stores), the Company tests non-current assets for impairment in the following steps:

- first it compares the recoverable amount of a cash-generating unit (store) with the carrying amount of its net assets (excluding any allocation of corporate assets) and recognises impairment losses, if any; and next
- the Company 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 Company reviews assets for impairment at each reporting date. The operating result of each retail unit is reviewed. In assessing whether to recognise an impairment loss on non-financial non-current assets, the Company considers, among other factors, the following indicators:

- the store must be in operation for at least 30 months,
- the store has generated a gross loss in each of the last two years of operation.
- 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. In estimating value in use, administrative expenses, other expenses, and certain store-operating and selling expenses (not directly attributable to the CGU) were excluded after offsetting the related other income. The Company 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). In estimating cash flows, the Company does not take into account lease payments, which are reflected in the measurement of lease liabilities.

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. Accordingly, the amount of depreciation expense may not correspond with the estimated term of the store lease contract. Changes in the lease term may affect the level of impairment charges.

(all amounts in PLN million unless stated otherwise)

For information on property, plant and equipment pledged as security for borrowings, see Note 5.2.

	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	**604.6**	**4.0**	**0.2**	**2.0**	**6.2**	**43.4**	**1.0**	**5.0**	**49.7**	**660.5**
Accumulated depreciation as at 1 Feb 2024	**-338.7**	**-0.6**	**–**	**–**	**-0.6**	**-8.6**	**-1.0**	**-3.4**	**-13.3**	**-352.3**
Net carrying amount as at 1 Feb 2024	**266.2**	**3.4**	**0.2**	**2.0**	**5.6**	**34.8**	**–**	**1.6**	**36.4**	**308.2**
Acquisitions	119.2	–	–	–	–	–	–	–	–	119.2
Depreciation	-39.8	-0.1	–	–	-0.1	-1.1	–	-0.3	-1.4	-41.3
Disposals and retirements	-22.6	-3.0	–	–	-3.0	-2.3	-1.1	-0.2	-3.6	-29.2
Disposals and retirements (depreciation)	15.6	0.5	–	–	0.5	0.7	0.2	0.1	1.0	17.1
Transfer between groups (gross carrying amount)	-2.0	-1.0	-0.2	-2.0	-3.2	1.0	1.0	3.2	5.2	–
Transfers between groups (accumulated depreciation)	0.1	0.2	–	–	0.2	-0.4	–	0.1	-0.3	–
Reclassification to assets held for sale (gross carrying amount)	–	–	–	–	–	-22.2	–	–	-22.2	-22.2
Reclassification to assets held for sale (accumulated depreciation)	–	–	–	–	–	1.4	–	–	1.4	1.4
Gross carrying amount as at 31 Jan 2025	**699.2**	**–**	**–**	**–**	**–**	**20.2**	**1.2**	**8.3**	**29.4**	**728.6**
Accumulated depreciation as at 31 Jan 2025	**-362.5**	**–**	**–**	**–**	**–**	**-8.3**	**-1.1**	**-3.8**	**-12.9**	**-375.4**
Net carrying amount as at 31 Jan 2025	**336.7**	**–**	**–**	**–**	**–**	**11.9**	**0.1**	**4.5**	**16.5**	**353.2**

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. Because the property's carrying amount exceeded its estimated market value, an impairment loss of PLN 10.8 million was recognised and presented under other expenses. On 4 June 2024, the property was sold for PLN 10.0 million.

(all amounts in PLN million unless stated otherwise)

		DISTRIBUTION				OTHER PROPERTY, PLANT AND EQUIPMENT				
	LEASEHOLD IMPROVEMENTS	LAND, BUILDINGS AND STRUCTURES	MACHINERY AND EQUIPMENT	PROPERTY, PLANT AND EQUIPMENT UNDER CONSTRUCTION	TOTAL	LAND AND BUILDINGS	MACHINERY AND EQUIPMENT	OTHER	TOTAL	**TOTAL**
Gross carrying amount as at 1 Feb 2023	**581.9**	**233.1**	**123.1**	**2.9**	**359.1**	**79.0**	**2.3**	**7.3**	**88.6**	**1,029.6**
Accumulated depreciation as at 1 Feb 2023	**-307.3**	**-45.1**	**-108.9**	**–**	**-154.0**	**-14.4**	**-1.4**	**-3.6**	**-19.4**	**-480.7**
Net carrying amount as at 1 Feb 2023	**274.6**	**188.0**	**14.2**	**2.9**	**205.1**	**64.6**	**0.9**	**3.7**	**69.2**	**548.9**
Acquisitions	33.0	–	–	0.8	0.8	3.1	–	-1.7	1.4	35.2
Depreciation	-40.1	-3.1	-6.4	–	-9.5	-2.3	-0.1	-0.5	1.7	-47.9
Disposals and retirements	-10.3	–	–	–	–	-0.6	-0.3	–	-0.9	-11.2
Disposals and retirements (depreciation)	9.0	–	–	–	–	-0.5	0.1	–	-0.4	8.6
ORGANISED PART OF ENTERPRISE	–	-214.3	-139.4	–	-353.7	-38.1	-0.3	-1.0	-39.4	-393.1
Organised part of enterprise (depreciation)	–	45.6	117.3	–	162.9	4.0	0.1	0.7	4.8	167.7
Other (gross carrying amount)	0.1	-14.8	16.5	-1.7	–	–	-0.7	0.4	-0.3	-0.2
Other (depreciation)	-0.1	2.0	-2.0	–	–	4.6	0.3	–	4.9	4.8
Gross carrying amount as at 31 Jan 2024	**604.6**	**4.0**	**0.2**	**2.0**	**6.2**	**43.4**	**1.0**	**5.0**	**49.7**	**660.5**
Accumulated depreciation as at 31 Jan 2024	**-338.7**	**-0.6**	**–**	**–**	**-0.6**	**-8.6**	**-1.0**	**-3.4**	**-13.3**	**-352.3**
Net carrying amount as at 31 Jan 2024	**266.2**	**3.4**	**0.2**	**2.0**	**5.6**	**34.8**	**–**	**1.6**	**36.4**	**308.2**

Assets allocated to the 'Other' segment consist mainly of land and buildings at the Company's head office. As part of the Group's reorganisation and synergy initiatives, distribution-segment assets were sold to related parties engaged in distribution activities.

As at 31 January 2025, the Company identified no indicators of impairment for any assets, including store assets and right-of-use assets relating to retail outlets. Consequently, no impairment tests were performed on those assets.

6.3. RIGHT-OF-USE ASSETS, LEASE LIABILITIES AND LEASE RECEIVABLES

ACCOUNTING POLICY

At the commencement date of the lease, CCC S.A. 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 Company'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 Company becomes aware of a decision to exercise an extension or termination option. Lease terms are determined based on commercial rationale. Where the Company expects to exercise an extension option, the lease term used for measurement purposes is extended accordingly.

The Company 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 Company 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 Company 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 Company estimates an appropriate discount rate, which affects the measurement of the lease liability. In determining the discount rate, the Company 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 Company 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:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- 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 Company, 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:

- allocates the consideration in the modified contract;
- determines the revised lease term; and
- 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.

(all amounts in PLN million unless stated otherwise)

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

- 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;
- for all other modifications, the carrying amount of the right-of-use asset is adjusted accordingly.

The Company as the lessor

At the commencement date, CCC S.A. 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.

The Company subleases office, retail and warehouse space to other CCC Group companies and to third parties, accounting for these arrangements as finance leases.

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	Total
Gross carrying amount as at 1 Feb 2024	**1,054.4**	**2.2**	**7.1**	**38.0**	**1,101.7**
Accumulated depreciation as at 1 Feb 2024	**-705.9**	**-1.5**	**-5.6**	**-10.7**	**-723.7**
Net carrying amount as at 1 Feb 2024	**348.5**	**0.7**	**1.5**	**27.3**	**378.0**
New lease contracts	22.5	–	1.8	–	24.3
Depreciation for the period	-102.5	-0.2	-1.5	-8.5	-112.7
Changes due to contract modifications	72.5	0.1	0.2	18.6	91.4
Changes due to lease modification – reduction in lease term – gross carrying amount	-16.6	-0.2	-2.8	–	-19.6
Changes due to lease modification – reduction in lease term – depreciation	13.6	0.2	2.7	–	16.5
Other – gross carrying amount	–	–	–	4.7	4.7
Other – depreciation	–	–	–	-4.4	-4.4
Gross carrying amount as at 31 Jan 2025	**1,132.8**	**2.1**	**6.3**	**61.3**	**1,202.5**
Accumulated depreciation as at 31 Jan 2025	**-794.8**	**-1.5**	**-4.4**	**-23.6**	**-824.3**
Net carrying amount as at 31 Jan 2025	**338.0**	**0.6**	**1.9**	**37.7**	**378.2**

(all amounts in PLN million unless stated otherwise)

	RIGHT-OF-USE ASSETS				
	Stores	Warehouse	Vehicles	Offices	Total
Gross carrying amount as at 1 Feb 2023	**1,020.4**	**2.2**	**7.7**	**28.9**	**1,059.2**
Accumulated depreciation as at 1 Feb 2023	**-627.0**	**-1.4**	**-5.2**	**-6.6**	**-640.2**
Net carrying amount as at 1 Feb 2023	**393.4**	**0.8**	**2.5**	**22.3**	**419.0**
New lease contracts	16.1	0.1	0.4	–	16.6
Depreciation for the period	-104.2	-0.3	-1.7	-4.1	-110.3
Changes due to contract modifications	48.2	0.2	0.4	9.1	57.9
Changes due to lease modification – reduction in lease term – gross carrying amount	-30.3	-0.3	-1.4	–	-32.0
Changes due to lease modification – reduction in lease term – depreciation	25.3	0.2	1.3	–	26.8
Gross carrying amount as at 31 Jan 2024	**1,054.4**	**2.2**	**7.1**	**38.0**	**1,101.7**
Accumulated depreciation as at 31 Jan 2024	**-705.9**	**-1.5**	**-5.6**	**-10.7**	**-723.7**
Net carrying amount as at 31 Jan 2024	**348.5**	**0.7**	**1.5**	**27.3**	**378.0**

As at 31 January 2025, the Company identified no indicators of impairment and therefore did not perform an impairment test for its right-of-use assets.

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	**596.6**	**720.6**
Accrued interest	23.4	24.9
Lease payments	-138.7	-182.8
Exchange differences	-15.6	-46.8
New lease contracts	35.0	29.3
Modification of contractual terms	104.0	50.1
Change of scope	–	1.3
At the end of the period	**604.7**	**596.6**

Interest paid on lease liabilities totalled PLN 23.4 million for the period 1 February 2024 to 31 January 2025, compared with PLN 25.8 million in the prior financial year.

CCC S.A. as the lessor

The Company subleases office, retail and warehouse space to other companies of the CCC Group and unrelated entities. Finance income on the net investment in the lease is not material.

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

Lease receivables	1 Feb 2024–31 Jan 2025	1 Feb 2023–31 Jan 2024
At the beginning of the period	**116.0**	**138.1**
New lease contracts	16.3	12.7
Modification	4.5	2.8
Interest	5.1	5.7
Repayment of receivables	-30.8	-32.8
Impairment losses	0.7	1.7
Exchange differences	-3.2	-10.0
Other	–	-2.2
At the end of the period	**108.6**	**116.0**

The table below presents an analysis of the maturities of the lease payments due (undiscounted).

Undiscounted lease payments	31 Jan 2025	31 Jan 2024
up to 1 year	31.2	33.8
1 to 2 years	28.7	31.7
2 to 3 years	23.2	28.4
3 to 4 years	16.8	22.1
4 to 5 years	13.4	11.4
over 5 years	14.5	24.1
Total undiscounted lease payments	**127.8**	**151.5**
Unrealised finance income	**-19.2**	**-35.5**
Total	**108.6**	**116.0**

No discounted unguaranteed residual value was recognised.

6.4. 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 Company 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 Company considered the nature of inventories held, the sales channels used, and analysed the cost structure. 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 Company includes courier delivery costs, packaging expenses, and payment processing fees in the costs necessary to complete a sale. In the case of sales through offline stores, logistics costs of transporting and repackaging goods at the central warehouse as well as employee overheads were included. In both channels, an allocation of marketing expenses is also included in the costs necessary to complete a sale.

The IFRIC's decision did not materially affect the manner in which the Company determines the net realisable value in accordance with IAS 2.

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 Company 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 Company'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 Company 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 Company 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 Company 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.

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 Company determines an appropriate write-down rate, expressed as a percentage, which is then used to calculate the amount of write-downs. The criteria include two-year and older stocks.

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;

(all amounts in PLN million unless stated otherwise)

- merchandise that reflects current fashion trends tends to lose more value over time due to the shorter life cycle compared with more universal and classic products;
- the expected rate of inventory turnover declines over time, and discount levels are increased to improve the price competitiveness of the goods.

Inventories and inventory write-downs as at the reporting date are presented below.

	31 Jan 2025	31 Jan 2024
Merchandise	461.6	350.8
Right of return asset	3.6	4.4
Total (gross)	**465.2**	**355.2**
Impairment write-downs	-0.7	-3.9
Total (net)	**464.5**	**351.3**

Changes in inventory write-downs during the period are presented below.

Inventory write-downs	1 Feb 2024–31 Jan 2025	1 Feb 2023–31 Jan 2024
At the beginning of the period	**-3.9**	**-7.3**
Recognised in cost of sales	-0.1	–
Used	–	1.9
Reversed through cost of sales	3.3	1.5
At the end of the period	**-0.7**	**-3.9**

The Company's objective is to minimise inventories, while maintaining an adequate volume of merchandise to maximise sales.

The year-on-year rise in inventories reflects: (i) a shift in the product mix towards higher-margin licensed merchandise; (ii) earlier intake of the Spring/Summer 2025 collection; and (iii) a larger volume of accessories.

As customers have the right to return unused goods, the Company 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 3.6 million and the liability amounted to PLN 10.3 million.

6.5. TRADE RECEIVABLES AND OTHER RECEIVABLES

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. If trade receivables are expected to be collected within one year or realised as part of the normal operating cycle, they are classified as current assets. Otherwise, they are recognised as non-current assets.

Trade receivables include receivables from payment intermediaries and receivables from couriers.

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.

(all amounts in PLN million unless stated otherwise)

	31 Jan 2025	31 Jan 2024
Gross trade receivables	56.4	80.1
Loss allowance	-13.5	-12.9
Total net receivables	**42.9**	**67.2**
Advances for inventory deliveries	1.9	3.7
Prepaid expenses	3.0	2.1
Tax receivables other than under corporate income tax	17.0	0.4
Receivables from the disposal of property, plant and equipment	4.2	1.6
Other financial receivables	0.7	–
Other	11.3	38.9
Total other receivables	**38.1**	**46.7**

Trade receivables consist primarily of amounts due from the subsidiaries CCC.eu Sp. z o.o. and HalfPrice Sp. z o.o., totalling PLN 24.9 million (31 January 2024: PLN 55.6 million).

Other receivables fell by PLN 8.6 million compared with 31 January 2024, reflecting a net movement that comprised an increase in the VAT receivable, offset by a decline in other receivables – chiefly amounts recoverable for recharged utility costs on sub-leased premises. Other receivables included, in addition to the PLN 1.9 million due for recharged utility costs on sub-leased premises, customs deposits of PLN 6.0 million and a returns provision of PLN 2.7 million.

For details of the risks, see Note 7.1.

For information on the terms of related-party transactions, see Note 4.3.

Trade receivables are non-interest bearing and typically have a market-based payment term. 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 Company's trade receivables.

PAST-DUE TRADE RECEIVABLES, BY AGEING BAND, AND THE RELATED LOSS ALLOWANCE:

Loss allowance on trade receivables	1 Feb 2024–31 Jan 2025	1 Feb 2023–31 Jan 2024
At the beginning of the period	**-12.9**	**-1.9**
a) increase	-0.8	-12.1
b) decrease – reversed	0.2	1.1
At the end of the period	**-13.5**	**-12.9**
Total trade receivables, net	**42.9**	**67.2**

Ageing of trade receivables	31 Jan 2025	31 Jan 2024
a) current	14.9	52.3
b) up to 1 month	3.1	6.2
c) over 1 month to 3 months	1.6	8.6
d) over 3 months to 6 months	6.8	5.8
e) over 6 months	30.0	7.2
Total trade receivables, gross	**56.4**	**80.1**

As at both 31 January 2025 and 31 January 2024, the Company's trade receivables were owed chiefly by credit-worthy subsidiaries. In the Company's assessment, past due amounts have not suffered any material impairment; receivables more than six months past due relate principally to the related party CCC.eu Sp. z o.o. The calculation of the expected credit loss allowance on trade receivables is presented in Note 7.1.

(all amounts in PLN million unless stated otherwise)

6.6. 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 current 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	3.4	8.6
Cash at bank	37.3	18.5
Cash in transit	4.4	3.5
Cash in VAT accounts (split payment)	2.8	2.8
Total	**47.9**	**33.4**

Cash is exposed to credit risk, currency risk, and interest rate risk. For details of the Company'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.

6.7. 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 Company does not have an unconditional right to defer settlement for at least twelve months after the reporting date.

Other liabilities are measured at amounts due.

	31 Jan 2025	31 Jan 2024
Trade and other payables		
trade payables – excluding balances subject to reverse factoring arrangements	230.5	142.1
investment-related payables	30.6	21.9
investment-related payables – subject to reverse factoring arrangements	13.8	–
Total trade and other payables	**274.9**	**164.0**
Liabilities in respect of indirect taxes, customs duties, and other government levies	14.7	15.0
Liabilities to employees	17.7	20.8
Accrued expenses	3.7	6.7
Deferred income	25.9	24.5
Refund liabilities	10.3	13.2
Contract liabilities	3.7	6.8
Liabilities to the gift card issuer	30.5	13.0
Other	1.9	1.5
Total other current liabilities	**108.4**	**101.5**

	31 Jan 2025	31 Jan 2024
Other non-current liabilities – security deposits	1.0	1.3
Total other non-current liabilities	**1.0**	**1.3**

(all amounts in PLN million unless stated otherwise)

	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
Tranche B under the syndicated agreement	June 2026	90.0	13.8	13.8	–	–	–

Key contractual terms	
Presentation in the statement of financial position	Trade and other payables
Maturity profile of liabilities to the factor	up to 180 days
Maturity profile of non-factored trade payables	up to 180 days

Under its new financing agreement, CCC S.A. has access to a PLN 90 million reverse-factoring facility, to be used jointly with CCC.eu Sp. z o.o. The Company recognises as factored liabilities those trade payables that have been transferred to the factor. Security for the new financing agreement is disclosed in Note 5.2.

As at 31 January 2025, trade payables were owed principally to other CCC Group companies – chiefly CCC.eu Sp. z o.o. – and totalled PLN 195.3 million (31 January 2024: PLN 94.3 million).

Accruals include a provision for unused holiday entitlements.

Trade and other payables are exposed to foreign exchange risk. Foreign exchange risk management and sensitivity analysis are presented in Note 7.1. Liabilities also involve liquidity risk (for further information, see Note 5.2 and 7.1).

The fair value of trade and other payables approximates their carrying amount.

CAPITAL COMMITMENTS AND OTHER FUTURE CONTRACTUAL OBLIGATIONS

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

6.8. PROVISIONS

ACCOUNTING POLICY

Provisions relate chiefly to long-service and retirement-benefit awards, returns and product claims, litigation, and expected credit losses on financial guarantees issued.

The provision for returns and product claims is measured by estimating the average level of product returns arising from warranty claims, based on historical data. A product claim ratio is calculated based on multi-period analysis and the Company'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 Company'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 Company 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.

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 Company recognises a provision for future long-service awards based on an actuarial valuation using the projected unit credit method.

(all amounts in PLN million unless stated otherwise)

The Company recognises a provision for expected credit losses (ECL) on financial guarantees.

	PROVISION FOR LONG-SERVICE AWARDS AND RETIREMENT BENEFITS	PROVISION FOR RETURNS AND COMPLAINTS	PROVISION FOR EXPECTED CREDIT LOSSES	TOTAL
As at 1 Feb 2024	**5.5**	**0.5**	**9.8**	**15.8**
current	1.9	0.5	9.8	12.2
non-current	3.6	–	–	3.6
As at 1 Feb 2024	**5.5**	**0.5**	**9.8**	**15.8**
Recognised	0.6	6.2	–	6.8
Used	–	-0.5	–	-0.5
Reversed	–	–	-4.2	-4.2
As at 31 Jan 2025	**6.1**	**6.2**	**5.6**	**17.9**
current	2.3	6.2	5.6	14.1
non-current	3.8	–	–	3.8

	PROVISION FOR LONG-SERVICE AWARDS AND RETIREMENT BENEFITS	PROVISION FOR RETURNS AND COMPLAINTS	PROVISION FOR EXPECTED CREDIT LOSSES	TOTAL
As at 1 Feb 2023	**7.2**	**5.6**	**55.9**	**68.7**
current	2.1	5.6	55.9	63.6
non-current	5.1	–	–	5.1
As at 1 Feb 2023	**7.2**	**5.6**	**55.9**	**68.7**
Recognised	1.7	0.5	–	2.2
Used	-1.9	-5.6	–	-7.5
Reversed	-1.5	–	-46.1	-47.6
As at 31 Jan 2024	**5.5**	**0.5**	**9.8**	**15.8**
current	1.9	0.5	9.8	12.2
non-current	3.6	–	–	3.6

The release of expected credit loss provisions relates chiefly to reductions in: the credit guarantee provision for CCC.eu Sp. z o.o. (PLN 4.0 million); and the factoring guarantee provision for CCC.eu Sp. z o.o. (PLN 1.6 million). For further detail, see Notes 3.3 and 4.2.

Based on the valuation prepared by a professional actuarial firm, the Company recognises a provision for the present value of retirement severances and jubilee benefits.

7. OTHER NOTES

7.1. 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 Company 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 Company reclassifies investments in debt instruments if, and only if, the management model for such assets changes.

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.

Financial assets and financial liabilities are offset – and presented net in the statement of financial position – when the Company (i) has a legally enforceable right to set off the recognised amounts and (ii) intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when the contractual rights to the related cash flows expire or are transferred and the Company 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 Company classifies the following as financial assets measured at amortised cost: trade receivables; loans that meet the SPPI (solely payments of principal and interest) test and, under the business-model assessment, are held to collect contractual cash flows; and 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 Company 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 Company'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 Company 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 Company's right to receive dividend is established.

Impairment of financial assets

The Company assesses expected credit losses (ECL) associated with debt 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 Company 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. For the purpose of such assessment, the Company uses its historical data on credit losses, adjusted where appropriate for the impact of forward-looking information.

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

For other financial assets, the Company 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 Company measures the loss allowance at an amount equal to lifetime expected credit losses.

The Company 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 Company considers the debtor to have defaulted.

The Company 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.

(all amounts in PLN million unless stated otherwise)

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 Company 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).

	31 Jan 2025		31 Jan 2024	
	FINANCIAL ASSETS	FINANCIAL LIABILITIES	FINANCIAL ASSETS	FINANCIAL LIABILITIES
Financial assets at amortised cost	**709.0**	**–**	**1,139.6**	**–**
Loans	504.7	–	921.4	–
Trade receivables	42.9	–	67.2	–
Other financial receivables	0.7	–	–	–
Receivables from the disposal of property, plant and equipment	4.2	–	1.6	–
Lease receivables	108.6	–	116.0	–
Cash and cash equivalents	47.9	–	33.4	–
Financial liabilities at amortised cost	**–**	**1,249.4**	**–**	**1,564.9**
Liabilities under borrowings and bonds	–	359.5	–	791.1
Trade and other payables	–	274.9	–	164.0
Refund liabilities	–	10.3	–	13.2
Lease liabilities	–	604.7	–	596.6
Financial liabilities measured at fair value through profit or loss	**–**	**–**	**–**	**6.6**
Derivative financial instruments embedded in bonds issued to PFR – Equity Kicker	–	–	–	6.6

CCC Shoes & Bags Sp. z o.o. advanced a loan to CCC S.A. on terms that mirrored those of the PFR bonds. On 31 December 2024 the subsidiary CCC Shoes & Bags Sp. z o.o. effected the full early redemption of the 350 bonds (aggregate nominal value: PLN 350.0 million) held by PFR Fundusz Inwestycyjny Zamknięty. The loan incorporated an embedded derivative giving rise to a potential Equity Kicker. The Equity Kicker represented 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 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.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed to a range of financial risks arising from its operations. The main risks identified by the Management Board are: currency risk, interest rate risk, credit risk and liquidity risk (see Note 4.2).

The Company'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.

(all amounts in PLN million unless stated otherwise)

FOREIGN EXCHANGE RISK

CCC S.A. operates internationally and, therefore, is exposed to the risk of movements in foreign exchange rates, in particular USD and the euro exchange rates as the Company's retail space lease contracts and loans are denominated in the currency.

The main items of the statement of financial position exposed to the currency risk are lease liabilities, lease receivables (under sublease of stores), loans and cash. The Company 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 Company does not use hedging instruments.

The table below presents the Company's exposure to the currency 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	**709.0**	**38.4**	**112.7**	**0.5**	**557.4**
Loans	504.7	38.4	3.6	–	462.7
Trade receivables	42.9	–	1.0	0.5	41.4
Other financial receivables	0.7	–	–	–	0.7
Receivables from the disposal of property, plant and equipment	4.2	–	–	–	4.2
Lease receivables	108.6	–	107.3	–	1.3
Cash and cash equivalents	47.9	–	0.8	–	47.1
Financial liabilities at amortised cost	**1,249.4**	**–**	**502.7**	**0.8**	**745.9**
Liabilities under borrowings and bonds	359.5	–	–	–	359.5
Trade and other payables	274.9	–	1.8	0.8	272.3
Refund liabilities	10.3	–	–	–	10.3
Lease liabilities	604.7	–	500.9	–	103.8

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	**1,139.6**	**32.7**	**389.2**	**0.7**	**717.0**
Loans	921.4	32.3	268.4	–	620.7
Trade receivables	67.2	–	0.3	0.3	66.6
Receivables from the disposal of property, plant and equipment	1.6	–	–	–	1.6
Lease receivables	116.0	–	116.0	–	–
Cash and cash equivalents	33.4	0.4	4.5	0.4	28.1
Financial liabilities at amortised cost	**1,564.9**	**–**	**441.7**	**0.8**	**1,122.4**
Liabilities under borrowings and bonds	791.1	–	–	–	791.1
Trade and other payables	164.0	–	2.0	0.8	161.2
Refund liabilities	13.2	–	–	–	13.2
Lease liabilities	596.6	–	439.7	–	156.9

The analysis of sensitivity to foreign exchange risk of exposures as at the reporting date is presented in the table below. If as at 31 January 2025 the exchange rates applied in the measurement of financial assets/liabilities denominated in foreign currencies, in particular USD and EUR, were PLN 0.05 higher/lower, the effect of such currency movements on profit before tax would be as follows:

31 Jan 2025	Increase/decrease in USD / EUR exchange rate					
	PLN equivalent of USD exposure	0.05 PLN/USD	-0.05 PLN/USD	PLN equivalent of EUR exposure	0.05 PLN/EUR	-0.05 PLN/EUR
Financial assets at amortised cost	**38.4**	**0.5**	**-0.5**	**112.7**	**1.3**	**-1.3**
Loans	38.4	0.5	-0.5	3.6	–	–
Trade receivables	–	–	–	1.0	–	–
Lease receivables	–	–	–	107.3	1.3	-1.3
Cash and cash equivalents	–	–	–	0.8	–	–
Financial liabilities at amortised cost	**–**	**–**	**–**	**502.7**	**-5.9**	**-5.9**
Trade and other payables	–	–	–	1.8	–	–
Lease liabilities	–	–	–	500.9	-5.9	-5.9

(all amounts in PLN million unless stated otherwise)

31 Jan 2024	Increase/decrease in USD / EUR exchange rate					
	PLN equivalent of USD exposure	0.05 PLN/USD	-0.05 PLN/USD	PLN equivalent of EUR exposure	0.05 PLN/EUR	-0.05 PLN/EUR
Financial assets at amortised cost	**32.7**	**0.4**	**-0.4**	**389.2**	**4.5**	**-4.5**
Loans	32.3	0.4	-0.4	268.4	3.1	-3.1
Trade receivables	–	–	–	0.3	–	–
Lease receivables	–	–	–	116.0	1.3	-1.3
Cash and cash equivalents	0.4	–	–	4.5	0.1	-0.1
Financial liabilities at amortised cost	**–**	**–**	**–**	**441.7**	**-5.1**	**5.1**
Trade and other payables	–	–	–	2.0	–	–
Lease liabilities	–	–	–	439.7	-5.1	5.1

INTEREST RATE RISK

CCC S.A. 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.

The entire debt bears interest at a floating rate. An increase in interest rates raises the cost of debt servicing, partly offset by interest income on cash deposits. Items bearing interest at variable rates expose the Company to the risk of changes in cash flows due to interest rate movements. The Company 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 Company.

	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	47.9	33.4	0.5	-0.5	0.3	-0.3
Loans	504.7	780.9	5.0	-5.0	7.8	-7.8
Financing liabilities	-359.5	-791.1	-3.6	3.6	-7.9	7.9
Impact on net profit			**1.9**	**-1.9**	**0.2**	**-0.2**

If the interest rates on debt were 1 p.p. higher/lower in the current period, the profit or loss for the period would be PLN 1.9 million lower/higher (1 February 2023–31 January 2024: PLN 0.2 million lower/higher).

(all amounts in PLN million unless stated otherwise)

CREDIT RISK

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

In addition the Company is exposed to the risk associated with the provision of sureties, as described in Note 4.2.

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	636.5	1072.0
Trade receivables	56.4	80.1
Receivables from the disposal of property, plant and equipment	4.2	1.6
Cash and cash equivalents	47.9	33.4
Lease receivables	109.1	117.3
Total	**854.1**	**1,304.4**

The table below sets out the allocation of financial assets measured at amortised cost to the IFRS 9 credit-risk stages.

	31 Jan 2025					**31 Jan 2024**				
	Trade and leasing receivables	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL)	Total	Trade and leasing receivables	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL)	Total
Estimated rating										
AAA to BB+ (Aaa to Ba1)	152.4	554.2	–	–	706.6	5.3	33.4	–	–	38.7
BB to B+ (Ba2 to B1)	–	–	–	–	–	146.4	158.1	–	–	304.5
B to B- (B2 to B3)	–	–	–	–	–	33.2	783.7	–	–	816.9
Trade partners without specific rating	13.2	–	5.2	151.2	169.6	12.6	–	1.7	151.8	166.1
Gross carrying amount	**165.6**	**554.2**	**5.2**	**151.2**	**876.2**	**197.5**	**975.2**	**1.7**	**151.8**	**1,326.2**
Impairment losses	-14.1	-1.6	-0.3	-151.2	-167.2	-14.3	-20.4	-0.1	-151.8	-186.6
Net carrying amount	**151.5**	**552.6**	**4.9**	**–**	**709.0**	**183.2**	**954.8**	**1.6**	**–**	**1,139.6**

Within Stage 3, the Company carried loans of PLN 130.2 million and other receivables of PLN 21.0 million (31 January 2024: PLN 130.2 million and PLN 21.6 million, respectively). An impairment loss was recognised for the entire amount of items presented under Stage 3.

The table below presents an analysis of the credit risk assessment stages of sureties provided to subsidiaries:

	31 Jan 2025	31 Jan 2024
	Stage 1 (12-month ECL)	Stage 1 (12-month ECL)
Estimated rating		
AAA to BB+ (Aaa to Ba1)	1,547.2	–
BB to B+ (Ba2 to B1)	6.3	6.1
B to B- (B2 to B3)	–	514.2
Gross carrying amount	**1,553.5**	**520.3**
Impairment losses	5.6	9.8

As disclosed in Note 6.5, trade receivables are due primarily from Group subsidiaries – principally CCC.eu Sp. z o.o. – and therefore represent a concentration of credit risk. The Company independently monitors the exposures by periodically analysing the financial condition of the trading partners, and setting credit limits. In the case of trade receivables from entities of the CCC Group, whose credit standing is known, in the Management Board's opinion the credit risk exposure is limited.

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.

As at 31 January 2025, the Company recognised a PLN 4.2 million provision for expected credit losses on financial guarantees issued in respect of credit facilities. For more information, see Note 4.2.

(all amounts in PLN million unless stated otherwise)

The table below presents the maximum limits of collateral or other security provided by CCC S.A. to its subsidiaries.

	31 Jan 2025	31 Jan 2024
	NOMINAL OR CARRYING AMOUNT OF COLLATERAL	
Sureties	3,240.0	2,231.3
Capped mortgages on real estate	3,240.0	1,913.7
Registered pledge over movable assets	3,240.0	2,228.7
In blanco promissory notes	3.0	3.0

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	–	0.7
A-rated banks	39.4	17.4
BAA-rated banks	0.7	0.3
Other – not classified [1]	–	0.1
Total cash at banks	**40.1**	**18.5**

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.

[1] Banks not rated by international rating agencies.

The Company has no significant concentration of credit risk. The risk is spread across a large number of relationship banks and customers.

7.2. 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 Company measures the goods or services acquired and the liability incurred at the fair value of the liability. Until the liability is settled, the Company 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 equity-settled share-based payment transactions, the Company measures the goods or services acquired and the liability incurred at the fair value of the liability initially recognised as administrative expenses, while increasing equity. 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 Company reviews its estimates of the number of options expected to vest as a result of such non-market vesting conditions. The Company 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 including 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 eligible for variable pay, including a long-term bonus linked to the growth in CCC S.A.’s value, defined as an increase in its share price. The bonus is awarded for two performance periods: the first had ended by the reporting date, while the second runs from 1 August 2021 to 31 July 2025.

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 2025 financial year (1 May to 31 July 2024), which was PLN 124.4, and the average share price in the second quarter of CCC S.A.'s 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, totalling PLN 24.4 million. 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. 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.

7.3. 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 on 9 April 2025, using proceeds from CCC's Series N share issue, as set out below:

- approximately PLN 1.36 billion was paid in cash to the Modivo Minority Shareholders out of the proceeds of the New Issue Shares;
- 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.

On April 9th 2025, the Series D subscription warrants were registered with the Central Securities Depository of Poland (CSDP).

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 in 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 200.0 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 Company and certain of its subsidiaries executed an amendment to the credit facilities agreement dated 12 July 2024, previously disclosed 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 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

(all amounts in PLN million unless stated otherwise)

- 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.

7.4. REMUNERATION OF THE AUDITOR OR ENTITY QUALIFIED TO AUDIT FINANCIAL STATEMENTS

The table below sets out the fees paid or payable to the statutory auditor for the years ended 31 January 2025 and 31 January 2024, analysed by type of service.

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	0.8	0.9
SUBSIDIARIES		
Audit and reviews of financial statements	0.7	0.9

These financial statements were authorised for issue by the Management Board on 29 April 2025.	
and signed on behalf of the Management Board by:	
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