CCC

INTERIM CONDENSED CONSOLIDATED FINANCIAL REPORT FOR THE SIX MONTHS

from February 1st 2023
to July 31st 2023

SELECTED FINANCIAL AND OPERATING DATA OF THE CCC GROUP

	PLNm		EURm	
Selected financial data from the consolidated statement of comprehensive income	Feb 1–Jul 31 2023	Feb 1–Jul 31 2022	Feb 1–Jul 31 2023	Feb 1–Jul 31 2022
	unaudited, reviewed	unaudited, reviewed	unaudited, reviewed	unaudited, reviewed
Revenue	**4,488.6**	**4,259.4**	**983.5**	**912.8**
CCC	1,889.1	2,000.4	413.9	428.7
HalfPrice	589.0	300.3	129.1	64.4
eobuwie	1,469.6	1,542.6	322.0	330.6
MODIVO	497.3	349.4	109.0	74.9
DeeZee	43.6	53.9	9.6	11.6
Not allocated to segments/discontinued operations	–	12.8	–	2.7
Gross profit (loss)	**2,060.9**	**2,052.2**	**451.6**	**439.8**
Gross margin	45.9%	48.2%	45.9%	48.2%
EBIT				
CCC	73.4	-74.9	16.1	-16.1
HalfPrice	-35.2	-26.0	-7.7	-5.6
eobuwie	-17.3	78.2	-3.8	16.8
MODIVO	-10.3	-5.7	-2.3	-1.2
DeeZee	1.7	3.2	0.4	0.7
Operating profit (loss)	**12.3**	**-25.2**	**2.7**	**-5.4**
Profit (loss) before tax	-128.1	-211.8	-28.1	-45.4
NET PROFIT (LOSS) FROM CONTINUING OPERATIONS	**-137.1**	**-214.2**	**-30.0**	**-45.9**
NET PROFIT (LOSS) FROM DISCONTINUED OPERATIONS	–	**-42.5**	–	**-9.1**
Net profit (loss)	**-137.1**	**-256.7**	**-30.0**	**-55.0**

	PLNm		EURm	
Selected financial data from the consolidated statement of financial position	Jul 31 2023	Jan 31 2023	Jul 31 2023	Jan 31 2023
	unaudited, reviewed	audited	unaudited, reviewed	audited
Non-current assets	**3,662.6**	**3,601.3**	**829.9**	**764.8**
Current assets, including:	**3,597.9**	**3,462.8**	**815.2**	**735.4**
Inventories	2,742.2	2,691.1	621.3	571.5
Cash	423.1	395.4	95.9	84.0
Total assets	**7,260.5**	**7,064.1**	**1,645.1**	**1,500.2**
Non-current liabilities, including:	**2,275.8**	**2,741.4**	**515.6**	**582.2**
Bank borrowings and bonds	999.6	1,370.5	226.5	291.0
Lease liabilities	1,196.8	1,266.8	271.2	269.0
Current liabilities, including:	**4,045.2**	**3,740.0**	**916.6**	**794.2**
Bank borrowings and bonds	1,084.4	1,155.7	245.7	245.4
Trade and other payables	1,808.8	1,389.5	409.8	295.1
Total liabilities	**6,321.0**	**6,481.4**	**1,432.2**	**1,376.4**
Equity	**939.5**	**582.7**	**212.9**	**123.7**

	PLNm		EURm	
Selected financial data from the consolidated statement of cash flows	Feb 1–Jul 31 2023	Feb 1–Jul 31 2022	Feb 1–Jul 31 2023	Feb 1–Jul 31 2022
	unaudited, reviewed	unaudited, reviewed	unaudited, reviewed	unaudited, reviewed
Net cash flows from operating activities	534.3	205.7	117.1	44.1
Net cash flows from investing activities	-191.6	-199.0	-42.0	-42.6
Net cash flows from financing activities	-315.0	-237.7	-69.0	-50.9
Total cash flows	**27.7**	**-231.0**	**6.1**	**-49.5**
Capital expenditure	-208.9	-246.0	-45.8	-52.7

Operating data	Jul 31 2023	Jan 31 2023
	unaudited, reviewed	audited
Number of stores (continuing operations)	987	979
Retail space (thousand m^2) (continuing operations)	762.3	732.1
Number of markets with digital sales	19	19

Selected data from the consolidated statement of comprehensive income, consolidated statement of financial position and consolidated statement of cash flows were translated into the euro using the method specified below:

1) Items of assets, equity and liabilities in the consolidated statement of financial position were translated at the exchange rate effective on the last day of the reporting period:

   - the exchange rate as at July 31st 2023 was EUR 1 = PLN 4.4135
   - the exchange rate as at January 31st 2023 was EUR 1 = PLN 4.7089

2) particular items of the consolidated statement of comprehensive income and the consolidated statement of cash flows were translated at exchange rates representing the arithmetic mean of the exchange rates quoted by the National Bank of Poland for the euro in effect on the last day of each month in a given reporting period:

   - in the period February 1st–July 31st 2023, the average exchange rate was EUR 1 = PLN 4.5638
   - in the period February 1st–July 31st 2022, the average exchange rate was EUR 1 = PLN 4.6663

The amounts were translated at the exchange rates specified above by dividing amounts expressed in millions of the zloty by the exchange rate.

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from February 1st 2023
to July 31st 2023

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Feb 1–Jul 31 2023	Feb 1–Jul 31 2022	May 1–Jul 31 2023	May 1–Jul 31 2022
	unaudited, reviewed	unaudited, reviewed	unaudited, unreviewed	unaudited, unreviewed
CONTINUING OPERATIONS				
Revenue	4,488.6	4,259.4	2,424.5	2,377.4
Cost of sales	-2,427.7	-2,207.2	-1,322.4	-1,248.0
Gross profit	**2,060.9**	**2,052.2**	**1,102.1**	**1,129.4**
Costs of points of purchase and distribution	-1,905.5	-1,789.4	-966.1	-935.4
Administrative expenses	-193.7	-185.7	-93.8	-92.1
Other income	67.4	27.1	38.5	18.4
Other expenses	-9.5	-98.6	7.9	-58.6
(Recognition) / Reversal of loss allowances (trade receivables)	-7.3	-30.8	-9.3	-30.4
Operating profit (loss)	**12.3**	**-25.2**	**79.3**	**31.3**
Finance income	73.2	18.6	49.2	17.9
Finance costs	-213.6	-205.2	-102.5	-106.5
Profit (loss) before tax	**-128.1**	**-211.8**	**26.0**	**-57.3**
Income tax	-9.0	-2.4	-11.1	3.2
NET PROFIT (LOSS) FROM CONTINUING OPERATIONS	**-137.1**	**-214.2**	**14.9**	**-54.1**
NET PROFIT (LOSS) FROM DISCONTINUED OPERATIONS	**–**	**-42.5**	**–**	**2.7**
NET PROFIT (LOSS)	**-137.1**	**-256.7**	**14.9**	**-51.4**
Attributable to owners of the parent	-106.6	-252.9	33.7	-44.3
Attributable to non-controlling interests	-30.5	-3.8	-18.8	-7.1
Other comprehensive income from continuing operations	**-17.0**	**6.3**	**-14.4**	**4.9**
Items that may be reclassified to profit or loss:				
Exchange differences on translating foreign operations	-17.0	6.2	-14.4	4.8
Items that may not be reclassified to profit or loss:				
Actuarial gains (losses) on employee benefits	–	0.1	–	0.1
Other comprehensive income from discontinued operations	**–**	**-3.2**	**–**	**-7.8**
Items that may be reclassified to profit or loss:				
Exchange differences on translating foreign operations	–	–	–	-4.6
Reclassification of exchange differences on translation of a foreign operation over which control has been lost to profit or loss	–	-3.2	–	-3.2
Total other comprehensive income, net	**-17.0**	**3.1**	**-14.4**	**-2.9**
TOTAL COMPREHENSIVE INCOME	**-154.1**	**-253.6**	**0.5**	**-54.3**
Comprehensive income attributable to owners of the parent from:	-123.1	-250.1	19.5	-46.8
- continuing operations	-123.1	-204.4	19.5	-41.7
- discontinued operations	–	-45.7	–	-5.1
Non-controlling interests	-31.0	-3.5	-19.0	-7.5
Weighted average number of ordinary shares (million)	**63.0**	**54.9**	**68.2**	**54.9**
Basic earnings (loss) per share from profit (loss) for period, attributable to owners of the parent (PLN)	**-1.69**	**-4.61**	**0.49**	**-0.81**
Basic earnings (loss) per share from profit (loss) from continuing operations for period, attributable to owners of the parent (PLN)	**-1.69**	**-3.84**	**0.49**	**-0.87**
Basic earnings (loss) per share from profit (loss) from discontinued operations for period, attributable to owners of the parent (PLN)	**–**	**-0.77**	**–**	**0.05**
Diluted earnings (loss) per share from profit (loss) for period, attributable to owners of the parent (PLN)	**-1.69**	**-4.61**	**0.49**	**-0.81**

Diluted earnings (loss) per share from profit (loss) from continuing operations for period, attributable to owners of the parent (PLN)	**-1.69**	**-3.84**	**0.49**	**-0.87**
Diluted earnings (loss) per share from profit (loss) from discontinued operations for period, attributable to owners of the parent (PLN)	**–**	**-0.77**	**–**	**0.05**

(all amounts in PLN million unless stated otherwise)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Jul 31 2023	Jan 31 2023
	unaudited, reviewed	audited
Intangible assets	411.5	376.8
Goodwill	200.8	203.9
Property, plant and equipment – leasehold improvements	677.5	656.7
Property, plant and equipment – distribution	692.2	692.0
Property, plant and equipment – other	92.0	93.2
Right-of-use assets	1,378.1	1,379.9
Deferred tax assets	195.8	184.1
Loans	–	–
Other financial assets	11.2	11.2
Investments in associates	3.5	3.5
Non-current assets	**3,662.6**	**3,601.3**
Inventories	2,742.2	2,691.1
Trade receivables	131.5	143.8
Income tax receivable	68.9	53.5
Loans	–	–
Other receivables	232.1	178.7
Cash and cash equivalents	423.1	395.4
Lease receivables	0.1	0.3
Current assets	**3,597.9**	**3,462.8**
TOTAL ASSETS	**7,260.5**	**7,064.1**
Bank borrowings and bonds	999.6	1,370.5
Deferred tax liabilities	31.4	33.8
Other non-current liabilities	4.4	4.5
Provisions	13.1	13.0
Grants received	15.0	15.2
Lease liabilities	1,196.8	1,266.8
Liabilities arising from obligation to purchase non-controlling interests	10.5	31.1
Other non-current financial liabilities	5.0	6.5
Non-current liabilities	**2,275.8**	**2,741.4**
Bank borrowings and bonds	1,084.4	1,155.7
Trade and other payables	1,808.8	1,389.5
Other liabilities	445.7	470.4
Income tax liabilities	1.7	3.5
Provisions	13.4	14.5
Grants received	0.5	0.5
Lease liabilities	502.1	512.9
Liabilities arising from obligation to purchase non-controlling interests	180.0	173.3
Short-term derivative financial instruments	1.9	3.9
Other current financial liabilities	6.7	15.8
Current liabilities	**4,045.2**	**3,740.0**
TOTAL LIABILITIES	**6,321.0**	**6,481.4**
NET ASSETS	**939.5**	**582.7**
Equity		

Share capital	6.9	5.5
Share premium	1,648.2	1,148.0
Translation reserve	5.7	22.1
Actuarial valuation of employee benefits	0.4	0.4
Retained earnings	-864.1	-759.7
Equity attributable to owners of the parent	**797.1**	**416.3**
Non-controlling interests	142.4	166.4
TOTAL EQUITY	**939.5**	**582.7**
TOTAL EQUITY AND LIABILITIES	**7,260.5**	**7,064.1**

(all amounts in PLN million unless stated otherwise)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Feb 1–Jul 31 2023	Feb 1–Jul 31 2022	May 1–Jul 31 2023	May 1–Jul 31 2022
	unaudited, reviewed	unaudited, reviewed	unaudited, unreviewed	unaudited, unreviewed
Profit (loss) before tax	**-128.1**	**-250.0**	**26.0**	**-54.2**
Profit (loss) before tax from continuing operations	**-128.1**	**-211.8**	**26.0**	**-57.3**
Profit (loss) before tax from discontinued operations	**–**	**-38.2**	**–**	**3.1**
Depreciation/amortisation	300.0	295.8	144.5	147.8
Impairment losses on property, plant and equipment, right-of-use assets, intangible assets and remeasurement to fair value of disposal group	–	48.6	–	10.0
(Gain) loss on investing activities	3.6	-23.9	-10.7	-26.7
Borrowing costs	193.3	148.3	96.8	99.1
Other adjustments to profit before tax	-102.6	10.3	-60.6	-58.8
Income tax paid	-40.3	-59.9	-23.2	-39.2
Cash flow before changes in working capital	**226.0**	**169.2**	**172.8**	**78.0**
Changes in working capital				
Change in inventories and inventory write-downs	-41.1	-353.2	182.1	-201.8
Change in receivables and impairment losses on receivables	-73.8	69.3	-42.6	187.2
Change in current liabilities, net of borrowings and bonds	423.3	320.4	-101.5	277.4
Net cash flows from operating activities	**534.3**	**205.7**	**210.8**	**340.8**
Proceeds from sale of property, plant and equipment	3.6	5.6	3.0	5.3
Proceeds from settlement of leasehold improvements with landlords	13.7	44.4	4.8	23.6
Purchase of intangible assets and property, plant and equipment	-208.9	-246.0	-99.8	-169.5
Other investing expenditure	–	-3.0	–	-3.0
Net cash flows from investing activities	**-191.6**	**-199.0**	**-92.0**	**-143.6**
Proceeds from borrowings	29.3	67.4	5.8	67.4
Repayment of borrowings	-487.9	-28.3	-170.9	38.0
Lease payments	-200.4	-217.2	-101.1	-61.7
Interest paid	-157.6	-83.6	-113.2	-54.5
Other cash provided by financing activities	–	24.0	–	24.0
Net proceeds from share issue	501.6	–	289.3	–
Net cash flows from financing activities	**-315.0**	**-237.7**	**-90.1**	**13.2**
TOTAL CASH FLOWS	**27.7**	**-231.0**	**28.7**	**210.4**
Net increase/decrease in cash and cash equivalents	27.7	-231.0	28.7	210.4
Change due to allocation of cash to discontinued operations	–	–	–	5.9
Cash and cash equivalents at beginning of period	**395.4**	**941.1**	**394.4**	**493.8**
Cash and cash equivalents at end of period	**423.1**	**710.1**	**423.1**	**710.1**

(all amounts in PLN million unless stated otherwise)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

unaudited, reviewed	SHARE CAPITAL	SHARE PREMIUM	RETAINED EARNINGS	TRANSLATION RESERVE	ACTUARIAL VALUATION OF EMPLOYEE BENEFITS	VALUATION OF INCENTIVE SCHEME	NON-CONTROLLING INTERESTS	TOTAL EQUITY
	ATTRIBUTABLE TO OWNERS OF THE PARENT							
As at Feb 1 2023	**5.5**	**1,148.0**	**-759.7**	**22.1**	**0.4**	**–**	**166.4**	**582.7**
Net profit (loss) for period	–	–	-137.1	–	–	–	–	-137.1
Net profit (loss) allocated to non-controlling interests	–	–	30.5	–	–	–	-30.5	–
Exchange differences on translation	–	–	–	-16.5	–	–	-0.5	-17.0
Total comprehensive income	**–**	**–**	**-106.6**	**-16.5**	**–**	**–**	**-31.0**	**-154.1**
Measurement of employee option plan	–	–	2.3	–	–	–	2.9	5.2
Other changes	–	–	-0.1	0.1	–	–	–	–
Share issue	1.4	500.2	–	–	–	–	–	501.6
Acquisition of subsidiary	–	–	–	–	–	–	4.1	4.1
Total transactions with owners	**1.4**	**500.2**	**2.2**	**0.1**	**–**	**–**	**7.0**	**510.9**
As at Jul 31 2023	**6.9**	**1,648.2**	**-864.1**	**5.7**	**0.4**	**–**	**142.4**	**939.5**

unaudited, reviewed	SHARE CAPITAL	SHARE PREMIUM	RETAINED EARNINGS	TRANSLATION RESERVE	ACTUARIAL VALUATION OF EMPLOYEE BENEFITS	VALUATION OF INCENTIVE SCHEME	NON-CONTROLLING INTERESTS	TOTAL EQUITY
	ATTRIBUTABLE TO OWNERS OF THE PARENT							
As at Feb 1 2022	**5.5**	**1,148.0**	**-186.3**	**16.9**	**0.5**	**0.6**	**166.4**	**1,151.6**
Net profit (loss) for period	–	–	-256.7	–	–	–	–	-256.7
Profit (loss) attributable to non-controlling interests	–	–	3.8	–	–	–	-3.8	–
Actuarial valuation of employee benefits	–	–	–	–	0.1	–	–	0.1
Reclassification of exchange differences on translation of a foreign operation over which control has been lost to profit or loss	–	–	–	-3.2	–	–	–	-3.2
Exchange differences on translation	–	–	–	5.9	–	–	0.3	6.2
Total comprehensive income	**–**	**–**	**-252.9**	**2.7**	**0.1**	**–**	**-3.5**	**-253.6**
Measurement of employee option plan	–	–	–	–	–	-0.6	9.3	8.7
Acquisition of shares in subsidiary MODIVO S.A. in the performance of an investment commitment undertaken with Damian Zapłata, CEO of MODIVO S.A.	–	–	16.2	–	–	–	7.8	24.0
Other changes	–	–	-1.1	–	-0.5	1.6	–	–
Total transactions with owners	**–**	**–**	**15.1**	**–**	**-0.5**	**1.0**	**17.1**	**32.7**
As at Jul 31 2022	**5.5**	**1,148.0**	**-424.1**	**19.6**	**0.1**	**1.6**	**180.0**	**930.7**

(all amounts in PLN million unless stated otherwise)

1. GENERAL INFORMATION

Company name:	**CCC Spółka Akcyjna**
Registered office:	**ul. Strefowa 6, 59-101 Polkowice, Poland**
Registry court:	**District Court for Wrocław-Fabryczna in Wrocław, 9th Commercial Division of the National Court Register**
Entry in the National Court Register (KRS) No:	**211692**
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).**
Management Board:	**President: Dariusz Miłek** **Vice President: Karol Półtorak** **Vice President: Igor Matus**

CCC S.A. (the "Company", the "parent"), the parent of the CCC Group, has been listed on the Warsaw Stock Exchange since 2004.

As at July 31st 2023, the CCC Group (the "CCC Group", the "Group") comprised the parent CCC S.A. of Poland, registered at ul. Strefowa 6 in Polkowice, and its subsidiaries.

The parent and other Group companies were established for an indefinite period.

On May 11th 2023, Marcin Czyczerski resigned as President of the Company's Management Board, with effect from May 11th 2023.

On May 11th 2023, Dariusz Miłek resigned as Chairman and member of the Company's Supervisory Board, with effect from May 11th 2023, and was appointed by the Company's Supervisory Board as President of the Company's Management Board.

On June 6th 2023, Adam Holewa resigned as Vice President and member of the Company's Management Board, with effect from June 12th 2023.

On June 12th 2023, the Annual General Meeting appointed Marcin Stańko and Piotr Kamiński to the Supervisory Board. On the same day, the General Meeting appointed Wiesław Oleś as Chairman of the Supervisory Board.

These interim condensed consolidated financial statements cover the six months ended July 31st 2023 and contain comparative data for the six months ended July 31st 2022 and as at January 31st 2023. The interim condensed consolidated statement of comprehensive income and notes to the statement of comprehensive income contain data for the three months ended July 31st 2023 and comparative data for the three months ended July 31st 2022, which has not been audited or reviewed by an auditor.

These interim condensed consolidated financial statements of the CCC Group for the six months ended July 31st 2023 were authorised for issue by the Management Board on October 11th 2023.

The interim financial results may not be indicative of the Group's potential full-year financial results due to the seasonality effect (with peak demand falling in spring and autumn).

(all amounts in PLN million unless stated otherwise)

STRUCTURE OF THE CCC GROUP

The CCC Group consists of CCC S.A. (the parent) and its subsidiaries. In the six months ended July 31st 2023, there were changes in the composition of the Group relative to January 31st 2023, as discussed in more detail below.

The structure of the CCC Group as at the reporting date is presented below.

SUBSIDIARIES	REGISTERED OFFICE/COUNTRY	PRINCIPAL BUSINESS	EQUITY INTEREST AS AT JUL 31 2023	EQUITY INTEREST AS AT JAN 31 2023
CCC Factory Sp. z o.o.	Polkowice, Poland	logistics	100%	100%
CCC Czech s.r.o.	Prague, Czech Republic	trade	100%	100%
CCC Slovakia s.r.o.	Bratislava, Slovakia	trade	100%	100%
CCC Hungary Shoes Kft.	Budapest, Hungary	trade	100%	100%
CCC Austria Ges.m.b.H [1]	Graz, Austria	trade	0%	100%
CCC Obutev d.o.o.	Maribor, Slovenia	trade	100%	100%
CCC Hrvatska d.o.o.	Zagreb, Croatia	trade	100%	100%
C-AirOP Ltd. [2]	Douglas, Isle of Man	services	50%	50%
CCC.eu Sp. z o.o. [3]	Polkowice, Poland	procurement and sale	100%	100%
CCC Shoes & Bags Sp. z o.o.	Polkowice, Poland	investments	100%	100%
CCC Shoes Bulgaria EOOD	Sofia, Bulgaria	trade	100%	100%
Modivo S.A. [4]	Zielona Góra, Poland	trade	75%	75%
Modivo S.R.L.	Alme, Italy	services	75%	75%
eobuwie.pl Logistics Sp. z o.o.	Zielona Góra, Poland	logistics	75%	75%
eschuhe.de GmbH	Frankfurt am Oder, Germany	trade	75%	75%
Branded Shoes and Bags sp. z o.o.	Zielona Góra, Poland	services	75%	75%
eschuhe.CH GmbH	Zug, Switzerland	trade	75%	75%
Modivo.cz s.r.o. (formerly eobuv.cz s.r.o.)	Prague, Czech Republic	trade	75%	75%
epantofi modivo s.r.l.	Bucharest, Romania	logistics	75%	75%
Modivo.lv SIA	Riga, Latvia	logistics	75%	75%
Modivo.sk s.r.o.	Bratislava, Slovakia	trade	75%	75%
CCC Shoes & Bags d.o.o. Beograde	Belgrade, Serbia	trade	100%	100%
Shoe Express S.A. [5]	Bucharest, Romania	trade	100%	100%
DeeZee Sp. z o.o. [6]	Kraków, Poland	trade	75%	75%
HalfPrice Sp. z o.o.	Polkowice, Poland	trade	100%	100%
OFP Austria GmbH [7]	Graz, Austria	trade	100%	100%
OU CCC Estonia	Tallinn, Estonia	trade	100%	100%
UAB CCC Lithuania	Vilnius, Lithuania	trade	100%	100%
SIA CCC Shoes Latvia	Riga, Latvia	trade	100%	100%
CCC Ukraina Sp. z o.o. [8]	Lviv, Ukraine	trade	75%	0%

ASSOCIATES	REGISTERED OFFICE/COUNTRY	PRINCIPAL BUSINESS	EQUITY INTEREST AS AT JUL 31 2023	EQUITY INTEREST AS AT JAN 31 2023
HR Group Holding s.a.r.l. [9]	Luxembourg	trade	31%	31%
Pronos Sp. z o.o. [10]	Wrocław, Poland	services	25%	25%

[1] On July 7th 2023, CCC Austria Ges.m.b.H was liquidated.
[2] C-AirOp Ltd. is a subsidiary of CCC S.A. (50%). Having analysed the functions performed by the company's shareholders, the Management Board is of the opinion that the Group continues to control the operations and management of the company.
[3] CCC.eu sp. z o.o. is a subsidiary of CCC Shoes & Bags Sp. z o.o. (99.75%) and CCC S.A. (0.25%).
[4] Modivo S.A. is a subsidiary of CCC Shoes & Bags Sp. z o.o. (74.69%).
[5] Shoe Express S.A. shares are held by: CCC Shoes & Bags Sp. z o.o. (95%) and CCC.eu Sp. z o.o. (5%).
[6] DeeZee Sp. z o.o. is a subsidiary of CCC Shoes & Bags Sp. z o.o. (75%).
[7] OFP Austria GmbH is a subsidiary of HalfPrice Sp. z o.o. (100%).
[8] On February 8th 2023, following fulfilment of the conditions precedent under a preliminary share purchase agreement, the Group acquired control of CCC Ukraina Sp. z o.o. of Lviv. Following the transaction, CCC S.A. acquired 75.1% of shares in CCC Ukraina for a price of PLN 12.2m, offset against claims between a CCC Group entity and the existing shareholder of CCC Ukraina. For details of the acquisition, see Note 6.2.
[9] On April 12th 2023, the Management Board of HR Group filed for bankruptcy with the District Court of Osnabrück.
[10] Pronos Sp. z o.o. shares are held by CCC Shoes & Bags Sp. z o.o. (24.9%).

BASIS OF ACCOUNTING

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting, as endorsed by the European Union ("IAS 34").

Interim condensed consolidated financial statements do not include all the information and disclosures required in full-year financial statements and should be read in conjunction with the consolidated financial statements of the CCC Group for the year ended January 31st 2023, which were authorised for issue on April 16th 2023.

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

The data contained in these interim condensed consolidated financial statements is presented in millions of Polish złoty, unless more accurate information is provided in specific cases. The functional and reporting currency of the parent is the Polish złoty (PLN). The functional currency of each subsidiary is determined separately, and used to measure that subsidiary's assets and liabilities.

BASIS OF CONSOLIDATION

These interim condensed consolidated financial statements contain the financial statements of CCC S.A. and its subsidiaries. The subsidiaries are consolidated from the date the CCC Group acquires control until the date the Group ceases to control a given subsidiary. In the reporting period the Group controlled all of its subsidiaries. All transactions, balances, income and expenses between the consolidated related entities are eliminated on consolidation.

GOING CONCERN

These financial statements have been prepared on the assumption that the CCC Group will continue as a going concern for the foreseeable future, that is for at least 12 months from the reporting date.

Below in this note are presented important issues, including uncertainties concerning circumstances that may pose risks to the Group continuing as a going concern. These circumstances relate in particular to financial burdens associated with the existing credit facility agreements and debt instruments of the CCC Group. Financing in the CCC Group is provided at the level of two business units, which are separately responsible for their liabilities:

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

For this reason, further analyses were carried out separately for the CCC Business Unit and for the Modivo Business Unit.

To address these burdens, in 2023 the CCC Business Unit is implementing a plan to reduce and substantially or fully refinance its debt.

As at July 31st 2023, the CCC Group's current liabilities exceeded its current assets by PLN 447.3m, but this is not affecting the Group's ability to settle its liabilities as they fall due, as discussed in more detail below. Current liabilities include liabilities under bonds convertible into shares, which are subject to mandatory conversion in the event of an initial public offering of Modivo shares, amounting to PLN 698m. Adjusted for that amount, current liabilities would be lower than current assets, with the excess of current assets over adjusted current liabilities amounting to PLN 250.7m. As presented in Note 4.2 to these financial statements, the CCC Group's operations are financed through financial instruments, including mainly credit facilities and bonds. The debt outstanding under those instruments as at the reporting date was approximately PLN 2,084.0m. The CCC Group companies also use reverse factoring in settlements with suppliers, with the debt outstanding as at the reporting date of PLN 498.6m, while the sum of undrawn limits available under credit facility and guarantee facility agreements, and under the supplier finance programme, to the CCC Business Unit and Modivo Business Unit was PLN 561.0m and PLN 123.6m, respectively.

In 2021, following discussions with finance providers, long-term financing was provided to the CCC Business Unit under the New Financing Agreement (the Credit Facility Agreement of June 2nd 2021), with the original repayment date of Facility B falling on June 30th 2024. As at the reporting date, Facility B was not drawn down. The balance of the financing matures on a later date. The New Financing Agreement permits the original repayment date of Facility B to be extended by one year, that is until June 30th 2025, subject to the lenders' consent.

In the previous and current financial years, further amendments were made to the financing agreements of the Group, concerning both the CCC Business Unit and the Modivo Business Unit, as described in more detail in the consolidated financial statements of the CCC Group for 2022 and in the interim condensed consolidated Directors' Report on the Group's operations in the six months ended July 31st 2023 in the 'Management of financial resources and liquidity' section. The existing credit facility agreements provide a source of finance at the required level for the Group.

In November 2021, the Management Board decided to update the Group's corporate strategic plan, announcing the GO.25 Everything Fashion Omnichannel Strategy. Its key objectives to be delivered by 2025 are discussed at length in the consolidated Directors' Report on the operations of the CCC Group in 2022 in the 'CCC Group's strategy. Execution and growth plans' section.

An element of the strategy for 2023 is an Annual Budget approved by the Supervisory Board. It was prepared taking into account certain macroeconomic estimates, including the inflation rate of 9.2% based on the available market analyses and close to the state budget assumption for 2023. The key foreign exchange rates included in the budget were the EUR/PLN and USD/PLN exchange rates, assumed at 4.7 and 4.5, respectively. The average level of the key reference rate (1M WIBOR), determining the CCC Group's borrowing cost, was estimated based on internal analyses at 6.34%. For the time horizon extending beyond 2023, the Group relies on a long-term financial model.

Implementation and delivery of all the proposed measures, objectives, plans and financial projections are subject to numerous future risks and uncertainties, particularly with regard to the implementation of the Group's Annual Budget for 2023 and plans for future years, which include:

- Macroeconomic risks, including general price growth in the economy affecting the prices of merchandise, services, salaries and wages, capital expenditure amounts, as well as a rise in operating expenses, especially in transport and logistics;
- Decline in consumer demand for products offered by the Group as a result of changing macroeconomic conditions (rising inflation, interest rates affecting borrowing costs and unemployment levels, falling real wages, etc.), as well as the Group's potential decisions to raise the prices of merchandise;
- Exchange rate movements affecting the performance of foreign operations and the cost of goods purchase, as well as rental costs;
- Fiercer competition in the market environment, especially in terms of product prices having an effect on the results generated in the course of day-to-day operations;
- Occurrence of unplanned and/or unforeseen changes in fashion trends and weather conditions;
- Changes in consumer behaviour due to the migration processes or postponement of purchasing decisions;
- Materialisation of operational risks, which may disrupt business continuity;
- Volatility on the financial markets, which may prevent the initial public offering of Modivo S.A. shares or the Group's refinancing plan to be carried out as intended.

The risks identified above, resulting in potential underperformance against the budget in 2023, are a source of significant uncertainty regarding delivery of the financial plans in the 12 months from the reporting date, including compliance with the financial covenants under the agreements financing the Group's operations, and thus also the Group's ability to continue as a going concern.

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. As at April 30th 2023 and July 31st 2023, there were no covenant breaches under the financing agreements. Furthermore, based on the Annual Budget for 2023 prepared by the Management Board and plans for subsequent reporting periods, to the best of its knowledge and belief, and also subject to the possible implementation of measures described below, even taking into account the scenario of significant underperformance against the financial projections, the Group expects to comply with the covenants set out in the agreements (including for the CCC Business Unit: the reported EBITDA for individual interim periods and for the full year and net exposure/EBITDA, DSCR or DSCR with cash ratios and Capital Expenditure for the next 12 months). For the Modivo Business Unit, the covenant to be tested after the reporting date is the Net Financial Debt as at January 31st 2024, which – as discussed below – replaced the net debt/EBITDA ratio as at January 31st 2024. The net debt/EBITDA ratio is to be tested as at July 31st 2024. For more details concerning the covenants to be tested as at the reporting date and in the period of 12 months thereafter, see 'Covenants/financial ratios' in the 'Management of financial resources and liquidity' section of the interim condensed consolidated Directors' Report on the operations of the CCC Group.

The key element of the analysis of compliance with the financial covenants, including financial ratios, were parameters that could cause underperformance relative to the objectives set out in the Annual Budget for 2023 and subsequent reporting periods, and failure to achieve the financial ratios that the Group, including separately for the CCC Business Unit and for the Modivo Business Unit, is required to comply with under its financing agreements. For that purpose, the Management Board has prepared a detailed analysis of the Annual Budget's sensitivity over the next 12 months, as well as scenarios of alternative measures, calculated the expected values of the financial ratios and compared them with the expectations of the banks and other institutions financing the Group's operations, taking into account the risks, events and actions described below. The analysis also assumes that the obligation to purchase Modivo S.A. shares for PLN 180.0m recognised in the financial statements, arising from the existing owner's right to demand their purchase starting from October 3rd 2023 (in accordance with the annex described in 'Events after the reporting date'), would be performed.

With respect to the CCC Business Unit, the Management Board's detailed analysis of the Annual Budget's sensitivity over the next 12 months indicated that if any single of the following parameters changes over the year relative to the assumptions made in the Annual Budget as follows (ceteris paribus):

- average annual inflation increases by 5pp;
- average annual PLN exchange rate weakens by PLN 0.20 relative to the main foreign currencies (EUR and USD);
- gross margin falls by 2.0pp (on a 10% decline in sales, taking into account the effect of a decrease in variable costs and available reductions in other costs);
- average annual 1M WIBOR rate increases by 2pp;

the financial covenants as at the successive testing dates will be achieved as required by the financing agreements.

In the Management Board's opinion, a number of measures are available to offset the potential adverse effect of the risks listed above on the Group's financial performance, including separately for the CCC Business Unit and for the Modivo Business Unit. Such measures include cost savings in relation to the Annual Budget as well as further working capital optimisation. A factor significantly contributing to mitigating these risks is a share capital increase in CCC S.A., as discussed below.

Pursuant to resolutions of the Extraordinary General Meeting of CCC S.A. of November 17th 2022 convened at the request of the Company's main shareholder Ultro S.a.r.l. (a subsidiary of Dariusz Miłek, President of the Management Board of CCC S.A.), on May 9th 2023 the share capital of CCC S.A. was increased through the issue of 14 million shares with a par value of PLN 0.1 and an issue price of PLN 36.11. The issue proceeds amounted to PLN 505.5m. The increase was registered with the National Court Register on May 9th 2023. The issue proceeds were allocated to increase the Company's working capital, finance its day-to-day operations and support the process of optimising the financing structure.

As regards the Modivo Business Unit, most of the debt financing are bonds convertible into Modivo S.A. shares issued to SVF II Motion Subco (DE) LLC, a Softbank Group company, redeemable on August 23rd 2024, unless previously converted into shares provided that Modivo S.A. carries out an initial public offering of its shares, or repaid. The bonds are presented under current liabilities because of the planned IPO and, if the IPO is carried out, their mandatory conversion into shares.

On April 26th 2023, the Management Board of the Modivo Business Unit executed an annex to the multi-purpose credit facility agreement of October 26th 2017 with Bank Polska Kasa Opieki S.A., extending its term, with the other terms and conditions unchanged, for another 12 months, i.e. until April 29th 2024.

Based on financial results delivered for the first six months and an analysis the year-end net profit or loss estimate for the end of the financial year 2023, on October 9th 2023 the Management Board of the Modivo Business Unit secured consent from the finance providers (PKO BP S.A. and Bank Polska Kasa Opieki S.A. as well as Pekao Faktoring Sp. z o.o.) that the conditions for covenant testing as at July 31st 2023 (the level of Net Financial Debt) may be maintained as at January 31st 2024. For more information concerning the covenant structure as at July 31st 2023 and January 31st 2024, see 'Covenants/financial ratios' in the 'Management of financial resources and liquidity' section of the interim condensed consolidated Directors' Report on the operations of the CCC Group in the six months ended July 31st 2023. The Management Board of the Modivo Business Unit took steps with a view to renewing the PLN 180.0m financing from Bank PKO BP due to mature on November 21st 2023.

In addition, as part of the deleveraging plan, the Management Board of CCC S.A. took steps to raise capital by way of a leaseback of selected items of property, plant and equipment owned by the CCC Group companies (as described in detail in Note 6.5 'Events after the reporting date' in the consolidated financial statements of the CCC Group for 2022). The Management Board also upholds its plan to carry out an initial public offering of Modivo shares.

In conclusion, despite the risks and circumstances mentioned above, based on the Annual Budget for 2023 and plans for subsequent reporting periods, including the analyses and scenarios of alternative measures described above, the Management Board believes that adequate preventive measures have been taken or provided for to ensure that the impact of these risks is mitigated and the Company's and the Group's plans are carried out, and has therefore drawn up the accompanying consolidated financial statements on a going concern basis.

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

1. The share capital of CCC S.A. was increased through the issue of 14 million shares with a par value of PLN 0.1 and an issue price of PLN 36.11. The issue proceeds amounted to PLN 505.5m.
2. A 75.1% interest in CCC Ukraina Sp. z o.o. was purchased, as described in Note 6.2.
3. CCC Austria Ges.m.b.H was liquidated.

EFFECT OF CHANGES IN THE ECONOMIC SITUATION ON THE VALUATION OF ASSETS AND LIABILITIES OF THE CCC GROUP

Inventory write-downs

For more information, see Note 5.

Expected credit losses (ECL)

The Group assesses expected credit losses ("ECL") associated with debt instruments measured at amortised cost, regardless of whether there is any indication of impairment.

With respect to short-term trade receivables without a significant financing component, lease receivables and other receivables, the Group applies the simplified approach provided for in IFRS 9 and measures impairment losses in the amount of credit losses expected over the entire lifetime of a receivable since its initial recognition. In the case of receivables for which a case-by-case approach is justified, the Group measures the probability of default based on market data published by Moody's.

The Group's business involves mainly retail, digital and wholesale activities. Trade receivables relate mainly to the wholesale business and cooperation with franchisees (trade receivables in the retail and digital segments are not material). The economic situation in the reporting period and the Group's efforts led to higher sales in the retail, digital and wholesale channels. Allowances were recognised for receivables from entities which, in the Group's opinion, are exposed to the highest risk of default in the short term.

No significant change in credit risk was identified with respect to those assets. As at July 31st 2023, the loss allowance for trade receivables was PLN 108.2m (a PLN 7.4m change relative to January 31st 2023). For further details, see Note 5.

The Group has not observed any material deterioration in collection rates or an increase in bankruptcies or restructurings among its other customers and is not aware of any circumstances that may lead to such deterioration in the future. The Group expects that the recoverability of the receivables disclosed in the statement of financial position as at July 31st 2023, maturing in the coming months, will remain substantially unchanged.

Another group of assets exposed to credit losses are loans. As at each reporting date, the Group assesses whether there has been no significant increase in credit risk of the financial asset in the form of loans and whether there exists no objective evidence of impairment. For the purposes of this assessment, the Management Board analyses the risk of repayment of loans, taking into account the borrower's current financial condition. The Group measures the allowance for expected credit losses in an amount equal to 12-month expected credit losses. If the credit risk has increased significantly since initial recognition, the Group measures the loss allowance in an amount equal to lifetime expected credit losses. A credit loss allowance covering 100% of the exposure was recognised with respect to these assets in 2020.

For further information on the recognised loss allowances, see Note 5.

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

As at July 31st 2023, following an assessment of indications of impairment, the need to test for impairment certain cash-generating units (stores), and at the higher level of aggregation – business lines, was identified and impairment tests were conducted for goodwill and intangible assets with indefinite useful lives (trademarks) – for more information, see Note 3.4. in the section entitled 'Impairment of assets' and Note 5.

Other accounting matters and issues

As at the date of these financial statements, the Group did not identify any material risks related to potential breach of the terms of its existing trade and supply contracts.

As a result of the execution of financing agreements with banks, bondholders and other institutions, the Group is required to meet a number of covenants, which will be calculated and tested in subsequent reporting periods, as described in detail in the Directors' Report on the Group's operations in the section entitled 'Management of financial resources and liquidity'.

As at July 31st 2023, in the opinion of the Management Board none of the covenants were breached during the reporting period and until the date of authorisation of the financial statements for issue.

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

FUNCTIONAL CURRENCY AND PRESENTATION CURRENCY

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

STATEMENT OF ACCOUNTING POLICIES

The accounting policies applied by the CCC Group did not change relative to those applied in the full-year financial statements for the financial year February 1st 2022 – January 31st 2023, except for the application of new or amended standards and interpretations effective for annual periods beginning on or after February 1st 2023.

New and amended accounting standards

As of February 1st 2023, the Company is required to apply:

- amendments to IAS 1 and IFRS Practice Statement 2 concerning accounting policy disclosures,
- amendments to IAS 8 introducing a definition of accounting estimates,
- amendments to IAS 12 concerning deferred tax related to assets and liabilities arising from a single transaction,
- IFRS 17 Insurance Contracts, including amendments to IFRS 17 issued in 2020 and 2021.

The amendments to IAS 12 have narrowed the scope of the initial recognition exception provided for in the standard so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences – in the case of the Group, this relates mainly to the recognition of a lease liability and the corresponding amount as part of the cost of a right-of-use asset. Previously, the Group recognised deferred income tax calculated for the difference between a lease liability and a right-of-use asset. Following the change, the Group recognises separately all deferred tax liabilities arising from the recognition of a right-of-use asset and recognises all deferred tax assets arising from the recognition of a lease liability. However, given that deferred tax assets are offset against deferred tax liabilities, the change had no effect on the amounts of deferred income tax disclosed in the statement of financial position and in the statement of comprehensive income.

The other new and amended standards which apply for the first time in 2023 do not have a material impact on the Group's interim condensed consolidated financial statements.

The Group did not elect to early adopt any of the standards, interpretations or amendments that have been issued but are not yet effective in accordance with the European Union regulations.

FACTORS WITH MATERIAL BEARING ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME

Revenue

The 5.4% year-on-year increase in omnichannel revenue posted by the Group for the six months to July 31st 2023 was driven primarily by the roll-out of the omnichannel model, further expansion of the HalfPrice segment, and a broader range of products available across segments.

Cost of sales

Cost of sales grew by 10.0% year on year in the six months to July 31st 2023, with revenue up 5.4%, leading to a 2.2pp year-on-year drop in gross margin. This was a combined effect of higher discounts implemented mainly in the CCC segment (resale of the discounted Autumn-Winter (AW) collection and promotional efforts implemented in response to a long winter), and the problem of overstocking in the multibrand e-commerce segment, necessitating sales of older collections with lower margins (mainly at the Modivo Group) amid stiffer competition in the business environment.

Costs of points of purchase and distribution

Costs of points of purchase and distribution increased by PLN 116.1m (6.5%) year on year, driven mainly by:

- PLN 56.9m increase in advertising costs due to increased competition in the digital channel, mainly at the Modivo Group, and overall expansion of the sales channels.
- PLN 41.8m increase in other rental costs (sales-based rents and variable costs: utilities, electricity, etc.) attributable to expansion of the sales channels with concurrent renegotiation of lease contracts – shift from fixed rents to variable, sales-based rents;
- PLN 7.9m increase in other costs, including mainly costs of logistics and warehouse services, IT maintenance, and advisory services.

Administrative expenses

The PLN 8.0m (4.3%) year-on-year growth in administrative expenses was mainly attributable to a PLN 6.8m increase in other costs, including costs of services (IT) and provision of advice.

Other expenses and income, and recognition / reversal of loss allowances (trade receivables)

Net other income (related to continuing operations) was PLN 50.6m, up by PLN 152.9m compared with the same period of the year before, when the Group disclosed net other expenses. The PLN 101.3m increase was attributable to foreign exchange gains on items other than debt of PLN 31.8m, compared with foreign exchange losses on items other than debt of PLN 69.5m recorded in the comparative period of the year before. Another item whose change by PLN 23.5m contributed to the net result was a lower cost of loss allowances for trade and other receivables – in the reporting period the net amount of loss allowances was PLN 7.3m, while in the corresponding period of the previous year there were loss allowances for trade receivables of PLN 30.8m.

As a consequence, the operating result for the six months ended July 31st 2023 was PLN 12.3m, up by PLN 37.5m year on year.

Finance costs and income

In the reporting period, finance income went up by PLN 73.2m year on year, to PLN 54.6m, and included mainly :

- Foreign exchange gains on valuation of PLN 35.6m,
- PLN 20.7m valuation of a call option over non-controlling interests in the subsidiary DeeZee Sp. z o.o.,
- PLN 9.1m valuation of a derivative financial instrument embedded in bonds convertible into Modivo shares – voluntary conversion option.

Finance costs were PLN 213.6m, up PLN 8.4m year on year, with the increase driven mainly by:

- Interest expense on borrowings and bonds of PLN 153.0m, compared with PLN 130.4m in the previous year. The increase was attributable to higher debt service costs following a series of interest rate rises by the National Bank of Poland;
- Interest on leases, which went up by PLN 16.1m year on year, to PLN 33.8m;
- Modification of the liability under bonds issued to PFR of PLN 9.0m.

The increase in interest expense was offset by foreign exchange gains, the item which in the comparative period of the previous year amounted to PLN 35.3m disclosed under finance costs.

Net of income tax of PLN 9.0m, the CCC Group's net loss on continuing operations for the six months ended July 31st 2023 was PLN 137.1m, down by PLN 77.1m year on year.

STATEMENT OF FINANCIAL POSITION

Assets

As at July 31st 2023, the CCC Group had total assets of PLN 7,260.5m, up by PLN 196.4m on January 31st 2023.

Non-current assets

As at July 31st 2023, non-current assets amounted to PLN 3,662.6m, up by PLN 61.3m on the end of the previous year. The change was caused by:

- PLN 34.7m increase in intangible assets;
- PLN 19.8m increase in property, plant and equipment;
- PLN 11.7m increase in deferred tax assets;
- PLN 1.8m decrease in right-of-use assets. and
- PLN 3.1m decrease in goodwill.

As at the reporting date, intangible assets amounted to PLN 411.5m and were PLN 34.7m higher compared with January 31st 2023. The change was mainly attributable to expenditure of PLN 16.6m on software supporting the e-commerce sales channel (at CCC.eu Sp. z o.o.), and expenditure of PLN 34.0m on intangible assets under development, which was incurred chiefly on the implementation of new technological solutions relating to the eobuwie and Modivo applications. The increase was offset by accrued amortisation of PLN 16.3m.

As at the reporting date, goodwill amounted to PLN 200.8m and was PLN 3.1m lower compared with January 31st 2023, with the change attributable to foreign exchange differences.

Property, plant and equipment – leasehold improvements as at July 31st 2023 amounted to PLN 677.5m, up by PLN 20.8m on January 31st 2023. The change was caused by:

- Capital expenditure of PLN 86.0m incurred in connection with the expansion of the retail business and development of the omnichannel model at the Group;
- Depreciation of PLN 53.1m;
- Foreign exchange losses on translation of PLN 10.7m;
- Increase resulting from the acquisition of subsidiary CCC Ukraina Sp. z o.o. of PLN 4.1m;
- PLN 2.7m increase in impairment losses;
- Derecognised or sold leasehold improvements of PLN 3.0m; and
- Other changes, of PLN 0.2m.

Property, plant and equipment – distribution as at July 31st 2023 amounted to PLN 692.2m, up by PLN 0.2m on January 31st 2023. The change was caused by:

- Depreciation of PLN 37.7m;
- Expenditure of PLN 38.0m related to the extension of the K3 warehouse in Zielona Góra; and
- Other changes of PLN 0.1m.

Property, plant and equipment – other as at July 31st 2023 amounted to PLN 92.0m, a slight decrease of PLN 1.2m on January 31st 2023.

As at July 31st 2023, the right-of-use assets were PLN 1,378.1m, down by PLN 1.8m on January 31st 2023. The change was attributable to:

- Depreciation of PLN 191.0m;
- Execution of new lease contracts for PLN 159.8m;
- Contract modifications for PLN 98.7m;
- Foreign exchange losses of PLN 41.1m;
- Decrease on termination and change of the scope of lease contracts for PLN 24.2m; and
- Other changes, decrease by PLN 4.0m.

Current assets

Current assets rose by PLN 135.1m relative to January 31st 2023, to PLN 3,597.9m, The change was mainly attributable to:

- PLN 51.1m increase in inventories, which was attributable to the stocking up for the autumn-winter 2023/Back to School collection and development of the HalfPrice network. In the six months to July 31st 2023, inventory write-downs increased by PLN 19.8m;
- PLN 53.4m increase in other receivables, including mainly prepaid deliveries;
- PLN 27.7m increase in cash, as described in more detail in the section on the statement of cash flows;
- PLN 15.4m increase in income tax receivable.

Inventories comprise merchandise (PLN 2,749.4m), materials (PLN 19.5m), returns assets received back from customers in connection with their right to return unused products (PLN 63.1m) and finished goods (PLN 0.4m). Write-downs on inventories amounted to PLN 90.2m. For details of the write-downs, see Note 5.

As at the reporting date, short-term trade and other receivables amounted to PLN 363.6m, up by PLN 41.1m on January 31st 2023. Trade receivables amounted to PLN 131.5m, down by PLN 12.3m, due mainly to payment of receivables and lower wholesale volumes. Net impairment losses on trade receivables were PLN 108.2m. For details of the impairment losses, see Note 5.

Other receivables amounted to PLN 232.1m, down by PLN 53.4m. Other receivables comprised:

- Prepayments for deliveries of PLN 97.1m (January 31st 2023: PLN 31.4m), made in preparation for the autumn-winter 2023 season;
- Taxes receivable of PLN 10.8m (January 31st 2023: PLN 27.9m);
- Prepaid expenses of PLN 53.2m (January 31st 2023: PLN 50.0m);
- Receivables from sale of property, plant and equipment of PLN 2.3m (January 31st 2023: PLN 5.4m); and
- Other receivables of PLN 68.7m (January 31st 2023: PLN 64.0m).

Non-current liabilities

Non-current liabilities fell by PLN 465.6m relative to January 31st 2023, to PLN 2,275.8m.

As at July 31st 2023, non-current liabilities under bank borrowings and bonds amounted to PLN 999.6m, having decreased by PLN 370.9m year on year, mainly as a result of repayments made under overdraft facilities, presented as non-current liabilities due to the long-term nature of the facilities (for more information, see Section 6.1).

Liabilities arising from obligation to purchase non-controlling interests – the DeeZee option changed by PLN 20.6m relative to January 31st 2023, to PLN 10.5m. For more information, see Note 6.1. The Group presents its liabilities as non-current due to the probable timing of their settlement.

As at July 31st 2023, other non-current financial liabilities totalled PLN 5.0m, and are entirely related to the valuation of a derivative financial instrument embedded in bonds issued to PFR – Equity Kicker (for more information, see Note 6.1).

Non-current and current lease liabilities decreased by PLN 80.8m relative to January 31st 2023. The change was attributable to ongoing payments made under lease contracts (PLN 232.1m), interest accrued (PLN 34.7m), increase related to contract modifications (PLN 62.1m), and addition of new contracts (PLN 159.8m). The decrease was attributable to foreign exchange differences of PLN 105.2m.

Current liabilities

Current liabilities increased by PLN 305.2m, to PLN 4,045.2m as at the reporting date, and comprised mainly:

- Trade and other payables, which rose by PLN 419.3m relative to January 31st 2023 and amounted to PLN 1,808.8m as at the reporting date. The change is attributable to the stocking-up seasonality at the CCC Group.
- Current liabilities under borrowings and bonds of PLN 1,084.4m, which decreased by PLN 71.3m year on year (PLN 1,155.7m as at January 31st 2023), due mainly to partial repayment of debt (for more information, see Section 4.2).
- Other current liabilities of PLN 445.7m, which fell by PLN 24.7m year on year. The change was attributable mainly to a decrease in amounts due to employees of PLN 13.7m (July 31st 2023: PLN 91.5m), liabilities under contracts with customers of PLN 3.6m (the reporting date: PLN 17.5m), liabilities under indirect taxes, customs duties and other public charges payable of PLN 5.1m (July 31st 2023: PLN 136.6m), as well as the provision for future costs of PLN 2.2m (July 31st 2023: PLN 110.2m);
- Liabilities arising from obligation to purchase non-controlling interests as at July 31st 2023 were PLN 180.0m (for details, see Note 6.1).

As at July 31st 2023, equity stood at PLN 935.8m, having increased by PLN 353.1m compared with January 31st 2023 due to a net loss of PLN 140.8m posted for the six months ended July 31st 2023 and the issue of Company shares. Pursuant to resolutions of the Extraordinary General Meeting of CCC S.A. dated November 17th 2022, On May 9th 2023 the share capital of CCC S.A. was increased through the issue of 14 million shares with a par value of PLN 0.1 and an issue price of PLN 36.11. The issue proceeds of PLN 505.5m were reduced by the issue costs of PLN 3.9m. Following the transaction, the share capital was increased by PLN 1.4m, while the balance raised was allocated to the Company's statutory reserve funds. Additionally, the effect of the valuation of the Modivo incentive scheme of PLN 2.9m (non-controlling interests) was taken to equity. For details of the Modivo incentive scheme, see Note 6.4.

STATEMENT OF CASH FLOWS

In the six months ended July 31st 2023, net cash from operating activities amounted to PLN 534.3m, and included mainly loss before tax of PLN 128.1m, plus depreciation and amortisation of PLN 300.0m. For details, see Note 4.3. Net cash provided by operating activities also included a positive effect of a PLN 308.4m increase in net capital employed.

Net cash used in investing activities in the six months ended July 31st 2023 amounted to PLN 191.6m. It included mainly expenditure of PLN 208.9m on acquisition of property, plant and equipment and intangible assets, proceeds of PLN 3.6m from sale of property, plant and equipment, and proceeds of PLN 13.7m from settlement of leasehold improvements with landlords.

Net cash provided by financing activities in the six months ended July 31st 2023 was PLN 315.0m and included mainly share issue proceeds of PLN 501.6m, repayments of borrowings of PLN 487.9m, interest payments of PLN 157.6m, and payments of lease liabilities of PLN 200.4m.

In the six months ended July 31st 2023, cash increased by PLN 27.7m, to PLN 423.1m as at July 31st 2023. For more information, see Note 4.3.

2. SEGMENTS AND REVENUE

Operating segments and revenue are presented in a manner consistent with internal reporting provided to the chief operating decision maker, on the basis of which the decision maker assesses the performance of the operating segments and decides on the allocation of resources. The Management Board of the parent is the chief operating decision maker.

The Management Board analyses the Group's business in terms of business lines and distinguishes:

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

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

For detailed information on seasonality and periodic changes in sales, see Section 18 of the Directors' Report.

The operating and reportable segments identified by the Group are presented below.

Reportable segment	Overview of the reportable segment's activities and performance metrics
CCC omnichannel sales – sales via the CCC websites and offline stores operating in the CCC chain, as well as distribution.	The Group sells footwear, clothing, handbags, shoe care accessories, and small clothing accessories via retail stores and websites, and on a wholesale basis to Polish and foreign franchisees and other wholesale customers. The distribution activities are conducted by CCC.eu, which distributes merchandise to and outside the Group. The measure of the segment's profit or loss is operating profit (loss) adjusted for depreciation and amortisation (EBITDA).
HalfPrice omnichannel sales – sales via the HalfPrice websites and through offline retail stores operating within the HalfPrice chain.	The activities are conducted as the HalfPrice business line – sales at offline stores and via the website. The business comprises sales of clothing, footwear, accessories, cosmetics, toys, and homewares of known brands at attractive prices. The measure of the segment's profit or loss is operating profit (loss) adjusted for depreciation and amortisation (EBITDA).
Eobuwie omnichannel sales – sales via the eobuwie websites and through the offline stores operating in the eobuwie.pl chain.	The activities are carried out by the Modivo Group, which distributes goods through online channels and offline stores. The Group sells footwear, clothing, handbags, shoe care accessories and small clothing accessories to Polish and foreign retail customers. The measure of the segment's profit or loss is operating profit (loss) adjusted for depreciation and amortisation (EBITDA).
MODIVO omnichannel sales – sales via the Modivo websites and retail stores operating in the MODIVO chain.	The activities are carried out by the Modivo Group, which distributes goods through the Modivo platform and offline stores. The Group sells clothing, footwear, handbags, shoe care accessories and small clothing accessories to Polish and foreign retail customers. The measure of the segment's profit or loss is operating profit (loss) adjusted for depreciation and amortisation (EBITDA).The Modivo Group also manufactures clothing (the Rage Age, Simple, Sprandi, Americanos, Togoshi, Gino Rossi brands).
DeeZee sales – sales through the DeeZee online store and distribution.	The activities are carried out by DeeZee sp. z o.o., which distributes merchandise via Internet channels and conducts wholesale distribution of merchandise to and outside the Group. The company sells footwear, clothing, handbags, shoe care accessories and small clothing accessories to Polish and foreign retail customers. The measure of the segment's profit or loss is operating profit (loss) adjusted for depreciation and amortisation (EBITDA).

In the consolidated financial statements for the year ended January 31st 2023, the Group presented Segment Profit 1, defined as gross profit less costs of points of purchase and distribution, and Segment Profit 2 (EBITDA). In the current financial year, the Group discontinued the presentation of Segment Profit 1 because Segment Profit 1 is no longer used by the parent's Management Board to assess the results of the business lines' operations. The corresponding information for previous periods was restated accordingly by the Group. The measure of a segment's profit or loss is EBITDA.

Reconciliation of the segment data for the consolidated financial statements is presented on the following pages.

(all amounts in PLN million unless stated otherwise)

Feb 1–Jul 31 2023 unaudited, reviewed	CCC	HalfPrice	eobuwie	MODIVO	DeeZee	Total	Consolidation adjustments	Consolidated financial statements
Revenue from sales to external customers	1,889.1	589.0	1,469.6	497.3	43.6	4,488.6	–	4,488.6
Gross profit	**1,017.9**	**227.5**	**598.4**	**193.1**	**24.0**	**2,060.9**	**–**	**2,060.9**
Gross margin (gross profit on sales/revenue from sales to external customers)	*54%*	*39%*	*41%*	*39%*	*55%*	*46%*		*46%*
Costs of points of purchase and distribution	-858.6	-249.4	-586.2	-191.8	-19.5	-1,905.5	–	-1,905.5
Administrative expenses	-128.3	-14.5	-36.8	-11.6	-2.5	-193.7	–	-193.7
Other income and expenses, and (recognition) / reversal of loss allowances	42.4	1.2	7.3	–	-0.3	50.6	–	50.6
EBIT	**73.4**	**-35.2**	**-17.3**	**-10.3**	**1.7**	**12.3**	**–**	**12.3**
Depreciation/amortisation	-207.0	-47.4	-36.8	-8.4	-0.4	-300.0	–	-300.0
Segment profit (EBITDA)	**280.4**	**12.2**	**19.5**	**-1.9**	**2.1**	**312.3**	**–**	**312.3**
Finance income								73.2
Other finance costs								-213.6
Profit (loss) before tax								**-128.1**

Segment assets:	**Jul 31 2023**							
Inventories	**1,102.9**	**425.3**	**890.9**	**303.7**	**19.4**	**2,742.2**	**–**	**2,742.2**
in stores	583.3	206.7	106.9	4.5	–	901.4		
in the central warehouse	519.6	218.6	784.0	299.2	19.4	1,840.8		

Feb 1–Jul 31 2022 unaudited, reviewed	CCC	HalfPrice	eobuwie	MODIVO	DeeZee	Total	Consolidation adjustments	Consolidated financial statements
Revenue from sales to external customers	2,000.4	300.3	1,542.6	349.4	53.9	4,246.6	12.8	4,259.4
Gross profit	**1,075.5**	**136.9**	**665.8**	**145.2**	**28.8**	**2,052.2**	–	**2,052.2**
Gross margin (gross profit on sales/revenue from sales to external customers)	*54%*	*46%*	*43%*	*42%*	*53%*	*48%*		*48%*
Costs of points of purchase and distribution	-928.6	-156.6	-549.1	-131.8	-23.3	-1,789.4	–	-1,789.4
Administrative expenses	-129.5	-8.7	-36.2	-8.8	-2.5	-185.7	–	-185.7
Other income and expenses, and (recognition) / reversal of loss allowances	-92.3	2.4	-2.3	-10.3	0.2	-102.3	–	-102.3
EBIT	**-74.9**	**-26.0**	**78.2**	**-5.7**	**3.2**	**-25.2**	–	**-25.2**
Depreciation/amortisation	-220.3	-35.9	-31.7	-2.9	-0.7	-291.5	–	-291.5
Segment profit (EBITDA)	**145.4**	**11.9**	**109.9**	**-2.8**	**3.9**	**268.3**	–	**268.3**
Finance income								18.6
Other finance costs								-205.2
Profit (loss) before tax								**-211.8**

Segment assets:	**Jan 31 2023**							
Inventories	**1,044.8**	**328.3**	**962.2**	**335.7**	**20.1**	**2,691.1**	**–**	**2,691.1**
in stores	617.7	162.6	98.6	4.5	–	883.4		
in the central warehouse	427.1	165.7	863.6	331.2	20.1	1,807.7		

(all amounts in PLN million unless stated otherwise)

May 1–Jul 31 2023 unaudited, unreviewed	CCC	HalfPrice	eobuwie	MODIVO	DeeZee	Total	Consolidation adjustments	Consolidated financial statements
Revenue from sales to external customers	1,040.7	337.5	768.6	256.4	21.3	2,424.5	–	2,424.5
Gross profit	**570.4**	**127.5**	**298.0**	**93.4**	**12.8**	**1,102.1**	**–**	**1,102.1**
Gross margin (gross profit on sales/revenue from sales to external customers)	*55%*	*38%*	*39%*	*36%*	*60%*	*45%*		*45%*
Costs of points of purchase and distribution	-421.3	-138.2	-302.0	-94.0	-10.6	-966.1	–	-966.1
Administrative expenses	-62.7	-7.8	-16.8	-5.3	-1.2	-93.8	–	-93.8
Other income and expenses, and (recognition) / reversal of loss allowances	28.8	0.7	8.1	–	-0.5	37.1	–	37.1
EBIT	**115.2**	**-17.8**	**-12.7**	**-5.9**	**0.5**	**79.3**	–	**79.3**
Depreciation/amortisation	-98.9	-22.1	-19.7	-3.5	-0.2	-144.4	–	-144.4
Segment profit (EBITDA)	**214.1**	**4.3**	**7.0**	**-2.4**	**0.7**	**223.7**	–	**223.7**
Finance income								49.2
Other finance costs								-102.5
Profit (loss) before tax								**26.0**

May 1–Jul 31 2022 unaudited, unreviewed	CCC	HalfPrice	eobuwie	MODIVO	DeeZee	Total	Consolidation adjustments	Consolidated financial statements
Revenue from sales to external customers	1,180.7	181.8	797.5	187.0	27.9	2,374.9	2.5	2,377.4
Gross profit	**612.2**	**82.5**	**340.8**	**78.5**	**15.4**	**1,129.4**	**–**	**1,129.4**
Gross margin (gross profit on sales/revenue from sales to external customers)	*52%*	*45%*	*43%*	*42%*	*55%*	*48%*		*48%*
Costs of points of purchase and distribution	-474.9	-88.8	-292.4	-68.4	-10.9	-935.4	–	-935.4
Administrative expenses	-64.2	-4.4	-17.9	-4.4	-1.2	-92.1	–	-92.1
Other income and expenses, and (recognition) / reversal of loss allowances	-63.6	2.2	0.6	-9.7	-0.1	-70.6	–	-70.6
EBIT	**9.5**	**-8.5**	**31.1**	**-4.0**	**3.2**	**31.3**	**–**	**31.3**
Depreciation/amortisation	-109.4	-20.3	-14.3	-1.3	-0.4	-145.7	–	-145.7
Segment profit (EBITDA)	**118.9**	**11.8**	**47.4**	**-2.7**	**3.6**	**179.0**	**–**	**179.0**
Finance income								17.9
Other finance costs								-106.5
Profit (loss) before tax								**-57.3**

(all amounts in PLN million unless stated otherwise)

NON-CURRENT ASSETS (NET OF OTHER FINANCIAL ASSETS AND DEFERRED TAX)	Jul 31 2023	Jan 31 2023
	unaudited, reviewed	audited
Poland	2,173.3	2,052.3
Czech Republic	248.5	247.1
Hungary	184.2	218.1
Romania	271.7	270.5
Slovakia	96.6	102.5
Other	481.3	515.5
Total non-current assets (excluding other financial assets and deferred tax)	**3,455.6**	**3,406.0**

In these consolidated financial statements, the Group presents the Segment's EBITDA calculated as gross profit less costs of points of purchase and other distribution costs, administrative expenses and other expenses, plus other income, and (recognition) / reversal of loss allowances, adjusted for depreciation and amortisation. EBITDA is not a measure defined in IFRS and so its calculation method may vary between entities.

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

(all amounts in PLN million unless stated otherwise)

Revenue by geographical segment and by country:

Revenue		Feb 1–Jul 31 2023						Feb 1–Jul 31 2022					
		CCC	HalfPrice	eobuwie	MODIVO	DeeZee	Total	CCC	HalfPrice	eobuwie	MODIVO	DeeZee	Total
Poland	**Poland**	**1,217.5**	**454.0**	**562.7**	**154.3**	**43.6**	**2,432.1**	**1,288.6**	**241.0**	**558.2**	**128.7**	**53.9**	**2,270.4**
Central and Eastern Europe	Czech Republic	150.8	32.7	103.1	37.7	–	**324.3**	174.4	8.9	125.8	26.6	–	**335.7**
	Slovakia	90.2	18.9	45.4	18.2	–	**172.7**	101.3	2.7	58.3	14.6	–	**176.9**
	Hungary	136.5	21.9	85.5	21.2	–	**265.1**	141.2	11.0	107.5	17.6	–	**277.3**
	Romania	136.9	4.3	161.0	67.6	–	**369.7**	150.1	–	153.1	54.0	–	**357.2**
	Bulgaria	31.5	–	81.2	42.6	–	**155.3**	30.5	–	78.7	25.8	–	**135.0**
	Slovenia	24.1	12.4	14.3	4.0	–	**54.8**	30.2	6.0	12.4	0.2	–	**48.8**
	Croatia	46.1	5.0	39.9	11.8	–	**102.8**	49.4	4.9	34.7	4.7	–	**93.7**
	Lithuania	2.8	–	40.7	11.5	–	**55.0**	2.1	–	44.0	11.3	–	**57.4**
	Latvia	7.9	6.5	11.1	2.3	–	**27.7**	3.5	–	8.2	0.2	–	**11.9**
	Estonia	6.6	–	0.0	–	–	**6.6**	4.0	–	0.5	–	–	**4.5**
	Serbia	17.0	–	–	–	–	**17.0**	22.4	–	–	–	–	**22.4**
	Ukraine	21.1	–	21.7	36.9	–	**79.6**	–	–	1.6	–	–	**1.6**
	Total	**671.5**	**101.7**	**603.8**	**253.7**	**–**	**1,630.7**	**709.1**	**33.5**	**624.8**	**155.0**	**–**	**1,522.4**
Western Europe	Austria	0.1	33.3	6.2	1.8	–	**41.4**	1.7	25.8	2.8	0.3	–	**30.6**
	Switzerland	–	–	24.2	–	–	**24.2**	–	–	23.4	–	–	**23.4**
	Germany	–	–	73.6	26.6	–	**100.2**	–	–	116.9	17.4	–	**134.3**
	France	–	–	15.6	5.5	–	**21.1**	–	–	25.8	4.4	–	**30.2**
	Spain	–	–	6.8	–	–	**6.8**	–	–	7.8	–	–	**7.8**
	Italy	–	–	57.3	14.9	–	**72.2**	–	–	73.1	10.8	–	**83.9**
	Sweden	–	–	8.9	–	–	**8.9**	–	–	2.4	–	–	**2.4**
	Greece	–	–	110.5	40.4	–	**151.0**	1.0	–	107.4	32.8	–	**141.2**
	Total	**0.1**	**33.3**	**303.1**	**89.3**	**–**	**425.8**	**2.7**	**25.8**	**359.6**	**65.7**	**–**	**453.8**
CCC Group	**Total**	**1,889.1**	**589.0**	**1,469.6**	**497.3**	**43.6**	**4,488.6**	**2,000.4**	**300.3**	**1,542.6**	**349.4**	**53.9**	**4,246.6**

Revenue		May 1–Jul 31 2023						May 1–Jul 31 2022					
		CCC	HalfPrice	eobuwie	MODIVO	DeeZee	Total	CCC	HalfPrice	eobuwie	MODIVO	DeeZee	Total
Poland	**Poland**	**650.2**	**256.6**	**295.7**	**80.4**	**21.3**	**1,304.2**	**740.7**	**146.5**	**286.3**	**67.4**	**27.9**	**1,268.8**
Central and Eastern Europe	Czech Republic	90.2	20.3	53.7	20.0	–	**184.2**	105.7	5.2	67.7	14.6	–	**193.1**
	Slovakia	50.9	13.3	24.0	9.2	–	**97.4**	64.2	1.5	31.0	7.5	–	**104.2**
	Hungary	77.8	11.5	42.7	10.7	–	**142.7**	79.4	5.4	50.4	8.2	–	**143.4**
	Romania	78.4	2.9	81.4	35.2	–	**197.8**	93.5	–	78.9	31.1	–	**203.5**
	Bulgaria	18.6	–	41.3	21.6	–	**81.5**	19.9	–	42.3	13.9	–	**76.1**
	Slovenia	14.1	6.7	8.0	2.4	–	**31.2**	18.8	6.0	6.6	0.2	–	**31.6**
	Croatia	28.2	2.4	22.8	6.6	–	**60.0**	32.8	2.6	20.0	2.8	–	**58.2**
	Lithuania	1.5	–	20.2	5.4	–	**27.1**	2.1	–	22.1	5.8	–	**30.0**
	Latvia	4.6	5.8	6.0	1.3	–	**17.6**	3.5	–	5.3	0.2	–	**9.0**
	Estonia	3.8	–	0.0	–	–	**3.8**	4.0	–	0.5	–	–	**4.5**
	Serbia	10.0	–	–	–	–	**10.0**	14.6	–	–	–	–	**14.6**
	Ukraine	12.4	–	9.2	18.0	–	**39.5**	–	–	1.4	-0.6	–	**0.8**
	Total	**390.5**	**62.9**	**309.2**	**130.3**	**–**	**892.9**	**438.5**	**20.7**	**326.2**	**83.7**	**–**	**869.0**
Western Europe	Austria	–	18.0	3.7	0.9	–	**22.6**	0.9	14.6	2.8	0.3	–	**18.6**
	Switzerland	–	–	12.9	–	–	**12.9**	–	–	8.7	–	–	**8.7**
	Germany	–	–	37.9	13.2	–	**51.1**	–	–	50.8	8.9	–	**59.7**
	France	–	–	8.3	3.1	–	**11.4**	–	–	14.6	2.4	–	**17.0**
	Spain	–	–	3.4	–	–	**3.4**	–	–	4.1	–	–	**4.1**
	Italy	–	–	32.0	8.5	–	**40.5**	–	–	44.1	5.9	–	**50.0**
	Sweden	–	–	5.1	–	–	**5.1**	–	–	1.2	–	–	**1.2**
	Greece	–	–	60.4	19.9	–	**80.4**	0.6	–	58.7	18.4	–	**77.7**
	Total	**–**	**18.0**	**163.7**	**45.7**	**–**	**227.4**	**1.5**	**14.6**	**185.0**	**35.9**	**–**	**237.0**
CCC Group	**Total**	**1,040.7**	**337.5**	**768.6**	**256.4**	**21.3**	**2,424.5**	**1,180.7**	**181.8**	**797.5**	**187.0**	**27.9**	**2,374.8**

The above information on revenue is based on data on the store location in the case of offline sales or based on the country to which purchased goods are shipped in the case of digital sales (e-commerce).

(all amounts in PLN million unless stated otherwise)

3. NOTES TO THE INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

3.1. REVENUE

Revenue from contracts with customers by category is presented below.

Feb 1–Jul 31 2023 unaudited, reviewed	CCC	HalfPrice	eobuwie	MODIVO	DeeZee	Total
Revenue						
Footwear	1,655.7	140.6	1,273.7	160.2	21.4	**3,251.6**
Bags	110.9	27.2	96.0	34.9	0.9	**269.9**
Clothing	0.2	301.6	43.7	281.0	-0.1	**626.4**
Other [1]	96.5	119.6	56.2	21.2	21.4	**314.9**
Total omnichannel sales	**1,863.3**	**589.0**	**1,469.6**	**497.3**	**43.6**	**4,462.8**
Wholesale	25.8	–	–	–	–	**25.8**
Total	**1,889.1**	**589.0**	**1,469.6**	**497.3**	**43.6**	**4,488.6**

Feb 1–Jul 31 2022 unaudited, reviewed	CCC	HalfPrice	eobuwie	MODIVO	DeeZee	Total
Revenue						
Footwear	1,690.6	65.0	1,354.3	74.8	28.8	**3,213.5**
Bags	121.7	3.9	115.6	17.8	1.5	**260.5**
Clothing	0.7	171.6	41.0	243.7	0.1	**457.1**
Other [1]	119.7	59.8	31.7	13.1	23.5	**247.8**
Total omnichannel sales	**1,932.7**	**300.3**	**1,542.6**	**349.4**	**53.9**	**4,178.9**
Wholesale	67.7	–	–	–	–	**67.7**
Total	**2,000.4**	**300.3**	**1,542.6**	**349.4**	**53.9**	**4,246.6**

May 1–Jul 31 2023 unaudited, unreviewed	CCC	HalfPrice	eobuwie	MODIVO	DeeZee	Total
Revenue						
Footwear	928.8	76.0	674.5	86.5	20.3	**1,786.1**
Bags	65.3	20.2	52.6	19.5	0.7	**158.3**
Clothing	–	177.8	26.3	144.3	–	**348.4**
Other [1]	46.2	63.5	15.2	6.1	0.3	**131.3**
Total omnichannel sales	**1,040.3**	**337.5**	**768.6**	**256.4**	**21.3**	**2,424.1**
Wholesale	0.4	–	–	–	–	**0.4**
Total	**1,040.7**	**337.5**	**768.6**	**256.4**	**21.3**	**2,424.5**

(all amounts in PLN million unless stated otherwise)

May 1–Jul 31 2022 unaudited, unreviewed	CCC	HalfPrice	eobuwie	MODIVO	DeeZee	Total
Revenue						
Footwear	1,013.2	55.7	707.8	43.7	14.3	**1,834.7**
Bags	72.4	3.1	61.8	10.2	1.0	**148.5**
Clothing	0.4	63.8	23.8	125.8	0.1	**213.9**
Other [1]	66.4	59.2	4.1	7.3	12.5	**149.5**
Total omnichannel sales	**1,152.4**	**181.8**	**797.5**	**187.0**	**27.9**	**2,346.6**
Wholesale	28.3	–	–	–	–	**28.3**
Total	**1,180.7**	**181.8**	**797.5**	**187.0**	**27.9**	**2,374.9**

[1] 'Other' includes primarily (by value): shoe care products, insoles, belts, wallets, socks, jewellery and accessories, homeware and beauty products.

The Group conducts retail and digital sales to retail customers, and sales to none of the customers exceeded 10% of total revenue.

Revenue was reduced by the change in liabilities under contracts with customers, i.e. liabilities related to the CCC club of PLN 5.3m and gift cards of PLN 12.2m, compared with a total amount of PLN 13.9m as at January 31st 2023. The change in the six months to July 31st 2023 was PLN 3.6m, while in the corresponding period of the previous year revenue was reduced on account of contracts with customers by PLN 4.7m.

3.2. COSTS BY NATURE OF EXPENSE

Feb 1–Jul 31 2023 unaudited, reviewed	COST OF SALES	COSTS OF POINTS OF PURCHASE AND DISTRIBUTION	ADMINISTRATIVE EXPENSES	TOTAL
Cost of merchandise sold	-2,405.4	–	–	-2,405.4
Raw material and consumables used	–	-78.9	-13.8	-92.7
Inventory write-downs	-22.6	–	–	-22.6
Salaries, wages and employee benefits	–	-485.9	-88.1	-574.0
Transport services	–	-231.0	-0.5	-231.5
Other rental costs – utilities and other variable costs	–	-181.9	-11.8	-193.7
Advertising	–	-453.2	-0.4	-453.6
Depreciation/amortisation	–	-272.0	-28.0	-300.0
Taxes and charges	–	-24.6	-2.6	-27.2
Other costs	–	-178.0	-48.5	-226.5
Change in products and work in progress	0.3	–	–	0.3
Total	**-2,427.7**	**-1,905.5**	**-193.7**	**-4,526.9**

(all amounts in PLN million unless stated otherwise)

Feb 1–Jul 31 2022 unaudited, reviewed	COST OF SALES	COSTS OF POINTS OF PURCHASE AND DISTRIBUTION	ADMINISTRATIVE EXPENSES	TOTAL
Cost of merchandise sold	-2,187.3	–	–	-2,187.3
Raw material and consumables used	–	-86.2	-14.8	-101.0
Inventory write-downs	-19.4	–	–	-19.4
Salaries, wages and employee benefits	–	-479.8	-87.4	-567.2
Transport services	–	-229.8	-0.2	-230.0
Other rental costs – utilities and other variable costs	–	-140.1	-13.1	-153.2
Advertising	–	-396.3	-1.7	-398.0
Depreciation/amortisation	–	-267.5	-24.0	-291.5
Taxes and charges	–	-19.6	-2.8	-22.4
Other costs	–	-170.1	-41.7	-211.8
Change in products and work in progress	-0.5	–	–	-0.5
Total	**-2,207.2**	**-1,789.4**	**-185.7**	**-4,182.3**

May 1–Jul 31 2023 unaudited, unreviewed	COST OF SALES	COSTS OF POINTS OF PURCHASE AND DISTRIBUTION	ADMINISTRATIVE EXPENSES	TOTAL
Cost of merchandise sold	-1,315.3	–	–	-1,315.3
Raw material and consumables used	–	-38.7	-6.4	-45.1
Inventory write-downs	-7.1	–	–	-7.1
Salaries, wages and employee benefits	0.2	-239.3	-41.1	-280.2
Transport services	–	-120.9	-0.3	-121.2
Other rental costs – utilities and other variable costs	–	-96.5	-4.5	-101.0
Advertising	–	-235.9	-0.1	-236.0
Depreciation/amortisation	–	-130.1	-14.3	-144.4
Taxes and charges	–	-13.9	-1.5	-15.4
Other costs	–	-90.8	-25.6	-116.4
Change in products and work in progress	-0.2	–	–	-0.2
Total	**-1,322.4**	**-966.1**	**-93.8**	**-2,382.3**

(all amounts in PLN million unless stated otherwise)

May 1–Jul 31 2022 unaudited, unreviewed	COST OF SALES	COSTS OF POINTS OF PURCHASE AND DISTRIBUTION	ADMINISTRATIVE EXPENSES	TOTAL
Cost of merchandise sold	-1,229.8	–	–	-1,229.8
Raw material and consumables used	0.2	-39.5	-6.3	-45.6
Inventory write-downs	-18.1	–	–	-18.1
Salaries, wages and employee benefits	–	-247.6	-44.0	-291.6
Transport services	–	-124.8	-0.2	-125.0
Other rental costs – utilities and other variable costs	–	-67.2	-7.1	-74.3
Advertising	–	-188.6	-1.3	-189.9
Depreciation/amortisation	–	-131.9	-13.8	-145.7
Taxes and charges	–	-11.3	-1.6	-12.9
Other costs	–	-124.5	-17.8	-142.3
Change in products and work in progress	-0.3	–	–	-0.3
Total	**-1,248.0**	**-935.4**	**-92.1**	**-2,275.5**

3.3. OTHER INCOME AND EXPENSES, FINANCE INCOME AND COSTS

	Feb 1–Jul 31 2023 unaudited, reviewed	Feb 1–Jul 31 2022 unaudited, reviewed	May 1–Jul 31 2023 unaudited, unreviewed	May 1–Jul 31 2022 unaudited, unreviewed
Other income				
Gain on disposal of property, plant and equipment	0.2	–	-0.9	–
Foreign exchange gains on items other than debt	31.8	–	16.7	–
Compensation	5.0	2.0	0.9	0.7
PFRON wage subsidies	0.1	1.8	–	0.9
Gain on settlement of leasehold improvements with landlords	8.5	2.2	7.3	1.1
Gain on settlement of lease contracts	5.8	12.2	3.4	11.4
Reversal of CCC Germany provisions	9.1	–	6.6	–
Grants	0.2	0.4	0.1	0.2
Other	6.7	8.5	4.4	4.1
Total other income	**67.4**	**27.1**	**38.5**	**18.4**

	Feb 1–Jul 31 2023 unaudited, reviewed	Feb 1–Jul 31 2022 unaudited, reviewed	May 1–Jul 31 2023 unaudited, unreviewed	May 1–Jul 31 2022 unaudited, unreviewed
Other expenses				
Loss on disposal of property, plant and equipment	–	-8.6	–	-6.7
Impairment losses on property, plant and equipment, intangible assets, right-of-use assets and goodwill	–	–	11.6	–
Recognised provisions	–	–	–	0.9
Interest and penalties	-1.8	-5.7	-0.7	-5.7
Other	-7.7	-14.8	-3.0	-10.3
Foreign exchange losses on items other than debt	–	-69.5	–	-36.8
Total other expenses	**-9.5**	**-98.6**	**7.9**	**-58.6**

(all amounts in PLN million unless stated otherwise)

	Feb 1–Jul 31 2023	Feb 1–Jul 31 2022	May 1–Jul 31 2023	May 1–Jul 31 2022
	unaudited, reviewed	unaudited, reviewed	unaudited, unreviewed	unaudited, unreviewed
(Recognition) / Reversal of loss allowances (trade receivables)				
Impairment losses on trade receivables	-7.3	-30.8	-9.3	-30.4
(Recognition) / Reversal of loss allowances (trade receivables), total	**-7.3**	**-30.8**	**-9.3**	**-30.4**

	Feb 1–Jul 31 2023	Feb 1–Jul 31 2022	May 1–Jul 31 2023	May 1–Jul 31 2022
	unaudited, reviewed	unaudited, reviewed	unaudited, unreviewed	unaudited, unreviewed
Finance income				
Interest income on cash in current account and loans, and other interest income	1.9	1.0	1.4	0.4
Foreign exchange gains (losses)	35.6	–	14.0	–
Derivative financial instruments embedded in bonds convertible into Modivo shares − voluntary conversion option	9.1	–	9.1	–
Other finance income	4.4	0.3	2.7	0.2
Derivative financial instruments embedded in bonds issued to PFR – Equity Kicker	1.5	11.1	1.3	11.1
Valuation of options to purchase non-controlling interests	20.7	6.2	20.7	6.2
Total	**73.2**	**18.6**	**49.2**	**17.9**

	Feb 1–Jul 31 2023	Feb 1–Jul 31 2022	May 1–Jul 31 2023	May 1–Jul 31 2022
	unaudited, reviewed	unaudited, reviewed	unaudited, unreviewed	unaudited, unreviewed
Finance costs				
Interest on borrowings and bonds	-153.0	-130.4	-72.6	-66.4
Gain (loss) on modification of financial liability	-9.0	–	-9.0	–
Interest on leases	-33.8	-17.7	-18.6	-8.7
Foreign exchange gains (losses)	–	-35.3	–	-14.4
Commission fees	-7.5	-3.7	-4.0	-1.7
Valuation of options to purchase non-controlling interests	-6.6	-1.4	-2.0	-0.7
Derivative financial instruments embedded in bonds convertible into Modivo shares − voluntary conversion option	–	-12.2	2.2	-12.2
Other finance costs	-3.7	-4.5	-2.2	-2.4
Total	**-213.6**	**-205.2**	**-106.2**	**-106.5**

Items reported under finance income and costs: derivative financial instruments embedded in bonds issued to PFR – Equity Kicker, derivative financial instruments embedded in bonds convertible into Modivo shares – voluntary conversion option, and valuation of the option to purchase non-controlling interests, are described in more detail in Note 6.1.

(all amounts in PLN million unless stated otherwise)

3.4. IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS, GOODWILL AND RIGHTS-OF-USE ASSETS

As at July 31st 2023, based on the adopted accounting policies and identified indications of impairment, the Group carried out impairment tests for intangible assets with indefinite useful lives, for goodwill and for certain cash-generating units, i.e. stores. In view of the indications of impairment, the Group also carried out impairment tests at an aggregated level, taking into account the corporate assets allocated to business lines (operating segments). The table below presents cash-generating units /groups of cash-generating units for which impairment tests were carried out:

	Operating segment (business line)	Group of cash-generating units (below operating segment level)	Cash-generating unit (store)
CCC segment	X		
MODIVO segment	X		
eObuwie segment	X		
DeeZee segment	X		
Stores (cash-generating units) for which indications of impairment were identified			X

Key underlying assumptions for impairment tests

The recoverable amount calculated for individual cash-generating units or groups of cash-generating units to which assets had been allocated was determined based on the value in use calculated using a cash flow projection derived from the Annual Budget for 2023 approved by the Supervisory Board and the Group's GO.25 Strategy, with due account taken of restrictions following from the requirements of IAS 36 (without new investments, including new store openings). The assumptions used in drawing up the Annual Budget for 2023 are described in more detail in the 'Going concern' note, and include, in addition to the elements discussed below, the level of inflation and the exchange rates of the main foreign currencies (EUR and USD).

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

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

Details of these assumptions are presented below in the sections dedicated to impairment testing at the different levels.

Impairment tests at the level of cash-generating units (store asset tests)

As at July 31st 2023, the Group identified indications of impairment of store assets and right-of-use assets for those stores that were loss making (at the EBIT level) in the past two years. Each store is a separate cash-generating unit and was tested for impairment separately.

A projection period corresponding to the duration of the respective lease contract was adopted for each store. The following parameters were used to calculate the value in use:

- revenue per square metre of the store space and distribution costs,
- impact of changes in revenue on direct costs,
- target gross margin relative to revenue,
- discount rate based on the weighted average cost of capital and reflecting the current market assessment of the time value of money and the business risk of the cash-generating unit.

Change in the 2023 revenue was determined based on forecasts updated during the year. Revenue in the subsequent years, i.e. 2024−2026, was determined on the basis of expected changes in the key variables relative to the base year 2023, assuming that the Group will implement its growth plans resulting from the strategic directions set out in the GO.25 Strategy.

Changes in individual cost items were assessed based on the estimation of costs for the six months ended July 31st 2023 and, with respect to the subsequent years, based on the projected inflation rates for a given country covered by the Strategy. The changes in cost items were then adjusted for the expected benefits to be derived from the store profitability improvement programmes.

An analysis of the indications of impairment necessitated impairment tests for 45 stores as at July 31st 2023. which revealed the need to recognise impairment losses on those assets of PLN 3.8m. The impairment tests carried out as at January 31st 2023 revealed no need to recognise impairment losses.

(all amounts in PLN million unless stated otherwise)

With regard to the value in use estimation, the management believes that no reasonably possible change to any of the key assumptions referred to above will result in the carrying amount of a cash-generating unit exceeding significantly its recoverable amount.

Impairment tests at the level of operating segments (business lines)

As it was impossible to allocate corporate assets on a reasonable and consistent basis to any cash-generating units, and due to the occurrence of indications of impairment described below, and also because of the goodwill allocation (the eobuwie segment), impairment tests were carried out at the level of business lines (operating segments), covering the corporate assets allocated to the business lines. For detailed information on the reportable segments, see Note 2 'Segments and revenue'.

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

- CCC segment
- DeeZee segment
- MODIVO segment
- eObuwie segment

The impairment test for the CCC business line was carried out due to its underperformance against the budget as a consequence of macroeconomic factors, and covered non-current assets (excluding deferred tax assets and long-term investments) allocated to the CCC operating segment together with net working capital allocated to that segment. The recoverable amount was determined based on the value in use calculated using a cash flow projection related to sales of products and other operations conducted through the CCC business line (operating segment) based on its existing assets. The cash flow projection covered the years 2023 and 2024–2027.

The impairment tests for the MODIVO, eobuwie and DeeZee business lines were carried out due to their underperformance against the budget as a consequence of macroeconomic factors. The tests covered non-current assets allocated to each operating segment together with net working capital allocated to that segment. The recoverable amount was determined based on the value in use calculated using a cash flow projection related to sales of products through the respective business line (operating segment). The cash flow projection covered the years 2023 and 2024–2027.

The parameters used to calculate the value in use included:

- Revenue and its key determinants, such as the footfall, conversion rate, shopping basket value and their changes in the successive years covered by the forecast,
- Gross margin and its development driven by macroeconomic factors, such as the foreign exchange rates and product offering,
- Individual cost amounts, taking into account the impact of the inflation and changes in key economic variables, in particular an increase in wages (including minimum wages).

Growth in the CCC business line can be attributed to cost optimisation measures and an improved discount policy, and is also an effect of changes in inventory management, expansion of sales through the addition of a licensed product portfolio as well as rapid development and growing share of sales via the e-commerce channel.

Development of the DeeZee business line is driven by expansion of the available product range and further growth of the e-commerce channels.

In the case of the Modivo business line, the assumed growth rates are due to a low base effect and a steady increase of its role in the Group's overall portfolio, assuming an improvement in margins reflecting an optimised inventory structure and reduced customer acquisition costs as a result of enhanced brand recognition.

The eobuwie business line assumes a return to an upward trend in sales and recovered profitability driven by the ongoing optimisation of procurement processes leading to an optimised inventory structure and operational optimisation achieved on the back of savings programmes and other measures.

Key parameters based on the adopted assumptions were as follows:

Jul 31 2023	CCC	DeeZee	MODIVO	eobuwie
Discount rate	11.9%	11.9%	11.9%	11.9%
Average EBITDA margin	19.5%	12.0%	8.6%	10.2%
Expected sales CAGR during the forecast period (five years)	9.6%	24.5%	21.6%	6.3%
Residual growth rate	2.0%	2.0%	2.0%	2.0%

(all amounts in PLN million unless stated otherwise)

The impairment tests were carried out as at July 31st 2023, revealing no need to recognise impairment losses.

In addition, a sensitivity analysis was carried out for the individual impairment tests, which showed their sensitivity to changes in key parameters. The amount by which key assumptions would have to change (taking into account the effect of such change on the other variables) in order for the recoverable amount to equal the carrying amount is presented in the table below:

Jul 31 2023	CCC	DeeZee	MODIVO	eobuwie
Increase in discount rate resulting in impairment loss	18.2pp	22.6pp	13.2pp	9.2pp
Decrease in average EBITDA margin resulting in impairment loss	7.2pp	9.4pp	3.8pp	3.1pp
Decrease in expected sales CAGR during the forecast period (5 years) resulting in impairment loss	5.4pp	9.4pp	4.1pp	3.4pp

As at the reporting date of January 31st 2023, the following segments were tested:

- CCC segment
- HalfPrice segment
- DeeZee segment
- MODIVO segment
- eObuwie segment

The impairment test for the CCC business line was carried out due to its failure to meet the budget as a consequence of macroeconomic factors, and covered non-current assets (excluding deferred tax assets and long-term investments) allocated to the CCC operating segment together with net working capital allocated to that segment. The recoverable amount was determined based on the value in use calculated using a cash flow projection related to sales of products and other operations conducted through the CCC business line (operating segment) based on its existing assets. The cash flow projection covered the years 2023 and 2024–2027.

The impairment test for the HalfPrice business line was carried out in connection with the allocation to that business line of certain corporate assets, and covered non-current assets (excluding deferred tax assets and long-term investments) allocated to the HalfPrice operating segment, together with net working capital allocated to that segment. The recoverable amount was determined based on the value in use calculated using a cash flow projection related to sales of products through the HalfPrice business line (operating segment) based on its existing assets. The cash flow projection covered the years 2023 and 2024–2027.

The impairment test for the DeeZee business line was carried out in connection with the obligation to test for impairment the trademark and goodwill. The test covered non-current assets (excluding deferred tax assets and long-term investments) allocated to the DeeZee operating segment. The recoverable amount was determined based on the value in use calculated using a cash flow projection related to sales of products through the DeeZee business line (operating segment). The cash flow projection covered the years 2023 and 2024–2027.

The impairment test for the MODIVO business line was carried out due to its failure to meet the budget as a consequence of macroeconomic factors, and covered non-current assets allocated to the MODIVO operating segment. The recoverable amount was determined based on the value in use calculated using a cash flow projection related to sales of products through the MODIVO business line (operating segment). The cash flow projection covered the years 2023 and 2024–2027.

The impairment test for the eobuwie business line was carried out in connection with the obligation to test for impairment the trademark and goodwill, and covered all non-current assets allocated to the eobuwie operating segment (including the trademark and goodwill). The recoverable amount was determined based on the value in use calculated using a cash flow projection related to sales of products through the eobuwie business line (operating segment). The cash flow projection covered the years 2023 and 2024–2027.

Factors affecting the recoverable amount are described above in ‘Key underlying assumptions for impairment tests’, and were consistent for all the tests performed.

Key parameters based on the adopted assumptions were as follows:

Jan 31 2023	CCC	HalfPrice	DeeZee	MODIVO	eobuwie
Discount rate	12.9%	12.9%	12.9%	12.9%	12.9%
Average EBITDA margin	17.5%	13.9%	12.8%	9.7%	9.3%
Expected EBITDA CAGR during the forecast period (five years)	27.4%	25.4%	41.1%	113.3%	68.0%
Residual growth rate	2.0%	2.5%	2.0%	2.0%	2.0%

The impairment tests were carried out as at January 31st 2023, revealing no need to recognise impairment losses.

(all amounts in PLN million unless stated otherwise)

In addition, a sensitivity analysis was carried out for the individual impairment tests, which showed their sensitivity to changes in key parameters.
The amount by which a key assumption would have to change (taking into account the effect of such change on the other variables) in order for the recoverable amount to equal the carrying amount is presented in the table below:

Jan 31 2023	CCC	HalfPrice	DeeZee	MODIVO	eobuwie
Increase in discount rate resulting in impairment loss	14.7pp	4.1pp	86.1pp	12.9pp	22.6pp
Decrease in average EBITDA margin resulting in impairment loss	9.3pp	5.1pp	10.2pp	3.1pp	8.8pp
Decrease in expected EBITDA CAGR during the forecast period (5 years) resulting in impairment loss	18.7pp	10.2pp	17.7pp	11.9pp	41.2pp

3.5. TAXATION

Income tax on the Group's profit before tax differs from the theoretical amount that would have been assessed using the weighted average tax rate applicable to consolidated profits of the companies.

	Feb 1–Jul 31 2023	Feb 1–Jul 31 2022
	unaudited, reviewed	unaudited, reviewed
Profit (loss) before tax	**-128.1**	**-202.4**
including profit (loss) from continuing operations	-128.1	-211.8
including profit (loss) from discontinued operations	–	9.4
Weighted average tax rate	19%	19%
Tax calculated at weighted average tax rate	24.3	38.5
Tax effects of the following items:		
non-taxable income	6.8	–
other non-deductible expenses (permanent differences)	-19.3	-7.3
tax relating to previous year	-8.7	–
Deferred tax on tax losses carried forward	28.4	–
tax losses with respect to which no deferred tax assets were recognised	-13.5	-26.4
temporary differences with respect to which no deferred tax assets were recognised	-27.2	-16.1
other adjustments	0.2	4.6
Income tax expense	**-9.0**	**-6.7**
including continuing operations	-9.0	-2.4
including discontinued operations	–	-4.3

SIGNIFICANT ESTIMATES REGARDING RECOGNITION OF DEFERRED TAX ASSETS. UNRECOGNISED DEFERRED TAX ASSETS

Realisation and reversal of temporary differences requires the Management Board to make significant estimates in respect of the expected taxable results of each Group entity. Recognition of deferred tax assets in excess of the recognised deferred tax liabilities indicates that it is probable that the Group will be able to realise future economic benefits.

The Management Board of CCC S.A. estimated the recoverable amount of deferred tax assets in the current and previous years. The assessment primarily included an analysis of taxable profit based on historical data and an analysis of the growth forecasts for the Group companies. Following an assessment of the potential use of tax losses at: CCC.eu Sp. z o.o. and CCC Shoes & Bags d.o.o. Beograd, the Management Board decided not to recognise deferred tax assets on tax losses incurred by the companies in the current year and in previous years. In the reporting period, the amount of unrecognised tax loss asset increased by PLN 16.5m. The amount of tax loss incurred in the reporting period by CCC.eu Sp. z o.o. was PLN 15.8m, and by CCC Shoes & Bags d.o.o. Beograd – PLN 0.7m. The total amount of unrecognised tax loss asset was PLN 210.3m (in the previous year: PLN 215.3m), relating mainly to CCC.eu Sp. z o.o. (PLN 206.4m). Under the applicable tax laws, the tax losses of these companies can be used over the period of five years.

4. DEBT; CAPITAL AND LIQUIDITY MANAGEMENT

4.1 CAPITAL MANAGEMENT

The purpose of capital risk management is to protect the Group's ability to continue its operations so as to ensure a return on capital for the shareholders and benefits for other stakeholders, and to maintain a cost-optimised capital structure.

In accordance with the Group's policy, the amount of dividend may not be lower than 33% or higher than 66% of the Group's consolidated net profit attributable to owners of the parent, provided that the ratio of net debt to EBITDA (understood as operating profit (loss) before depreciation and amortisation) as at the end of the financial year for which the dividend is to be distributed is less than 3.0. Under the New Financing Agreement, dividend may be paid on satisfaction of certain conditions, including: The Net Exposure / EBITDA ratio for the CCC Business Unit (the CCC Group excluding the Modivo Group i.e. the Modivo Business Unit) lower than 2.5, with the proviso that the dividend may not be paid earlier than two years after the execution of the said agreement.

For detailed information on the dividend policy and covenants, refer to the annual Directors' Report on the Group's operations. To maintain or adjust the capital structure, the Group may adjust the amount of dividends declared to be paid to shareholders, return capital to shareholders, issue new shares or sell assets in order to reduce debt.

Similarly to other entities in the industry, the Group monitors its capital using the debt ratio. The ratio is calculated as net debt to total equity. Net debt is calculated as total borrowings (comprising short- and long-term credit facilities and bonds issued as disclosed in the consolidated 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 consolidated statement of financial position and the net debt.

EARNINGS (LOSS) PER SHARE

In the six months ended July 31st 2023, basic and diluted loss per share was PLN 1.69, In the six months ended July 31st 2022, basic and diluted loss per share on continuing and discontinued operations was PLN 4.61.

4.2 BANK BORROWINGS AND BONDS

BANK BORROWINGS AND BONDS

The execution in the previous financial year of annexes to the New Financing Agreement and to the Common Terms Agreement, as well as the extension of bilateral financing with guarantees provided under Bank Gospodarstwa Krajowego's Emergency Guarantee Fund and additional financing documents between CCC S.A., its subsidiaries and financial institutions, were part of the CCC Business Unit's financing renewal efforts aimed at ensuring a stable long-term financing level. In parallel, as agreed with the institutions financing the CCC Business Unit's operations, the Group committed to reduce debt in the CCC Business Unit by PLN 320.0m by the end of 2023. A PLN 50.0m reduction in debt was achieved already in 2022 by reducing the available factoring and credit limits (see Current Report No. 39/2022 of December 21st 2022).

Repayment of the balance of PLN 270.0m was agreed in relation to the parts attributable to the respective banks participating in the financing syndicate and will be settled by the end of 2023. As at the reporting date, a further PLN 50.0m reduction in credit limits (see Current Report No. 32/2023 of May 31st 2023) was effected under the following financial instruments:

- Tranche B credit facility – by PLN 23.0m;
- Tranche C credit facility – by PLN 18.9m;
- Credit facility with guarantee from BGK – by PLN 8.1m.

In the remaining part of PLN 220m, the reduction will be achieved by reducing the limits and amounts available under bank credit and reverse factoring facilities.

Following the reduction in credit limits (as reported in Current Report No. 39/2022 of December 21st 2022), 337 CCC S.A. Series 1/2018 bonds with a nominal value of PLN 0.34m were redeemed early on April 17th 2023 (pari passu redemption).

In addition, on April 26th 2023, the availability period of the multi-purpose credit facility up to a total amount of PLN 260m contracted on October 26th 2017 by Modivo S.A. with Bank Polska Kasa Opieki S.A. was extended, its other terms and conditions unchanged, for the next 12 months, i.e. until April 29th 2024 (see Current Report No. 16/2023 of April 26th 2023).

On June 30th 2023, the subsidiary CCC Shoes & Bags Sp. z o.o. paid PLN 58.8m interest on bonds issued to PFR, accrued until June 30th 2023.

(all amounts in PLN million unless stated otherwise)

The following note presents data on borrowings and bonds in issue.

unaudited, reviewed	FINANCING OF THE CCC BUSINESS UNIT		FINANCING OF THE MODIVO BUSINESS UNIT		TOTAL
	BORROWINGS	BONDS	BANK BORROWINGS	BONDS	
As at Feb 1 2023	**1,084.8**	**581.5**	**230.1**	**629.8**	**2,526.2**
short-term	**272.4**	**23.4**	**230.1**	**629.8**	**1,155.7**
long-term	**812.4**	**558.1**	**–**	**–**	**1,370.5**
Proceeds from debt contracted					
Interest accrued	44.7	38.4	10.3	68.2	161.6
Debt-related payments					
- principal payments	-366.1	-0.3	–	–	-366.4
- interest paid	-45.1	-71.0	-9.7	–	-125.8
Increase due to change in overdraft facility amount	–	–	29.3	–	29.3
Decrease due to change in overdraft facility amount	-121.5	–	–	–	-121.5
Other non-cash changes	-19.4	–	–	–	-19.4
As at Jul 31 2023	**577.4**	**548.6**	**260.0**	**698.0**	**2,084.0**
short-term	**98.8**	**27.6**	**260.0**	**698.0**	**1,084.4**
Tranche A	*98.5*	–	–	–	*98.5*
Other (other credit facilities; credit cards)	*0.3*	–	*260.0*	–	*260.3*
Bonds issued to PFR	–	*1.4*	–	–	*1.4*
Bonds issued to Softbank	–	–	–	*698.0*	*698.0*
CCC0626 bonds	–	*26.2*	–	–	*26.2*
long-term	**478.6**	**521.0**	**–**	**–**	**999.6**
Tranche A	*229.3*	–	–	–	*229.3*
Credit facilities with guarantees from BGK	*249.3*	–	–	–	*249.3*
Bonds issued to PFR	–	*335.9*	–	–	*335.9*
CCC0626 bonds	–	*185.1*	–	–	*185.1*

As at July 31st 2023, the Group significantly reduced the amounts drawn under overdraft facilities and working capital facilities within the CCC Business Unit. The repayments were financed largely out of proceeds from the issue of CCC S.A. shares in May 2023.

(all amounts in PLN million unless stated otherwise)

audited	FINANCING OF THE CCC BUSINESS UNIT		FINANCING OF THE MODIVO BUSINESS UNIT		TOTAL
	BORROWINGS	BONDS	BANK BORROWINGS	BONDS	
As at Feb 1 2022	**1,132.3**	**560.9**	**253.4**	**513.0**	**2,459.6**
short-term	**288.3**	**3.3**	**253.4**	**–**	**545.0**
long-term	**844.0**	**557.6**	**–**	**513.0**	**1,914.6**
Proceeds from debt contracted					
- financing received	67.3	–	–	–	67.3
- transaction costs	-2.4	-1.1	0.6	–	-2.9
Interest accrued	101.5	63.7	11.1	116.8	293.1
Debt-related payments					
- principal payments	-41.7	–	-103.2	–	-144.9
- interest paid	-100.3	-42.0	-11.9	–	-154.2
Increase due to change in overdraft facility amount	–	–	80.1	–	80.1
Decrease due to change in overdraft facility amount	-92.3	–	–	–	-92.3
Other non-cash changes	20.4	–	–	–	20.4
As at Jan 31 2023	**1,084.8**	**581.5**	**230.1**	**629.8**	**2,526.2**
short-term	**272.4**	**23.4**	**230.1**	**629.8**	**1,155.7**
Tranche A	*66.5*	–	–	–	*66.5*
Tranche B	*54.3*	–	–	–	*54.3*
Tranche C	*87.5*	–	–	–	*87.5*
Loan	*19.4*	–	–	–	*19.4*
Credit facilities with guarantees from BGK	*41.0*	–	–	–	*41.0*
Other (other credit facilities; credit cards)	*3.7*	–	*230.1*	–	*233.8*
Bonds issued to PFR	–	*1.5*	–	–	*1.5*
Bonds issued to Softbank	–	–	–	*629.8*	*629.8*
CCC0626 bonds	–	*21.9*	–	–	*21.9*
long-term	**812.4**	**558.1**	**–**	**–**	**1,370.5**
Tranche A	*285.1*	–	–	–	*285.1*
Tranche B	*151.3*	–	–	–	*151.3*
Tranche C	*38.7*	–	–	–	*38.7*
Credit facilities with guarantees from BGK	*337.3*	–	–	–	*337.3*
Bonds issued to PFR	–	*368.7*	–	–	*368.7*
CCC0626 bonds	–	*189.4*	–	–	*189.4*

(all amounts in PLN million unless stated otherwise)

CONTRACTUAL MATURITIES OF FINANCIAL LIABILITIES

Jul 31 2023	CONTRACTUAL MATURITIES FROM THE END OF THE REPORTING PERIOD					TOTAL UNDISCOUNTED	CARRYING AMOUNT
unaudited, reviewed	UP TO 3 MONTHS	3–12 MONTHS	1–3 YEARS	3–5 YEARS	OVER 5 YEARS		
Bank borrowings	283.8	132.3	502.4	–	–	918.5	837.4
Bonds	25.6	621.1	379.7	141.7	360.0	1,528.1	1,246.6
Trade payables	912.9	397.3	–	–	–	1,310.2	1,310.2
Factoring liabilities	342.3	156.3	–	–	–	498.6	498.6
Returns liabilities	84.2	–	–	–	–	84.2	84.2
Liabilities arising from obligation to purchase non-controlling interests	180.0	–	10.5	–	–	190.5	190.5
Derivative financial instruments embedded in bonds issued to PFR – Equity Kicker	–	–	–	–	5.0	5.0	5.0
Lease liabilities	204.6	493.8	1,168.1	584.0	460.8	2,911.3	1,698.9
Total financial liabilities	**2,033.4**	**1,800.8**	**2,060.7**	**725.7**	**825.8**	**7,446.4**	**5,871.4**

Jan 31 2023	CONTRACTUAL MATURITIES FROM THE END OF THE REPORTING PERIOD					TOTAL UNDISCOUNTED	CARRYING AMOUNT
audited	UP TO 3 MONTHS	3–12 MONTHS	1–3 YEARS	3–5 YEARS	OVER 5 YEARS		
Bank borrowings	262.2	309.9	884.8	–	–	1,456.9	1,314.9
Other borrowings	0.5	1.5	19.4	–	–	21.4	19.4
Bonds	12.9	53.1	627.9	255.6	376.0	1,325.5	1,211.3
Trade payables	1,051.2	87.4	–	–	–	1,138.6	1,138.7
Factoring liabilities	183.5	67.3	–	–	–	250.8	250.8
Returns liabilities	83.4	–	–	–	–	83.4	83.4
Liabilities arising from obligation to purchase non-controlling interests	–	180.0	36.2	–	–	216.2	204.4
Derivative financial instruments embedded in bonds issued to PFR – Equity Kicker	–	–	–	–	6.5	6.5	6.5
Lease liabilities	165.8	379.9	868.3	434.2	235.5	2,083.7	1,779.7
Total financial liabilities	**1,759.5**	**1,079.1**	**2,436.6**	**689.8**	**618.0**	**6,583.0**	**6,009.1**

(all amounts in PLN million unless stated otherwise)

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

unaudited, unreviewed	TRADE AND OTHER RECEIVABLES	TRADE AND OTHER PAYABLES AND OTHER LIABILITIES
Change recognised in statement of cash flows		
As at Feb 1 2023	322.5	1,859.9
As at Jul 31 2023	363.6	2,254.5
Change in statement of financial position	**-41.1**	**394.6**
Difference due to:		
Changes in investment liabilities/receivables	-2.5	31.9
Adjustment for change in balances due to acquisition of subsidiaries	1.3	-3.4
Loan from Gino Rossi offset against receivables	-19.4	–
Accounting for receivables in connection with acquisition of CCC Ukraina Sp. z o.o.	-12.2	–
Other	0.1	0.2
Change recognised in statement of cash flows	**-73.8**	**423.3**

unaudited, unreviewed	TRADE AND OTHER RECEIVABLES	TRADE AND OTHER PAYABLES AND OTHER LIABILITIES
Change recognised in statement of cash flows		
As at Feb 1 2022	519.5	1,856.0
As at Jul 31 2022	444.2	2,154.6
Change in statement of financial position	**75.3**	**298.6**
Difference due to:		
Changes in investment liabilities/receivables	-0.9	-15.6
Adjustment for change in balances due to acquisition of subsidiaries	–	-15.5
Adjustment for change in long-term receivables/liabilities	0.8	–
Adjustment for change due to disposal of subsidiary	-5.9	52.9
Change recognised in statement of cash flows	**69.3**	**320.4**

	Feb 1–Jul 31 2023	Feb 1–Jul 31 2022
	unaudited, reviewed	unaudited, reviewed
Other adjustments to profit before tax:		
Accrued interest and exchange differences	-3.5	-6.4
Change in provisions	-0.9	-2.3
Measurement of employee option plan	5.1	8.6
Valuation of options to purchase non-controlling interests in eobuwie.pl and DeeZee	-14.0	-4.8
Measurement of derivative instruments	-2.0	1.6
Changes in right-of-use asset and lease liability	-84.5	31.8
Other	-2.8	-18.2
Total	**-102.6**	**10.3**

(all amounts in PLN million unless stated otherwise)

5. NOTES TO THE INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

CHANGE IN IMPAIRMENT LOSSES/WRITE-DOWNS ON ASSETS AND IN ALLOWANCES FOR EXPECTED CREDIT LOSSES

Impairment losses unaudited, reviewed	PROPERTY, PLANT AND EQUIPMENT – OTHER	PROPERTY, PLANT AND EQUIPMENT – LEASEHOLD IMPROVEMENTS	RIGHT-OF-USE ASSETS	GOODWILL	INVENTORIES	TRADE RECEIVABLES	OTHER RECEIVABLES	LOANS
As at Feb 1 2023	**0.1**	**5.3**	**19.8**	**21.8**	**70.4**	**100.8**	**0.9**	**130.2**
Increase	–	3.0	0.8	–	24.7	15.2	–	–
Used	–	-0.3	-0.1	–	-2.8	–	–	–
Reversed	–	–	–	–	-2.1	-7.8	-0.1	–
Transfer to discontinued operations	–	–	–	–	–	–	–	–
Other	-0.1	-0.2	-1.0	–	–	–	–	–
As at Jul 31 2023	**–**	**7.8**	**19.5**	**21.8**	**90.2**	**108.2**	**0.8**	**130.2**

Impairment losses audited	PROPERTY, PLANT AND EQUIPMENT – OTHER	PROPERTY, PLANT AND EQUIPMENT – LEASEHOLD IMPROVEMENTS	RIGHT-OF-USE ASSETS	GOODWILL	INVENTORIES	TRADE RECEIVABLES	OTHER RECEIVABLES	LOANS
As at Feb 1 2022	**0.1**	**8.6**	**21.8**	**21.8**	**37.8**	**60.4**	**–**	**130.2**
Increase	0.7	–	–	–	54.8	52.8	0.9	–
Used	–	-0.7	-0.8	–	-5.8	-3.5	–	–
Reversed	–	-0.1	-0.3	–	-16.4	-8.9	–	–
Transfer to discontinued operations	-0.7	-2.9	-1.1	–	–	–	–	–
Other	–	0.4	0.2	–	–	–	–	–
As at Jan 31 2023	**0.1**	**5.3**	**19.8**	**21.8**	**70.4**	**100.8**	**0.9**	**130.2**

(all amounts in PLN million unless stated otherwise)

6. OTHER NOTES

6.1 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

	Jul 31 2023		Jan 31 2023	
	unaudited, reviewed		audited	
	FINANCIAL ASSETS	FINANCIAL LIABILITIES	FINANCIAL ASSETS	FINANCIAL LIABILITIES
Financial assets at amortised cost	**559.5**	**–**	**566.8**	**–**
Loans	–	–	–	–
Trade receivables	131.5	–	143.8	–
Lease receivables	0.1	–	0.3	–
Receivables from sale of property, plant and equipment	2.3	–	5.4	–
Receivables from sale of shares	2.5	–	21.9	–
Cash and cash equivalents	423.1	–	395.4	–
Financial assets measured at fair value through profit or loss	**11.2**	**–**	**11.2**	**–**
Other financial assets (shares)	11.2	–	11.2	–
Financial liabilities at amortised cost	**–**	**5,855.9**	**–**	**5,952.1**
Financing liabilities	–	2,084.0	–	2,526.2
Trade and other payables	–	1,808.8	–	1,389.5
Returns liabilities	–	84.2	–	83.4
Lease liabilities	–	1,698.9	–	1,779.7
Liabilities arising from obligation to purchase non-controlling interests	–	180.0	–	173.3
Financial liabilities measured at fair value through profit or loss	**–**	**24.1**	**–**	**57.3**
Liabilities arising from obligation to purchase non-controlling interests	–	10.5	–	31.1
Derivative financial instruments embedded in bonds issued to PFR – Equity Kicker	–	5.0	–	6.5
Derivative financial instruments (forwards)	–	1.9	–	3.9
Derivative financial instruments embedded in bonds convertible into Modivo shares – voluntary conversion option	–	6.7	–	15.8

The Group classifies other financial assets (shares), derivative financial instruments embedded in bonds issued to PFR – Equity Kicker, liabilities arising from obligation to purchase non-controlling interests, and derivative financial instruments embedded in bonds convertible into Modivo shares – voluntary conversion option at level 3 of the fair value hierarchy. Derivative financial instruments – forwards are classified at level 2 of the fair value hierarchy.

Liabilities arising from obligation to purchase non-controlling interests – DeeZee option

The Group measures the options to sell non-controlling interests at fair value. As at the reporting date, their exercise dates and values were as follows:

Company	Amount as at Feb 1 2023	Effect of measurement at fair value	Amount as at Jul 31 2023	Exercise date (possibility to exercise option on the initial date)
DeeZee Sp. z o.o.	31.1	-20.6	10.5	July 31st 2024

Company	Amount as at Feb 1 2022	Effect of measurement at fair value	Amount as at Jan 31 2023	Exercise date (possibility to exercise option on the initial date)
DeeZee Sp. z o.o.	64.9	-33.8	31.1	July 31st 2024

The fair value measurement of the DeeZee Sp. z o.o. option was recognised in liabilities arising from the obligation to purchase non-controlling interests. The main factor determining the valuation of options to purchase non-controlling interests in DeeZee sp. z o.o. is the projected level of EBITDA and net debt at the option exercise dates. The relevant EBITDA multipliers provided for in the investment agreements were used to determine the value of the future liability. Following a review of the forecasts received from that company, which are used as the main parameter affecting the measurement of financial instruments under the option to buy shares, the value of the financial instrument from option measurement was remeasured and recognised in the statement of comprehensive income under finance income in the amount of PLN 20.7m. The liability was measured at fair value as at the reporting date, using a discount rate of 11.1% (9.1% for the reference period).

(all amounts in PLN million unless stated otherwise)

Given the high probability that the obligation would be performed, the liability is presented under non-current liabilities.

The table below presents a sensitivity analysis of the valuation of the option to buy non-controlling interests.

Company	Initial value of the option	+10% change in EBITDA	Difference	-10% change in EBITDA	Difference
DeeZee	10.4	11.5	1.1	9.3	-1.1

Liabilities arising from obligation to purchase non-controlling interests – MKK3 Put Option

On December 21st 2022, an annex was signed with MKK3 amending certain terms of the Put Option to purchase 4.99% of Modivo shares. As a result, the option is unconditionally exercisable in the period from July 1st 2023 to June 30th 2026, with the proviso that it will be extinguished upon an IPO of Modivo shares. The option exercise price is PLN 180.0m. The liability was recognised at nominal amount, taking into account a discount rate (corresponding to the effective interest rate) of 9.1%. The liability is measured at amortised cost, in correspondence with profit or loss.

Company	Amount as at Feb 1 2023	Effect of fair value measurement of options to purchase non-controlling interests (amortised cost)	Amount as at Jul 31 2023	Exercise date (possibility to exercise option on the initial date)
Modivo S.A.	173.5	6.5	180.0	July 1st 2023

Company	Amount as at Feb 1 2022	First-time recognition of liability under MKK3 PUT Option	Effect of fair value measurement of options to purchase non-controlling interests (amortised cost)	Amount as at Jan 31 2023	Exercise date (possibility to exercise option on the initial date)
Modivo S.A.	–	171.6	1.9	173.5	July 1st 2023

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

The Group measures at fair value the derivative instrument containing a potential obligation under an 'Equity Kicker' related to the issue of bonds subscribed for by PFR Inwestycje Fundusz Inwestycyjny Zamknięty. The Equity Kicker is an obligation of the issuer to pay a premium to PFR based on an algorithm agreed between PFR and the Group. The derivative instrument based on the valuation of Modivo shares was therefore separated (bifurcated) and measured at fair value amounting to PLN 5.0m as at the reporting date. The change in measurement in the current reporting period was PLN 1.5m and was recognised under finance income.

The valuation of that instrument was prepared by independent experts. The valuation was carried out using the Black-Scholes model, based on the following key assumptions:

- Number of shares covered by the Equity Kicker option – 0.72 million
- Expiry date of the Equity Kicker option – September 22nd 2028
- Risk-free rate – 5.26%
- Maximum duration of the instrument – 7 years
- Base rate (3M WIBOR) for the first interest period – 0.24%

Derivative financial instruments embedded in bonds issued to PFR − Equity Kicker	Feb 1–Jul 31 2023	Feb 1 2022–Jan 31 2023
	unaudited, reviewed	audited
At beginning of period	**6.5**	**19.9**
Remeasurement	-1.5	-13.4
At end of period	**5.0**	**6.5**

(all amounts in PLN million unless stated otherwise)

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

The Group measures at fair value the derivative instrument embedded in the agreement for the issue of bonds convertible into shares subscribed for by a Softbank Group company. Detailed information on the instrument is included in the full-year consolidated financial statements for 2022. The derivative instrument based on the valuation of Modivo shares was therefore separated (bifurcated) and measured as at the reporting date at fair value amounting to PLN 6.7m. The difference between the carrying amount of the embedded instrument as at July 31st 2023 and its amount as at January 31st 2023 was PLN 9.1m, recognised under finance income.

The valuation of that instrument was prepared by independent experts. The valuation was carried out using the Black-Scholes model, based on the following key assumptions:

- Contractual option expiry date – August 23rd 2024
- Risk-free rate – 5.53%
- Maximum duration of the option – 3 years
- Base rate (3M WIBOR) for the first interest period – 0.24%
- Repayment of contractual interest at a fixed rate of 6.99% per annum – no.

Derivative financial instruments embedded in bonds convertible into Modivo S.A. shares − voluntary conversion option	Feb 1–Jul 31 2023	Feb 1 2022–Jan 31 2023
	unaudited, reviewed	audited
At beginning of period	**15.8**	**14.6**
Remeasurement	-9.1	1.2
At end of period	**6.7**	**15.8**

According to the Group's assessment, the fair value of variable-interest loans, trade receivables, receivables due from sale of property, plant and equipment, lease receivables, cash and cash equivalents, derivative financial instruments, current variable-interest financing liabilities, trade and other payables, as well as returns liabilities does not differ materially from the respective carrying amounts due to the short maturities. In the case of non-current variable-interest financing liabilities and lease liabilities, the fair value does not differ materially from their carrying amounts. In the opinion of the Group, the variable interest rates correspond to market interest rates. The fair value of the CCC0626 variable-rate bonds, listed on the regulated Catalyst market, is PLN 199.2m (carrying amount: PLN 211.3m).

6.2 ACQUISITION OF SUBSIDIARIES AND ASSOCIATES

Before the outbreak of the war in Ukraine, the Group operated in Ukraine under a franchise model. As a result of the war, the Group acquired CCC Ukraina Sp. z o.o. in order to commence operations in the Ukrainian market via its own sales network.

On February 8th 2023, following fulfilment of the conditions precedent under a preliminary share purchase agreement, the CCC Group acquired control of CCC Ukraina Sp. z o.o. of Lviv as part of a transaction to settle the CCC Group's claims against CCC Ukraina Sp. z o.o.'s existing shareholder. In the transaction, CCC S.A. acquired 75.1% of shares in CCC Ukraina Sp. z o.o. for a price of PLN 12.2m, which was paid on a non-cash basis through an offset of claims between a CCC Group entity and the existing shareholder of CCC Ukraina Sp. z o.o.

Under the agreement signed between the parties, the CCC Group has the right to purchase, and the existing shareholder has the right to sell, the remaining shareholding in CCC Ukraina Sp z o.o., i.e. 23.9% of its shares, following approval of the financial statements of CCC Ukraina Sp z o.o. for the financial year ended January 31st 2028, at a price equal to six times EBITDA for the year ended January 31st 2028 multiplied by the 23.9% interest. As the Group has the right, but not the obligation, to purchase the remaining shareholding, no liabilities were recognised on this account.

Presented below is CCC Ukraina Sp. z o.o.'s balance-sheet data as at the acquisition date, i.e. February 8th 2023, translated at the exchange rate effective on February 8th 2023 (UAH 1=PLN 0.1258).

CCC Ukraina Sp. z o.o.'s revenue recognised in the consolidated statement of comprehensive income as from February 8th 2023 was PLN 21.1m. In the same period, the company's net profit was PLN 0.6m.

(all amounts in PLN million unless stated otherwise)

Recognised fair values of identifiable acquired assets and liabilities (PLNm) as at February 8th 2023	CCC Ukraina Sp. z o.o.
Non-current assets	
Intangible assets	0.1
Property, plant and equipment – leasehold improvements	5.3
Property, plant and equipment – manufacturing and distribution	0.1
Right-of-use assets	20.1
Deferred tax assets	1.1
Total non-current assets	**26.7**
Current assets	
Inventories	10.0
Trade receivables	–
Other receivables	1.3
Cash and cash equivalents	1.8
Total current assets	**13.1**
Total assets	**39.8**
Non-current liabilities	
Lease liabilities	15.4
Total non-current liabilities	**15.4**
Current liabilities	
Trade payables	2.9
Other liabilities	0.5
Provisions	0.1
Lease liabilities	4.8
Total current liabilities	**8.3**
Total liabilities	**23.7**
Net assets	**16.2**
Non-controlling interests measured at the current ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets	4.0
Consideration for acquisition	12.2
Goodwill determined	**–**

(all amounts in PLN million unless stated otherwise)

6.3 RELATED-PARTY TRANSACTIONS

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

	Proceeds from related-party transactions	Purchases from related parties	Proceeds from related-party transactions	Purchases from related parties
	Feb 1–Jul 31 2023	Feb 1–Jul 31 2023	Feb 1–Jul 31 2022	Feb 1–Jul 31 2022
	unaudited, reviewed	unaudited, reviewed	unaudited, reviewed	unaudited, reviewed
ASSOCIATES	–	3.2	–	4.3
ENTITIES RELATED TO KEY MANAGEMENT PERSONNEL	-0.9	10.1	–	37.7
Total	**-0.9**	**13.3**	**–**	**42.0**

	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)
	Jul 31 2023	Jul 31 2023	Jan 31 2023	Jan 31 2023
	unaudited, reviewed	unaudited, reviewed	audited	audited
ASSOCIATES	1.5	–	3.9	–
ENTITIES RELATED TO KEY MANAGEMENT PERSONNEL	3.8	13.3	–	–
Total	**5.3**	**13.3**	**3.9**	**–**

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

In addition, the CCC Group entered into an agency agreement with Giro Trading Prosta Spółka Akcyjna ("Giro") as the agent, under which Giro receives a contractual agency fee of substantially 3% (of the value of purchases made through the agency of Giro), and CCC Group companies executed transactions with Giro comprising PLN 67.4m in purchases and PLN 3.8m in sales for the reporting period (PLN 0.0 and PLN 0.0, respectively, for the period February 1st–July 31st 2022).

Based on an analysis performed, it was determined that Giro was not a related party, nor an entity related to any member of the Group's governing bodies. However, in view of the significant role played by one member of the Group's parent governing body in establishing that entity, the Group – seeking to ensure transparency and access to information – has disclosed transactions with the entity despite the fact that they do not formally meet the criteria requiring their disclosure as related-party transactions.

6.4 SHARE-BASED PAYMENTS

Incentive scheme for the CCC Management Board implemented in 2021–2024

As described in the consolidated financial statements for the financial year ended January 31st 2023, Management Board members are awarded variable remuneration components, including a long-term bonus linked to CCC S.A. value growth, understood as appreciation of its share price, which is awarded to each member of the Management Board for two periods: one already ended and the second running from August 1st 2021 to July 31st 2024.

The long-term bonus for period two was valued by an external expert using the Black-Scholes model. The number of rights to benefit from share appreciation (number of options) used in the valuation was 200,000, with June 22nd 2021 – July 31st 2024 as the vesting period. The value of a single right to benefit from share appreciation (value of a single option) used in the valuation was PLN 1.19. The assumed risk-free rate was 5.54% and the expected volatility of the share price was 52%. The duration of the option is one year.

In the statement of financial position, a provision of PLN 0.2m related to the valuation of the incentive scheme was recognised under other current liabilities (January 31st 2023: PLN 0.2m).

Incentive scheme for key personnel of the Modivo Group implemented in 2021–2025

As described in the consolidated financial statements for the financial year ended January 31st 2023, key management personnel of Modivo S.A. and its subsidiaries are granted the right to subscribe for and/or acquire shares in Modivo S.A. Participation in the scheme and the number of rights granted began to be communicated to the scheme participants on January 14th 2022, which date was considered the start of service by the participants and the start of the vesting period. The list of participants was finally approved by the Supervisory Board on February 7th 2022 (grant date) and the fair value of the equity instruments granted was determined as at that date.

(all amounts in PLN million unless stated otherwise)

The scheme was to remain in effect until August 31st 2024 or until Modivo's majority shareholder sold, in a single transaction or a series of transactions, no less than 50% of Modivo shares or lost the majority of votes as a result of the acquisition of shares by another entity, whichever occurred earlier. The vesting of the rights under the scheme is conditional upon the participant's continuing relationship with Modivo or any Modivo Group company until the settlement date, and on the company's market value reaching at least PLN 8.0bn. The scheme provides for the issue of up to 7,680,500 rights (shares). As the successive thresholds of the Company's valuation are exceeded, the number of rights acquired by the scheme participants will grow.

On June 27th 2023, a modification of the incentive scheme was approved to enhance its incentivising effect, consisting in the following key elements:

- Reduction of the valuation thresholds for 100% of Modivo's equity triggering the exercise of rights, including reduction of the first threshold from PLN 8bn to PLN 6bn;
- Allocation of significantly more rights to the first valuation threshold for 100% of Modivo's equity, i.e. PLN 6bn; and
- Addition of a provision that the scheme would end on the date of introduction of Modivo shares to trading on the regulated market, alongside the provision that the scheme would end on December 31st 2025 (originally August 31st 2024) or at the time when more than 50% of Modivo shares are sold by its majority shareholder, whichever occurs earlier. (The Group assumed that the most likely scenario was that the scheme would end at the time of introduction of Modivo shares to trading on the regulated market (IPO), and therefore the Group accounts for the scheme over the period ending on the planned IPO date, i.e. May 2024).

The modification concerns rights granted under the scheme as previously in effect (Stages 1 and 2), which continue to be included in the scheme as at the amendment date, i.e. June 27th 2023. In order to determine the cost of the modification, which increases the fair value of the equity instruments granted, a valuation was performed for the pre- and post-modification version of the scheme as at June 27th 2023. The difference between the two valuations (excess) would be accounted for over the remaining term of the modified scheme. On the other hand, the cost of the valuation as at the original vesting date (February 7th 2022 and July 31st 2022) would continue to be accounted for, adjusted only for departures of the scheme participants. The new aggregate number of Stage 1 and Stage 2 rights remaining under the scheme as at June 27th 2023 was 392,673.

In addition, 165,780 new rights were granted as part of Stage 3 of the scheme in June 2023.

The valuation was performed by an independent expert. Key assumptions adopted in the model are presented in the following table:

	Valuation as at January 31st 2023	Valuation as at July 31st 2023 – Stages 1 and 2 – before the modification	Valuation as at July 31st 2023 – Stages 1 and 2 – incremental value after the amendment	Valuation as at July 31st 2023 – Stage 3
The valuation model used:	Monte Carlo	Monte Carlo		
Number of rights (number of shares / stock options):	637,789.0	392,673		165,780.0
valuation date/valuation date – scheme modification date	February 7th 2022 for 630,177 rights and August 1st 2022 for 7,612 rights (before adjustment for participant departures)		June 27th 2023	
(Option) exercise period:	2-year period from the scheme's end			
Expected share price volatility	February 7th 2022 – 31.0% August 1st 2022 – 38.9%		35.6%	
Estimated cost of the scheme (PLNm)	**44.0**	**27.7**	**15.8**	**12.7**
Total estimated cost of the scheme (PLNm)	**44.0**	**56.3**		

The cost of the scheme recognised in the period covered by these financial statements was PLN 2.9m, compared with PLN 8.6m in the corresponding period of the previous year, and was recognised in administrative expenses under salaries, wages and employee benefits, in correspondence with non-controlling interests (a lower cost relative to the comparative period is attributable, among other things, to an adjustment of the number of rights used in the valuation of the entire scheme due to failure to meet the vesting conditions by some employees, who ended their relationship with Modivo). The cumulative cost of the scheme recognised until July 31st 2023 was PLN 20.3m.

6.5 EVENTS AFTER REPORTING DATE

On August 7th 2023, CCC S.A. announced that requests for pari passu redemption of 125,901 bonds had been submitted in connection with the offer of voluntary early redemption concerning bonds with a maximum aggregate nominal value of PLN 8,898,000.0. The Company redeemed 8,898 bonds, pro rata to the number of bonds covered by the redemption requests (pari passu redemption), in accordance with the rules set out in the relevant regulations of the Central Securities Depository of Poland. The pari passu redemption took place on August 10th 2023. At the redemption, the issuer paid interest accrued on the bonds being redeemed, as discussed in Note 4.2.

On August 31st 2023, the General Meeting of CCC S.A. passed a resolution to transfer an organised part of business of CCC S.A. engaged in logistics operations and a similar organised part of business of CCC Factory Sp. z o.o. to CCC.eu Sp. z o.o., with effect from September 1st 2023. As a result, CCC S.A. and CCC Factory Sp. z o.o. were to acquire new shares issued by CCC.eu Sp. z o.o. in exchange for the transferred non-cash contributions (organised parts of business).

On September 28th 2023, CCC S.A. and CCC Factory Sp. z o.o. decided to abandon plans to merge the two companies based on the merger plan of July 28th 2023 agreed and signed by CCC S.A. and CCC Factory Sp. z o.o., and not to notify the merger and the resulting changes to the Business Register of the National Court Register. The Group concluded that the best way to simplify the CCC Group's corporate structure would be by merging CCC Factory Sp. z o.o. with CCC.eu Sp. z o.o. through transfer of all assets of CCC Factory Sp. z o.o. to CCC.eu Sp. z o.o. (merger through acquisition). As part of the merger, the sole shareholder of CCC Factory Sp. z o.o., i.e. CCC S.A., would receive CCC.eu Sp. z o.o.'s own shares purchased as a result of the merger. These steps are consistent with the CCC Group's earlier decision to simplify its corporate structure.

On August 31st 2023, CCC S.A. made a further partial reduction of its debt towards the bank syndicate consisting of mBank S.A. (the agent), Bank Polska Kasa Opieki S.A. (the security agent), Bank Handlowy w Warszawie S.A., Bank Millennium S.A., BNP Paribas Bank Polska S.A., Bank Polska Kasa Opieki S.A., mBank S.A., Powszechna Kasa Oszczędności Bank Polski S.A., Santander Bank Polska S.A. and Santander Factoring Sp. z o.o., and Bank Handlowy w Warszawie S.A. under a bilateral credit agreement secured by a guarantee issued under a portfolio guarantee scheme of the PLG-FGK BGK Emergency Guarantee Fund.
The total reduction of credit limits made on August 31st 2023 through agreed debt prepayments was PLN 64.3m, constituting another stage of the previously communicated debt reduction plan.
As the credit limits reduced through the additional early reduction (prepayments referred to above) were not fully restored or renewed within 60 days of the reduction date, on September 15th 2023 CCC S.A. announced early redemption of its Series 1/2018 Bonds (the "Pari Passu Redemption"). The Pari Passu Redemption is to cover 11,414 Bonds, with a nominal value of PLN 11.4m, as reported in Current Report No. 52/2023 of September 15th 2023.

On September 6th 2023, CCC S.A. together with CCC Shoes & Bags Sp. z o.o. signed an annex amending the agreement with Modivo S.A.'s minority shareholder (MKK3 Sp. z o.o.) concerning the obligation to purchase the minority shareholder's interest in Modivo S.A. The related liability is disclosed by the CCC Group in its consolidated financial statements in the full amount, i.e. PLN 180.0m. The annex provided for interest to be accrued on the liability under the option if the option was not exercised starting from January 1st 2024 (subject to approval by the finance providers, which was granted to the Company on October 2nd 2023), and the possibility of exercising the option in up to three tranches, of which a single tranche may not involve less than 10% of the shares covered by the option. The annex also amends the vesting date for MKK3 Sp. z o.o.'s option to October 3rd 2023 (previously: July 1st 2023). The option expiry date remains unchanged, i.e. the option will expire on June 30th 2026 or if the initial public offering is carried out.

INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS FOR THE SIX MONTHS

from February 1st 2023
to July 31st 2023

INTERIM CONDENSED SEPARATE STATEMENT OF COMPREHENSIVE INCOME

	Feb 1–Jul 31 2023	Feb 1–Jul 31 2022	May 1–Jul 31 2023	May 1–Jul 31 2022
	unaudited, reviewed	unaudited, reviewed	unaudited, unreviewed	unaudited, unreviewed
Continuing operations				
Revenue	1,289.8	1,307.7	698.5	761.5
Cost of sales	-923.5	-919.6	-521.2	-575.1
Gross profit	**366.3**	**388.1**	**177.3**	**186.4**
Costs of points of purchase and distribution	-314.5	-348.5	-154.3	-180.4
Administrative expenses	-38.9	-36.7	-19.6	-18.0
Other income	20.7	40.4	14.4	37.2
Other expenses	-2.5	-10.6	-0.9	-6.1
(Recognition) / Reversal of loss allowances (impairment losses on receivables)	-10.1	-10.4	-10.4	-10.4
Operating profit (loss)	**21.0**	**22.3**	**6.5**	**8.7**
Finance income	140.0	52.1	117.6	42.4
(Recognition) / Reversal of loss allowances (loans and sureties provided)	45.4	-77.1	45.4	-77.1
Impairment losses on shares	-9.2	–	5.4	–
Finance costs	-62.6	-56.4	-33.9	-24.8
Profit (loss) before tax	**134.6**	**-59.1**	**141.0**	**-50.8**
Income tax	17.3	3.3	14.8	15.4
Net profit (loss)	**151.9**	**-55.8**	**155.8**	**-35.4**
Total comprehensive income	**151.9**	**-55.8**	**155.8**	**-35.4**
Weighted average number of ordinary shares (million)	**63.0**	**54.9**	**68.2**	**54.9**
Basic earnings (loss) per share (PLN)	**2.41**	**-1.02**	**2.28**	**-0.64**
Diluted earnings (loss) per share (PLN)	**2.41**	**-1.02**	**2.28**	**-0.64**

(all amounts in PLN million unless stated otherwise)

INTERIM CONDENSED SEPARATE STATEMENT OF FINANCIAL POSITION

	Jul 31 2023	Jan 31 2023
	unaudited, reviewed	audited
Intangible assets	4.2	5.1
Goodwill	48.8	48.8
Property, plant and equipment – leasehold improvements	274.8	274.6
Property, plant and equipment – distribution	196.6	205.1
Property, plant and equipment – other	72.5	69.2
Right-of-use assets	402.6	419.0
Deferred tax assets	60.1	39.9
Loans	1,492.2	980.1
Long-term investments	437.6	434.6
Long-term receivables	0.1	–
Lease receivables	94.5	107.7
Non-current assets	**3,084.0**	**2,584.1**
Inventories	360.3	381.7
Trade receivables	68.9	72.1
Income tax receivable	18.8	15.4
Loans	49.4	26.8
Other receivables	18.7	45.3
Cash and cash equivalents	118.4	38.0
Lease receivables	30.9	30.4
Current assets	**665.4**	**609.7**
TOTAL ASSETS	**3,749.4**	**3,193.8**
Liabilities under borrowings and bonds	774.7	807.2
Provisions	5.0	5.1
Grants received	15.0	15.1
Lease liabilities	449.2	509.9
Oher non-current liabilities	1.9	2.3
Other non-current financial liabilities	5.0	6.5
Non-current liabilities	**1,250.8**	**1,346.1**
Liabilities under borrowings and bonds	23.2	55.0
Trade and other payables	251.4	171.1
Other liabilities	117.0	121.7
Provisions	27.3	63.6
Grants received	0.5	0.5
Lease liabilities	200.6	210.7
Current liabilities	**620.0**	**622.6**
TOTAL LIABILITIES	**1,870.8**	**1,968.7**
NET ASSETS	**1,878.6**	**1,225.1**

(all amounts in PLN million unless stated otherwise)

Equity		
Share capital	6.9	5.5
Share premium	1,648.2	1,148.0
Retained earnings	223.5	71.6
TOTAL EQUITY	**1,878.6**	**1,225.1**
TOTAL EQUITY AND LIABILITIES	**3,749.4**	**3,193.8**

(all amounts in PLN million unless stated otherwise)

INTERIM CONDENSED SEPARATE STATEMENT OF CASH FLOWS

	Feb 1–Jul 31 2023	Feb 1–Jul 31 2022	May 1–Jul 31 2023	May 1–Jul 31 2022
	unaudited, reviewed	unaudited, reviewed	unaudited, unreviewed	unaudited, unreviewed
Profit (loss) before tax	**134.6**	**-59.1**	**141.0**	**-50.8**
Depreciation/amortisation	72.1	92.8	32.0	44.7
(Gain)/loss from investing activities	9.8	9.3	-5.0	7.7
Borrowing costs	59.1	44.7	31.7	24.6
Other adjustments to profit before tax	-174.3	28.8	-115.4	20.8
Income tax paid	-5.8	-18.8	-3.2	-6.7
Cash flow before changes in working capital	**95.5**	**97.7**	**81.1**	**40.3**
Changes in working capital				
Change in inventories and inventory write-downs	21.4	33.5	41.5	38.9
Change in receivables	-3.1	-64.3	-13.2	-20.2
Change in current liabilities, net of borrowings and bonds	126.0	3.0	93.1	-49.1
Net cash flows from operating activities	**239.8**	**69.9**	**202.5**	**9.9**
Proceeds from sale of property, plant and equipment	0.1	0.5	0.1	0.2
Proceeds from settlement of leasehold improvements with landlords	9.4	23.3	3.8	12.2
Repayment of loans and payment of interest	9.5	11.4	1.1	11.2
Purchase of intangible assets and property, plant and equipment	-27.9	-50.4	-11.0	-36.1
Loans	-500.9	-35.2	-328.0	-4.2
Other cash provided by investing activities	15.5	8.7	8.1	4.5
Net cash flows from investing activities	**-494.3**	**-41.7**	**-325.9**	**-12.2**
Proceeds from borrowings	0.0	11.6	-0.1	6.3
Share issue	501.6	0.0	212.3	0.0
Lease payments	-72.4	-82.8	-36.4	-28.5
Interest paid	-94.0	-32.7	-84.1	-27.0
Repayment of borrowings	-0.3	0.0	0.0	0.0
Net cash flows from financing activities	**334.9**	**-103.9**	**91.7**	**-49.2**
TOTAL CASH FLOWS	**80.4**	**-75.7**	**-31.7**	**-51.5**
Net increase/decrease in cash and cash equivalents	80.4	-75.7	-31.7	-51.5
Cash and cash equivalents at beginning of period	**38.0**	**126.1**	**150.1**	**101.9**
Cash and cash equivalents at end of period	**118.4**	**50.4**	**118.4**	**50.4**

(all amounts in PLN million unless stated otherwise)

INTERIM CONDENSED SEPARATE STATEMENT OF CHANGES IN EQUITY

unaudited, reviewed	SHARE CAPITAL	SHARE PREMIUM	RETAINED EARNINGS	TOTAL EQUITY
As at Feb 1 2023	**5.5**	**1,148.0**	**71.6**	**1,225.1**
Net profit (loss) for period	–	–	151.9	148.2
Total comprehensive income	**–**	**–**	**151.9**	**148.2**
Share issue	1.4	500.2	–	501.6
Total transactions with owners	**1.4**	**500.2**	**–**	**501.6**
As at Jul 31 2023	**6.9**	**1,648.2**	**223.5**	**1,874.9**

unaudited, reviewed	SHARE CAPITAL	SHARE PREMIUM	RETAINED EARNINGS	TOTAL EQUITY
As at Feb 1 2022	**5.5**	**1,148.0**	**94.5**	**1,248.0**
Net profit (loss) for period	–	–	-55.8	-55.8
Total comprehensive income	**–**	**–**	**-55.8**	**-55.8**
As at Jul 31 2022	**5.5**	**1,148.0**	**38.7**	**1,192.2**

7. 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 NO.:	**211692**	
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).**	
Management Board:	**President and CEO:** **Vice President:** **Vice President:**	**Dariusz Miłek** **Karol Półtorak** **Igor Matus**

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

On May 11th 2023, Marcin Czyczerski resigned as President of the Company's Management Board, with effect from May 11th 2023.

On May 11th 2023, Dariusz Miłek resigned as Chairman and member of the Company's Supervisory Board, with effect from May 11th 2023, and was appointed by the Company's Supervisory Board as President of the Company's Management Board.

On June 6th 2023, Adam Holewa resigned as Vice President and member of the Company's Management Board, with effect from June 12th 2023.

On June 12th 2023, the Annual General Meeting appointed Marcin Stańko and Piotr Kamiński to the Supervisory Board. On the same day, the General Meeting appointed Wiesław Oleś as Chairman of the Supervisory Board.

These interim condensed separate financial statements of the Company cover the six months ended July 31st 2023 and contain comparative data for the six months ended July 31st 2022 and as at January 31st 2023. The statement of comprehensive income and notes to the statement of comprehensive income contain data for the three months ended July 31st 2023 and comparative data for the three months ended July 31st 2022, which has not been audited or reviewed by an auditor.

The Company is the parent of the CCC Group (the "CCC Group", the "Group"). The Company has also prepared interim condensed consolidated financial statements for the six months ended July 31st 2023, which were authorised for issue by the Management Board on October 11th 2023.

The interim condensed consolidated financial statements of the CCC Group have been prepared in accordance with IFRS. The statements are available at the Company's website.

The interim financial results may not be indicative of the Company's potential full-year financial results due to the seasonality effect (with peak demand in spring and autumn).

The duration of the Company is unlimited.

BASIS OF ACCOUNTING

These interim condensed separate financial statements have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*, as endorsed by the EU ("IAS 34").

These interim condensed separate financial statements do not include all the information and disclosures required to be given or made in full-year financial statements and should be read in conjunction with the Company's separate financial statements for the year ended January 31st 2023, authorised for issue on April 16th 2023.

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

The data contained in these financial statements is presented in millions of Polish złoty, unless more accurate information is provided in specific cases. The functional and reporting currency is the Polish złoty (PLN).

GOING CONCERN

These financial statements have been prepared on the assumption that the Company and the CCC Group (the "Group") will continue as going concerns for the foreseeable future, i.e., for a period of at least 12 months from the reporting date.

Below in this note are presented important issues, including uncertainties concerning circumstances that may pose risks to the Group continuing as a going concern. These circumstances relate in particular to financial burdens associated with the existing credit facility agreements and debt instruments of the CCC Group. Financing in the CCC Group is provided at the level of two business units, which are separately responsible for their liabilities:

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

For this reason, further analyses were carried out separately for the CCC Business Unit and for the Modivo Business Unit.

To address these burdens, in 2023 the CCC Business Unit is implementing a plan to reduce and substantially or fully refinance its debt.

As at July 31st 2023, the Company's current assets exceeded current liabilities by PLN 45.4m. The Company's operations are financed with financial instruments, including mainly credit facilities, loans and bonds. The debt balance under those instruments as at the reporting date was PLN 797.9m.

In 2021, following discussions with finance providers, long-term financing was provided to the CCC Business Unit under the New Financing Agreement (the Credit Facility Agreement of June 2nd 2021), with the original repayment date of Facility B falling on June 30th 2024. As at the reporting date, Facility B was not drawn down. The balance of the financing matures on a later date. The New Financing Agreement permits the original repayment date of Facility B to be extended by one year, that is until June 30th 2025, subject to the lenders' consent.

In the previous and current financial years, further amendments were made to the financing agreements of the Group, concerning both the CCC Business Unit and the Modivo Business Unit, as described in more detail in the consolidated financial statements of the CCC Group for 2022 and in the interim condensed consolidated Directors' Report on the Group's operations in the six months ended July 31st 2023 in the 'Management of financial resources and liquidity' section. The existing credit facility agreements provide a source of finance at the required level for the Group.

In November 2021, the Management Board decided to update the Group's corporate strategic plan, announcing the GO.25 Everything Fashion Omnichannel Strategy. Its key objectives to be delivered by 2025 are discussed at length in the consolidated Directors' Report on the operations of the CCC Group in 2022 in the 'CCC Group's strategy. Execution and growth plans' section.

An element of the strategy for 2023 is an Annual Budget approved by the Supervisory Board. It was prepared taking into account certain macroeconomic estimates, including the inflation rate of 9.2% based on the available market analyses and close to the state budget assumption for 2023. The key foreign exchange rates included in the budget were the EUR/PLN and USD/PLN exchange rates, assumed at 4.7 and 4.5, respectively. The average level of the key reference rate (1M WIBOR), determining the CCC Group's borrowing cost, was estimated based on internal analyses at 6.34%. For the time horizon extending beyond 2023, the Group relies on a long-term financial model.

Implementation and delivery of all the proposed measures, objectives, plans and financial projections are subject to numerous future risks and uncertainties, particularly with regard to the implementation of the Group's Annual Budget for 2023 and plans for future years, which include:

- Macroeconomic risks, including general price growth in the economy affecting the prices of merchandise, services, salaries and wages, capital expenditure amounts, as well as a rise in operating expenses, especially in transport and logistics;
- Decline in consumer demand for products offered by the Group as a result of changing macroeconomic conditions (rising inflation, interest rates affecting borrowing costs and unemployment levels, falling real wages, etc.), as well as the Group's potential decisions to raise the prices of merchandise;
- Exchange rate movements affecting the performance of foreign operations and the cost of goods purchase, as well as rental costs;
- Fiercer competition in the market environment, especially in terms of product prices having an effect on the results generated in the course of day-to-day operations;
- Occurrence of unplanned and/or unforeseen changes in fashion trends and weather conditions;
- Changes in consumer behaviour due to the migration processes or postponement of purchasing decisions;
- Materialisation of operational risks, which may disrupt business continuity;
- Volatility on the financial markets, which may prevent the initial public offering of Modivo S.A. shares or the Group's refinancing plan to be carried out as intended.

The risks identified above, resulting in potential underperformance against the budget in 2023, are a source of significant uncertainty regarding delivery of the financial plans in the 12 months from the reporting date, including compliance with the financial covenants under the agreements financing the Group's operations, and thus also the Group's ability to continue as a going concern.

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. As at April 30th 2023 and July 31st 2023, there were no covenant breaches under the financing agreements. Furthermore, based on the Annual Budget for 2023 prepared by the Management Board and plans for subsequent reporting periods, to the best of its knowledge and belief, and also subject to the possible implementation of measures described below, even taking into account the scenario of significant underperformance against the financial projections, the Group expects to comply with the covenants set out in the agreements (including for the CCC Business Unit: the reported EBITDA for individual interim periods and for the full year and net exposure/EBITDA, DSCR or DSCR with cash ratios and Capital Expenditure). For the Modivo Business Unit, the covenant to be tested as at January 31st 2024 is the Net Financial Debt, which – as discussed below – replaced the net debt/EBITDA ratio as at January 31st 2024. The net debt/EBITDA ratio is to be tested as at July 31st 2024. For more details concerning the covenants to be tested as at the reporting date and in the period of 12 months thereafter, see 'Covenants/financial ratios' in the 'Management of financial resources and liquidity' section of the interim condensed consolidated Directors' Report on the operations of the CCC Group.

The key element of the analysis of compliance with the financial covenants, including financial ratios, were parameters that could cause underperformance relative to the objectives set out in the Annual Budget for 2023 and subsequent reporting periods, and failure to achieve the financial ratios that the Group, including separately for the CCC Business Unit and for the Modivo Business Unit, is required to comply with under its financing agreements. For that purpose, the Management Board has prepared a detailed analysis of the Annual Budget's sensitivity over the next 12 months, as well as scenarios of alternative measures, calculated the expected values of the financial ratios and compared them with the expectations of the banks and other institutions financing the Group's operations, taking into account the risks, events and actions described below. The analysis also assumes that the obligation to purchase Modivo S.A. shares for PLN 180.0m recognised in the consolidated financial statements of the Group, arising from the existing owner's right to demand purchase of the shares starting from October 3rd 2023 (in accordance with the annex described in 'Events after the reporting date'), would be performed.

With respect to the CCC Business Unit, the Management Board's detailed analysis of the sensitivity of the Annual Budget and subsequent plans over the next 12 months indicated that if any single of the following key parameters changes over the year relative to the assumptions made in the Annual Budget as follows (ceteris paribus):

- average annual inflation increases by 5pp;
- average annual PLN exchange rate weakens by PLN 0.20 relative to the main foreign currencies (EUR and USD);
- gross margin falls by 2.0pp (on a 10% decline in sales, taking into account the effect of a decrease in variable costs and available reductions in other costs);
- average annual 1M WIBOR rate increases by 2pp;

the financial covenants as at the successive testing dates will be achieved as required by the financing agreements.

In the Management Board's opinion, a number of measures are available to offset the potential adverse effect of the risks listed above on the Group's financial performance, including separately for the CCC Business Unit and for the Modivo Business Unit. Such measures include cost savings in relation to the Annual Budget as well as further working capital optimisation. A factor significantly contributing to mitigating these risks is a share capital increase in CCC S.A., as discussed below.

Pursuant to resolutions of the Extraordinary General Meeting of CCC S.A. of November 17th 2022 convened at the request of the Company's main shareholder Ultro S.a.r.l. (a subsidiary of Dariusz Miłek, President of the Management Board of CCC S.A.), on May 9th 2023 the share capital of CCC S.A. was increased through the issue of 14 million shares with a par value of PLN 0.1 and an issue price of PLN 36.11. The issue proceeds amounted to PLN 505.5m. The increase was registered with the National Court Register on May 9th 2023. The issue proceeds were allocated to increase the Company's working capital, finance its day-to-day operations and support the process of optimising the financing structure.

As regards the Modivo Business Unit, most of the debt financing are bonds convertible into Modivo S.A. shares issued to SVF II Motion Subco (DE) LLC, a Softbank Group company, redeemable on August 23rd 2024, unless previously converted into shares provided that Modivo S.A. carries out an initial public offering of its shares, or repaid. The bonds are presented under current liabilities because of the planned IPO and, if the IPO is carried out, their mandatory conversion into shares.

On April 26th 2023, the Management Board of the Modivo Business Unit executed an annex to the multi-purpose credit facility agreement of October 26th 2017 with Bank Polska Kasa Opieki S.A., extending its term, with the other terms and conditions unchanged, for another 12 months, i.e. until April 29th 2024.

Based on financial results delivered for the first six months and an analysis the year-end net profit or loss estimate for the end of the financial year 2023, on October 9th 2023 the Management Board of the Modivo Business Unit secured consent from the finance providers (PKO BP S.A. and Bank Polska Kasa Opieki S.A. as well as Pekao Faktoring Sp. z o.o.) that the conditions for covenant testing as at July 31st 2023 (the level of Net Financial Debt) may be maintained as at January 31st 2024. For more information concerning the covenant structure as at July 31st 2023 and January 31st 2024, see 'Covenants/financial ratios' in the 'Management of financial resources and liquidity' section of the interim condensed consolidated Directors' Report on the operations of the CCC Group in the six months ended July 31st 2023.

The Management Board of the Modivo Business Unit took steps with a view to renewing the PLN 180.0m financing from Bank PKO BP due to mature on November 21st 2023.

In addition, as part of the deleveraging plan, the Management Board of CCC S.A. took steps to raise capital by way of a leaseback of selected items of property, plant and equipment owned by the CCC Group companies (as described in detail in Note 6.5. 'Events after the reporting date' in the consolidated financial statements of the CCC Group for 2022). The Management Board also upholds its plan to carry out an initial public offering of Modivo shares.

In conclusion, despite the risks and circumstances mentioned above, based on the Annual Budget for 2023 and plans for subsequent reporting periods, including the analyses and scenarios of alternative measures described above, the Management Board believes that adequate preventive measures have been taken or provided for to ensure that the impact of these risks is mitigated and the Company's and the Group's plans are carried out, and has therefore drawn up the accompanying interim condensed financial statements on a going concern basis.

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

Inventory write-downs

For more information, see Note 10.

Impairment losses on shares

As at July 31st 2023, following an assessment of indications of impairment of shares in subsidiaries and associates, an impairment test was performed for the shares. As a result, impairment losses of PLN 6.4m and PLN 2.8m, respectively, were recognised on the shares held in CCC Shoes & Bags d.o.o. Beograd and CCC Ukraina Sp. z o.o. For more information, see Note 10.

Expected credit losses (ECL)

The Company assesses expected credit losses ("ECL") associated with debt instruments measured at amortised cost, regardless of whether there is any indication of impairment.

With respect to short-term trade receivables without a significant financing component and lease receivables, the Company applies the simplified approach provided for in IFRS 9 and measures impairment losses in the amount of credit losses expected over the entire lifetime of a receivable since its initial recognition.

In the case of receivables for which a case-by-case approach is justified, the Company measures the probability of default based on market data published by Moody's.

In the case of loans and sureties provided, 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 in an amount equal to lifetime expected credit losses.

In the reporting period, there was no change in the credit risk assessment related to loans and sureties provided.

In the reporting period, the Company advanced additional tranches of loans to HalfPrice Sp. z o.o. (PLN 108.0m) and to CCC.eu Sp. z o.o. (PLN 381.2m), for which loss allowances of, respectively, PLN 4.2m (up by PLN 2.6m relative to January 31st 2023) and PLN 51.9m (down by PLN 12.6m relative to January 31st 2023) were recognised equal to 12-month expected credit losses. At the same time, expected credit losses on other loans decreased by PLN 0.3m due to a reduction in PD (probability of default). Total allowances for expected credit losses on loans decreased in the reporting period by PLN 10.3m, to PLN 186.3m.

In the reporting period, the value of sureties provided for credit facilities decreased by PLN 335.5m, to PLN 576.2m, which, with a concurrent reduction in PD, led to a decrease in the loss allowance related to sureties provided by PLN 35.1m, to PLN 20.8m.

For detailed information on impairment losses recognised on trade receivables, lease receivables, other receivables, loans, sureties and guarantees, see Note 10. Impairment loss on trade receivables did not change materially relative to January 31st 2023 as the prevailing market conditions were substantially the same and there was no significant change in credit risk.

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

As at July 31st 2023, following an assessment of indications of impairment of property, plant and equipment, intangible assets, goodwill and right-of-use assets, no need to perform an impairment test was identified. In the period for which these interim condensed separate financial statements were prepared, no impairment losses on the above assets were recognised.

Other accounting matters and issues

As at the date of these interim condensed separate financial statements, the Company did not identify any material risks related to potential breach of the terms of its existing trade and supply contracts.

As a result of the execution of financing agreements with banks, bondholders and other institutions, the Company is required to comply with a number of covenants, as described in detail in the 'Management of financial resources and liquidity' section of the Directors' Report on the Group's operations.

As at July 31st 2023, in the opinion of the Management Board none of the covenants were breached during the reporting period and until the date of authorisation of these financial statements for issue.

Based on its financial projections for subsequent reporting periods, the Company believes that the recognised deferred tax asset is recoverable given the equity transactions planned in the future.

STATEMENT OF ACCOUNTING POLICIES

The accounting policies applied by CCC S.A. did not change relative to those applied and disclosed in the full-year financial statements for the financial year February 1st 2022 – January 31st 2023, except for the application of new or amended standards and interpretations effective for annual periods beginning on or after February 1st 2023.

New and amended accounting standards

As of February 1st 2023, the Company is required to apply:

- amendments to IAS 1 and IFRS Practice Statement 2 concerning accounting policy disclosures,
- amendments to IAS 8 introducing a definition of accounting estimates,
- amendments to IAS 12 concerning deferred tax related to assets and liabilities arising from a single transaction,
- IFRS 17 Insurance Contracts, including amendments to IFRS 17 issued in 2020 and 2021.

The amendments to IAS 12 have narrowed the scope of the initial recognition exception provided for in the standard so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences – in the case of the Company, this relates mainly to the recognition of a lease liability and the corresponding amount as part of the cost of a right-of-use asset. Previously, the Company recognised deferred income tax calculated for the difference between a lease liability and a right-of-use asset. Following the change, the Company recognises separately all deferred tax liabilities arising from the recognition of a right-of-use asset and recognises all deferred tax assets arising from the recognition of a lease liability. However, given that deferred tax assets are offset against deferred tax liabilities, the change had no effect on the amounts of deferred income tax disclosed in the statement of financial position and in the statement of comprehensive income.

The other new and amended standards which apply for the first time in 2023 do not have a material impact on the Company's interim condensed separate financial statements.

The Company did not elect to early adopt any of the standards, interpretations or amendments that have been issued but are not yet effective in accordance with the European Union regulations.

FACTORS WITH MATERIAL BEARING ON THE INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME

Revenue

The decline in revenue by 1%, or PLN 17.9m, year on year was attributable to deteriorating consumer sentiment and inflation levels, offset by the effects of discount campaigns and increased sales at second prices.

Cost of sales

Cost of sales remained largely unchanged year on year. Gross margin remained at 28.4% of revenue relative to 29.7% in the same period of the previous year.

Costs of points of purchase and distribution

Costs of points of purchase and distribution decreased by 10% year on year, driven mainly by:

- PLN 25.9m decrease in salaries, wages and employee benefits expense, attributable to a headcount reduction;
- PLN 16.9m increase in other rental costs (sales-based rents and variable costs: utilities, electricity, etc.) with simultaneous renegotiation of lease contracts – shift from fixed rents to variable, sales-based rents,
- lower depreciation expense on right-of-use assets (down PLN 21.2m) due to renegotiation of lease contracts.

Administrative expenses

The slight, 6% year-on-year rise in administrative expenses was due to an increase in rental costs by PLN 3.9m and other costs by nature of expense by PLN 1.6m driven by higher expenses on advisory services. Additionally, there was a PLN 2.3m decrease in salaries, wages and employee benefits resulting from a headcount reduction.

Other income and expenses

Other income fell by PLN 49% year on year, to PLN 20.7m. The decrease was attributable to a lower amount of late payment interest. Key components of other income included reversal of the provision for future costs of store closures in Germany of PLN 9.1m (for a detailed description, see the full-year consolidated financial statements for 2022) and income from settlement of contracts with landlords due to the switch to variable rents – PLN 5.9m.

Other expenses fell by PLN 8.1m year on year, to PLN 2.5m. Main components of other expenses included late payment interest of PLN 0.9m, as well as retirement and sale of property, plant and equipment – PLN 0.5m. In the comparative period, the value of retired assets was PLN 6.9m.

The allowance for expected credit losses on trade receivables, other receivables and lease receivables was PLN 10.1m. For more information, see Note 10.

As a result, operating result for the six months ended July 31st 2023 was PLN 21.0m, down by PLN 1.3m year on year.

Finance costs and income

In the reporting period, finance income amounted to PLN 140.0m and included mainly the result on liquidation of CCC Austria Ges.m.b.H. and cancellation of CCC S.A.'s liability towards that subsidiary in the amount of PLN 62.7m, interest income of PLN 47.7m, income from currency translation differences of PLN 26.0m, guarantees and sureties provided of PLN 1.9m, and measurement of a derivative financial instrument embedded in bonds issued to PFR (Equity Kicker) of PLN 1.5m. For more information, see Note 11.

In the six months ended July 31st 2023, expected credit loss allowances were reversed in connection with sureties issued and impairment losses on loans of PLN 45.4m, as well as impairment losses on shares in CCC Ukraina Sp. z o.o. and CCC Shoes & Bags d.o.o. Beograd totalling PLN 9.2m.

Finance costs amounted to PLN 62.6m and included mainly interest expense on borrowings and bonds of PLN 41.7m, cost of modification of the financial liability under the loan from CCC Shoes & Bags Sp. z o.o. of PLN 9.0m and interest expense on leases of PLN 9.8m.

Income tax amounted to PLN 17.3m, increasing profit before tax. The main factor contributing to the positive effect of income tax was the recognition of deferred tax assets on capital losses of PLN 28.4m realised in previous years.

CCC S.A.'s net profit for the six months ended July 31st 2023 was PLN 151.9m, up by PLN 207.7m year on year.

STATEMENT OF FINANCIAL POSITION

As at July 31st 2023, CCC S.A.'s total assets amounted to PLN 3,749.4m, up by PLN 555.6m on January 31st 2023.

Assets

As at July 31st 2023, non-current assets amounted to PLN 3,084.0m, up by PLN 499.9m on the end of the previous year.

Property, plant and equipment – leasehold improvements as at July 31st 2023 amounted to PLN 274.8m, up by PLN 0.2m on January 31st 2023. The change includes depreciation of PLN 20.1m, expenditure on stores of PLN 20.8m. The net value of leasehold improvements derecognised in the reporting period was PLN 0.7m, while other changes amounted to PLN 0.2m. Property, plant and equipment – distribution decreased by PLN 8.5m due to depreciation for the reporting period.

As at the reporting date, the right-of-use assets were PLN 402.6m, down PLN 16.4m on January 31st 2023. The most significant changes were attributable to the execution of new lease contracts (an increase of PLN 13.5m due to new store openings). Contract modifications of PLN 24.6m led to an increase in assets. The changes resulted from annexes extending the lease terms, adjustment of rents, etc. As at July 31st 2023, depreciation of right-of-use assets stood at PLN 54.5m.

Long-term investments went up by PLN 3.0m year on year following the acquisition of CCC Ukraina Sp. z o.o. and recognition of impairment losses on the shareholdings in CCC Ukraina Sp. z o.o. and CCC Shoes & Bags d.o.o. Beograde.

On February 8th 2023, following fulfilment of the conditions precedent under a preliminary share purchase agreement, the Company acquired control of CCC Ukraina Sp. z o.o. of Lviv as part of a transaction to settle the CCC Group's claims against CCC Ukraina Sp. z o.o.'s existing shareholder. In the transaction, CCC S.A. acquired 75.1% of shares in CCC Ukraina Sp. z o.o. for a price of PLN 12.2m, which was paid on a non-cash basis through an offset of claims between a CCC Group entity and the existing shareholder of CCC Ukraina Sp. z o.o. Under the agreement signed between the parties, the Company has the right to purchase, and the existing shareholder has the right to sell, the remaining shareholding in CCC Ukraina Sp z o.o., i.e. 23.9% of its shares, following approval of the financial statements of CCC Ukraina Sp z o.o. for the financial year ended January 31st 2028, at a price equal to six times EBITDA for the year ended January 31st 2028 multiplied by the 23.9% interest.

(all amounts in PLN million unless stated otherwise)

On July 7th 2023, the liquidation of CCC Austria Ges.m.b.H., wholly-owned by the Company, was entered in the commercial register. The following items were derecognised:

Carrying amounts related to the liquidation of CCC Austria Ges.m.b.H.	
Shares in CCC Austria Ges.m.b.H.	72.6
Impairment loss on shares	-72.6
Financing liability	11.8
Trade payables	49.6
Receivables under liquidated assets	1.3
Total	**62.7**

As a result, the Company's net gain on the asset liquidation was PLN 62.7m.

As at the reporting date, long-term and short-term loans amounted to PLN 1,541.6m, up PLN 534.7m on the end of the previous year. The increase resulted from the advancement (under the terms of existing agreements) of additional tranches of loans to HalfPrice Sp. z o.o. (PLN 108.0m) and to CCC.eu Sp. z o.o. (PLN 392.9m), as well as interest accrued totalling PLN 47.1m. In the six months ended July 31st 2023, interest payments and offsets totalled PLN 19.3m, while foreign exchange losses on loans amounted to PLN 4.3m. The amount reversed under an impairment loss on loans was PLN 10.3m. For a summary of movements in impairment losses on assets, see Note 10.

Long-term and short-term lease receivables amounted to PLN 125.4m, down PLN 12.7m on January 31st 2023. The decrease resulted primarily from payment of receivables (PLN 15.5m), addition of new contracts (PLN 6.5m), foreign exchange losses (PLN 7.8m) and interest accrued (PLN 2.6m). In the six months ended July 31st 2023, the existing lease contracts for PLN 0.5m were modified and an impairment loss on lease receivables of PLN 1.0m was reversed.

Current assets rose PLN 55.7m relative to January 31st 2023. The change in the balance of current assets was largely attributable to a PLN 80.4m increase in cash (details in the statement of cash flows), as well as a PLN 26.6m decrease in other receivables (for detailed information on the changes, see below). More information about seasonality is presented in the Directors' Report on the operations of the CCC Group.

As at the reporting date, inventories amounted to PLN 360.3m, down by 6% on January 31st 2023. The balance of inventories comprised merchandise, which fell by PLN 21.8m to PLN 359.5m, and returns assets of PLN 6.4m. Returns assets are related to customers' right to return unused goods. For detailed information on inventory write-downs (as at July 31st 2023: PLN 5.6m), see Note 10.

Trade receivables fell by PLN 3.2m year on year. A decrease in other receivables by PLN 26.6m relative to January 31st 2023 was due mainly to the offsetting of a loan received from Gino Rossi S.A. of PLN 19.4m against a claim arising on the repurchase of Gino Rossi's own shares from CCC S.A., of PLN 21.9m. Other receivables included prepayments for deliveries of PLN 1.2m, prepaid expenses of PLN 6.7m, other receivables from Gino Rossi of PLN 2.5m, receivables related to sale of property, plant and equipment of PLN 0.8m, financial receivables of PLN 1.0m, and other receivables of PLN 6.5m (security deposits).

Liabilities

Other non-current financial liabilities of PLN 5.0m are related to the fair value measurement of the derivative instrument containing a potential obligation under an Equity Kicker related to the issue of bonds subscribed for by PFR Inwestycje Fundusz Inwestycyjny Zamknięty. For detailed information on non-current financial liabilities and liabilities under borrowings and bonds, see Note 11.

Current and non-current lease liabilities amounted to PLN 649.8m, down by PLN 70.8m on January 31st 2023. The change in the six months to July 31st 2023 resulted from the addition of new contracts (an increase of PLN 17.0m), modification and amendment to the scope of contracts, which resulted in an increase in the liabilities by PLN 22.4m, with interest accrued of PLN 12.1m. Payments of liabilities over the period amounted to PLN 83.9m, exchange differences on contracts denominated in foreign currencies were positive, reducing the liability by PLN 38.4m.

Trade and other payables rose by PLN 80.3m on January 31st 2023, which was attributable to the Company's stocking up on merchandise.

As at July 31st 2023, other liabilities fell by PLN 117.0m (4%) relative to January 31st 2023. The balance of liabilities comprised:

- accruals and deferred income of PLN 42.6m, comprising a provision for costs of the period, provision for accrued holiday entitlements and settlement of leasehold improvements with landlords;
- indirect taxes, customs duties and other public charges payable of PLN 26.2m;
- amounts due to employees of PLN 22.2m;
- liabilities under contracts with customers of PLN 13.4m reflecting the amount of unredeemed gift cards and liabilities under the CCC Club loyalty scheme;
- returns liabilities related to customers' right to return unused goods of PLN 11.2m; and
- other liabilities of PLN 1.4m.

The decrease in short-term provisions resulted from recognised provisions for complaints and allowances for expected credit losses on sureties (financial guarantees), discussed in more detail in Note 10. A PLN 35.1m reversal of loss allowance on sureties was attributable to a reduction in the Company's debt covered by the sureties.

As at July 31st 2023, equity stood at PLN 1,878.6m, having increased by PLN 653.5m on January 31st 2023 due to a net profit of PLN 151.9m posted for the six months ended July 31st 2023 and the issue of Company shares. Pursuant to resolutions of the Extraordinary General Meeting of CCC S.A. of November 17th 2022, on May 9th 2023 the share capital of CCC S.A. was increased through the issue of 14 million shares with a par value of PLN 0.1 and an issue price of PLN 36.11. The issue proceeds of PLN 505.5m were reduced by the issue costs of PLN 3.9m. The share capital was increased by PLN 1.4m, while the balance raised was allocated to the Company's statutory reserve funds.

STATEMENT OF CASH FLOWS

In the six months ended July 31st 2023, net cash from operating activities amounted to PLN 239.8m, and included mainly profit before tax of PLN 134.6m, plus depreciation and amortisation of PLN 72.1m. For more information, see Note 11. Net cash provided by operating activities also included a positive effect of a PLN 144.3m increase in net capital employed.

Net cash used in investing activities in the six months ended July 31st 2023 amounted to PLN 494.3m. It included mainly expenditure of PLN 27.9m on acquisition of property, plant and equipment and intangible assets, and expenditure on intra-group loans of PLN 500.9m, as well as proceeds of PLN 8.7m from subleases, proceeds of PLN 9.4m from settlement of leasehold improvements with landlords, and proceeds of PLN 9.5m from repayment of loans.

Net cash provided by financing activities in the six months ended July 31st 2023 was PLN 334.9m and included mainly share issue proceeds of PLN 501.6m, with interest payments of PLN 94.0m, including interest on leases of PLN 11.5m, and payments of lease liabilities of PLN 72.4m.

In the six months ended July 31st 2023, cash increased by PLN 80.4m, to PLN 118.4m as at July 31st 2023.

8. 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.

(all amounts in PLN million unless stated otherwise)

9. NOTES TO THE INTERIM CONDENSED SEPARATE STATEMENT OF COMPREHENSIVE INCOME

9.1 REVENUE

Revenue from contracts with customers by category is presented below.

	Feb 1–Jul 31 2023	Feb 1–Jul 31 2022	May 1–Jul 31 2023	May 1–Jul 31 2022
	unaudited, reviewed	unaudited, reviewed	unaudited, unreviewed	unaudited, unreviewed
Revenue				
Footwear	1,075.7	1,080.9	586.2	634.1
Bags	56.9	68.0	33.6	40.2
Other [1]	59.3	74.6	29.2	41.0
Total revenue from sales of merchandise	**1,191.9**	**1,223.5**	**649.0**	**715.3**
Services	97.9	84.2	49.5	46.2
Total revenue	**1,289.8**	**1,307.7**	**698.5**	**761.5**

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

The Company conducts retail and digital sales to retail customers, and sales to none of the customers exceeded 10% of total revenue.

The Company operates the CCC Club Loyalty Programme, whose rules are available at https://ccc.eu/pl/klub-ccc. The Programme is aimed at promoting and advertising the Company and the CCC Group companies by making them more widely known and encouraging customers to buy their products and use their services. The Company adjusted its revenue by PLN 5.3m (in the same period of the previous year: by PLN 4.7m), recognising a liability under contracts with customers being CCC Club members. As at July 31st 2023, liability under gift cards amounted to PLN 8.1m (January 31st 2023: PLN 7.6m).

9.2 COSTS BY NATURE OF EXPENSE

Feb 1–Jul 31 2023 unaudited, reviewed	COST OF SALES	COSTS OF POINTS OF PURCHASE AND DISTRIBUTION	ADMINISTRATIVE EXPENSES	TOTAL
Cost of merchandise sold	-925.2	–	–	-925.2
Raw material and consumables used	–	-8.1	-3.8	-11.9
Inventory write-downs	1.7	–	–	1.7
Salaries, wages and employee benefits	–	-115.0	-9.1	-124.1
Transport services	–	-21.2	-0.4	-21.6
Rental costs – utilities and other variable costs	–	-74.2	-4.8	-79.0
Advertising	–	-0.3	-0.2	-0.5
Depreciation/amortisation	–	-66.4	-5.9	-72.3
Taxes and charges	–	-9.1	-0.5	-9.6
Other expenses	–	-20.2	-14.2	-34.4
Total	**-923.5**	**-314.5**	**-38.9**	**-1,276.9**

(all amounts in PLN million unless stated otherwise)

Feb 1–Jul 31 2022 unaudited, reviewed	COST OF SALES	COSTS OF POINTS OF PURCHASE AND DISTRIBUTION	ADMINISTRATIVE EXPENSES	TOTAL
Cost of merchandise sold	-913.2	–	–	-913.2
Raw material and consumables used	–	-9.8	-4.4	-14.2
Inventory write-downs	-6.4	–	–	-6.4
Salaries, wages and employee benefits	–	-140.9	-11.4	-152.3
Transport services	–	-20.3	-0.1	-20.4
Rental costs – utilities and other variable costs	–	-57.3	-0.9	-58.2
Advertising	–	-1.3	-1.0	-2.3
Depreciation/amortisation	–	-87.6	-5.6	-93.2
Taxes and charges	–	-9.2	-0.7	-9.9
Other expenses	–	-22.1	-12.6	-34.7
Total	**-919.6**	**-348.5**	**-36.7**	**-1,304.8**

May 1–Jul 31 2023 unaudited, unreviewed	COST OF SALES	COSTS OF POINTS OF PURCHASE AND DISTRIBUTION	ADMINISTRATIVE EXPENSES	TOTAL
Cost of merchandise sold	-522.8	–	–	-522.8
Raw material and consumables used	–	-3.9	-1.7	-5.6
Inventory write-downs	1.6	–	–	1.6
Salaries, wages and employee benefits	–	-53.5	-3.8	-57.3
Transport services	–	-13.2	-0.3	-13.5
Rental costs – utilities and other variable costs	–	-37.7	-2.4	-40.1
Advertising	–	0.4	-0.1	0.3
Depreciation/amortisation	–	-28.5	-3.3	-31.8
Taxes and charges	–	-4.9	-0.2	-5.1
Other expenses	–	-13.0	-7.8	-20.8
Total	**-521.2**	**-154.3**	**-19.6**	**-695.1**

May 1–Jul 31 2022 unaudited, unreviewed	COST OF SALES	COSTS OF POINTS OF PURCHASE AND DISTRIBUTION	ADMINISTRATIVE EXPENSES	TOTAL
Cost of merchandise sold	-568.9	–	–	-568.9
Raw material and consumables used	0.2	-5.1	-1.7	-6.6
Inventory write-downs	-6.4	–	–	-6.4
Salaries, wages and employee benefits	–	-73.4	-5.7	-79.1
Transport services	–	-14.8	-0.1	-14.9
Rental costs – utilities and other variable costs	–	-29.9	-0.4	-30.3
Advertising	–	-0.2	-0.7	-0.9
Depreciation/amortisation	–	-41.0	-4.0	-45.0
Taxes and charges	–	-5.3	-0.2	-5.5
Other expenses	–	-10.7	-5.2	-15.9
Total	**-575.1**	**-180.4**	**-18.0**	**-773.5**

(all amounts in PLN million unless stated otherwise)

9.3 OTHER INCOME AND EXPENSES, FINANCE INCOME AND COSTS

	Feb 1–Jul 31 2023	Feb 1–Jul 31 2022	May 1–Jul 31 2023	May 1–Jul 31 2022
	unaudited, reviewed	unaudited, reviewed	unaudited, unreviewed	unaudited, unreviewed
Other income				
Gain on disposal of property, plant and equipment	–	–	-1.4	-0.2
Compensation	0.6	0.5	0.2	0.2
PFRON wage subsidies	–	1.6	–	0.8
Grants	0.2	0.3	0.1	0.1
Gain on settlement of contracts with landlords	5.9	1.4	5.2	0.6
Gain on settlement of lease contracts	2.3	13.4	1.4	13.2
Late payment interest	–	21.8	–	21.8
Other	11.7	1.4	8.9	0.7
Total	**20.7**	**40.4**	**14.4**	**37.2**

	Feb 1–Jul 31 2023	Feb 1–Jul 31 2022	May 1–Jul 31 2023	May 1–Jul 31 2022
	unaudited, reviewed	unaudited, reviewed	unaudited, unreviewed	unaudited, unreviewed
Other expenses				
Loss on disposal of property, plant and equipment	-0.5	-6.9	-0.3	-5.4
Other	-1.8	-3.7	-0.4	-0.7
Foreign exchange losses on items other than debt	-0.2	–	-0.2	–
Total	**-2.5**	**-10.6**	**-0.9**	**-6.1**

	Feb 1–Jul 31 2023	Feb 1–Jul 31 2022	May 1–Jul 31 2023	May 1–Jul 31 2022
	unaudited, reviewed	unaudited, reviewed	unaudited, unreviewed	unaudited, unreviewed
(Recognition)/Reversal of loss allowances (impairment losses on receivables)				
(Recognition)/Reversal of impairment losses on trade receivables	-11.1	-0.8	-11.4	-0.8
(Recognition)/Reversal of impairment losses on other receivables	–	-6.8	–	-6.8
(Recognition)/Reversal of impairment losses on lease receivables	1.0	-2.8	1.0	-2.8
Total	**-10.1**	**-10.4**	**-10.4**	**-10.4**

	Feb 1–Jul 31 2023	Feb 1–Jul 31 2022	May 1–Jul 31 2023	May 1–Jul 31 2022
	unaudited, reviewed	unaudited, reviewed	unaudited, unreviewed	unaudited, unreviewed
Finance income				
Interest income on cash in current account and other interest income	47.7	16.0	37.2	8.1
Foreign exchange gains (losses)	26.0	–	15.1	–
Income on liquidation of CCC Austria	62.7	–	62.7	–
Gain (loss) on sale of Gino Rossi S.A. shares	–	21.9	–	21.9
Derivative financial instruments embedded in bonds issued to PFR − Equity Kicker	1.5	10.5	1.3	10.5
Other finance income	0.2	0.1	0.2	0.1
Guarantees and sureties provided	1.9	3.6	1.1	1.8
Total	**140.0**	**52.1**	**117.6**	**42.4**

(all amounts in PLN million unless stated otherwise)

	Feb 1–Jul 31 2023	Feb 1–Jul 31 2022	May 1–Jul 31 2023	May 1–Jul 31 2022
	unaudited, reviewed	unaudited, reviewed	unaudited, unreviewed	unaudited, unreviewed
Finance costs				
Interest on borrowings and bonds	-41.7	-37.0	-18.9	-19.7
Gain (loss) on modification of financial liability	-9.0	–	-9.0	–
Interest on leases	-9.8	-6.1	-4.9	-3.3
Foreign exchange gains (losses)	–	-11.5	–	-1.1
Commission fees paid	-0.4	-0.2	-0.2	0.1
Guarantees received	-1.7	-1.6	-0.9	-0.8
Total	**-62.6**	**-56.4**	**-33.9**	**-24.8**

	Feb 1–Jul 31 2023	Feb 1–Jul 31 2022	May 1–Jul 31 2023	May 1–Jul 31 2022
	unaudited, reviewed	unaudited, reviewed	unaudited, unreviewed	unaudited, unreviewed
(Recognition)/reversal of loss allowances				
(Recognition)/reversal of provisions for sureties provided for credit facilities used by subsidiaries	35.1	-36.1	35.1	-36.1
(Recognition)/reversal of impairment losses on loans and other financial receivables	10.3	-41.0	10.3	-41.0
Total	**45.4**	**-77.1**	**45.4**	**-77.1**

	Feb 1–Jul 31 2023	Feb 1–Jul 31 2022	May 1–Jul 31 2023	May 1–Jul 31 2022
	unaudited, reviewed	unaudited, reviewed	unaudited, unreviewed	unaudited, unreviewed
Impairment losses on shares	-9.2	–	5.4	–
Total	**-9.2**	**–**	**5.4**	**–**

9.4 TAXATION

	Feb 1–Jul 31 2023	Feb 1–Jul 31 2022
	unaudited, reviewed	unaudited, reviewed
Profit (loss) before tax	**134.6**	**-59.1**
Income tax rate	19%	19%
Tax calculated at weighted average tax rate	**-25.6**	**11.2**
Costs not deductible for tax purposes: impairment loss on shares in subsidiaries	-1.8	–
Costs not deductible for tax purposes: impairment losses on receivables and loans	4.4	-9.8
Costs not deductible for tax purposes: measurement of sureties	6.7	-6.9
Other costs not deductible for tax purposes	-0.3	-0.7
Interest permanently not deductible for tax purposes	–	-2.0
Result of CCC Shoes&Bags Sp. z o.o.	-0.5	-0.5
Realisation of the temporary difference for which no deferred tax was recognised	1.0	–
Income permanently not taxable	11.9	29.0
Tax relating to previous year	0.8	-0.2
Costs excluded under Art. 15e of CIT Act	-9.0	–
Deferred tax on tax losses carried forward	28.4	-24.8
Temporary differences from previous years in respect of which no deferred tax was recognised	–	3.8
Other	5.7	4.2
Income tax expense	**17.3**	**3.3**

(all amounts in PLN million unless stated otherwise)

10. NOTES TO THE INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

CHANGE IN IMPAIRMENT LOSSES/WRITE-DOWNS ON ASSETS AND IN ALLOWANCES FOR EXPECTED CREDIT LOSSES

Impairment losses	INVENTORIES	TRADE RECEIVABLES	LEASE RECEIVABLES	LOANS	INTERESTS IN SUBSIDIARIES	LOAN SURETIES OF SUBSIDIARIES
unaudited, reviewed						
As at Feb 1 2023	**7.3**	**1.9**	**3.3**	**196.6**	**74.1**	**55.9**
Increase	–	–	–	–	9.2	–
Used	–	0.1	–	–	-74.1	–
Reversed	-1.7	11.1	-1.0	-10.3	–	-35.1
As at Jul 31 2023	**5.6**	**13.1**	**2.3**	**186.3**	**9.2**	**20.8**

Impairment losses	INVENTORIES	TRADE RECEIVABLES	LEASE RECEIVABLES	LOANS	INTERESTS IN SUBSIDIARIES	LOAN SURETIES OF SUBSIDIARIES
audited						
As at Feb 1 2022	**3.4**	**1.1**	**–**	**163.7**	**74.1**	**44.3**
Increase	7.9	2.1	3.3	32.9	–	11.6
Used	-4.0	-0.2	–	–	–	–
Reversed	–	-1.1	–	–	–	–
As at Jan 31 2023	**7.3**	**1.9**	**3.3**	**196.6**	**74.1**	**55.9**

As at July 31st 2023, the Company reviewed indications of impairment of its shareholdings in subsidiaries. For CCC Shoes & Bags d.o.o. and CCC Ukraina Sp. z o.o., an impairment test was carried out due to their underperformance against the budget. The test found that the recoverable amount of the relevant asset (determined based on its value in use) did not exceed the value of the assets held in the subsidiaries. Accordingly, the Company decided to recognise an impairment loss on its shares in CCC Shoes & Bags d.o.o. of PLN 6.4m and shares in CCC Ukraina Sp. z o.o. of PLN 2.8m.

The test was performed assuming the projection period until 2027, revenue and costs consistent with the strategic objectives, no new store openings or closures (save for those confirmed) and no potential optimisations with respect to central costs.

The test was based on the following rates and assumptions:

Jul 31 2023	CCC Ukraina Sp. z o.o.	CCC Shoes & Bags d.o.o.
Discount rate	27.6%	14.6%
Residual growth rate	2.0%	1.0%

11. DEBT; CAPITAL AND LIQUIDITY MANAGEMENT

11.1 CAPITAL MANAGEMENT

The purpose of capital risk management is to protect the Company's ability to continue its operations so as to ensure a return on capital for the shareholders and benefits for other stakeholders, and to maintain a cost-optimised capital structure.

In accordance with the Company's dividend policy, the amount of dividend may not be lower than 33% or higher than 66% of the Group's consolidated net profit attributable to owners of the parent, provided that the ratio of net debt to EBITDA (understood as operating profit (loss) before depreciation and amortisation) as at the end of the financial year for which the dividend is to be distributed is less than 3.0. In recommending the amount of profit distribution, the Management Board will take into account the financial condition and liquidity position of the CCC Group, its existing and future liabilities (including potential restrictions under credit facility agreements and debt instruments in issue), as well as the assessment of the CCC Group's prospects in specific market and macroeconomic conditions.

Under the Financing Agreement of June 21st 2021, dividend may be paid on satisfaction of certain conditions, including: The Net Exposure / EBITDA ratio for the CCC Business Unit (i.e. the CCC Group excluding Modivo S.A. and its subsidiaries) lower than 2.5, with the proviso that the dividend may not be paid earlier than two years after the execution of the said agreement – details of the covenants are described in the Directors' Report on the Group's operations in the Covenants/financial ratios section. For detailed information on the dividend policy, see 'Dividend policy' in the full-year Directors' Report on the Group's operations. To maintain or adjust the capital structure, the Company may adjust the amount of dividends declared to be paid to shareholders, return capital to shareholders, issue new shares or sell assets in order to reduce debt.

Similarly to other entities in the industry, the Company monitors its capital using the debt ratio. The ratio is calculated as net debt to total equity. Net debt is calculated as total borrowings (comprising short- and long-term credit facilities and bonds issued as disclosed 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.

EARNINGS (LOSS) PER SHARE

In the six months ended July 31st 2023, basic and diluted earnings per share were PLN 2.41. In the six months ended July 31st 2022, basic and diluted loss per share was PLN 1.02.

(all amounts in PLN million unless stated otherwise)

11.2 LIABILITIES UNDER BORROWINGS AND BONDS

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

unaudited, reviewed	LIABILITIES UNDER BORROWINGS AND BONDS			TOTAL
	BANK BORROWINGS	OTHER BORROWINGS	BONDS	
As at Feb 1 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 Feb 1 2023	**249.2**	**401.7**	**211.3**	**862.2**
Proceeds from debt contracted				
Interest accrued	11.4	25.6	12.4	49.4
Debt-related payments				
- principal payments	–	–	-0.3	-0.3
- interest paid	-11.2	-58.8	-12.2	-82.2
Other non-cash changes	-0.1	-31.1	–	-31.2
As at Jul 31 2023	**249.3**	**337.4**	**211.2**	**797.9**
short-term	**–**	**1.4**	**21.8**	**23.2**
CCC0626 bond	–	–	*21.8*	*21.8*
Borrowings from subsidiaries	–	*1.4*	–	*1.4*
long-term	**249.3**	**336.0**	**189.4**	**774.7**
Credit facility with surety from BGK	*249.3*	–	–	*249.3*
CCC0626 bond	–	–	*189.4*	*189.4*
Borrowings from subsidiaries	–	*336.0*	–	*336.0*

(all amounts in PLN million unless stated otherwise)

audited	LIABILITIES UNDER BORROWINGS AND BONDS			Total
	BANK BORROWINGS	OTHER BORROWINGS	BONDS	
As at Feb 1 2022	**251.0**	**383.8**	**211.4**	**846.2**
short-term	251.0	19.1	1.4	271.5
long-term	–	364.7	210.0	574.7
As at Feb 1 2022	**251.0**	**383.8**	**211.4**	**846.2**
Proceeds from debt contracted				
- financing received	–	14.0	–	14.0
- transaction costs	-1.0	–	-1.1	-2.1
Interest accrued	19.4	45.7	20.9	86.0
Debt-related payments				
- interest paid	-20.3	-22.3	-19.9	-62.5
Change in current account	0.1	–	–	0.1
Other non-cash changes	–	-19.5	–	-19.5
As at Jan 31 2023	**249.2**	**401.7**	**211.3**	**862.2**
Short-term	**0.1**	**33.0**	**21.9**	**55.0**
CCC0626 bond	–	–	*21.9*	*21.9*
Borrowings from subsidiaries	–	*33.0*	–	*33.0*
Other	*0.1*	–	–	*0.1*
Long-term	**249.1**	**368.7**	**189.4**	**807.2**
Credit facility with surety from BGK	*249.1*	–	–	*249.1*
CCC0626 bond	–	–	*189.4*	*189.4*
Borrowings from subsidiaries	–	*368.7*	–	*368.7*

11.3 OTHER NON-CURRENT FINANCIAL LIABILITIES

unaudited, reviewed	Derivative financial instruments embedded in bonds issued to PFR – Equity Kicker
As at Feb 1 2023	**6.5**
Measurement at fair value	-1.5
As at Jul 31 2023	**5.0**

audited	Derivative financial instruments embedded in bonds issued to PFR – Equity Kicker
As at Feb 1 2022	**19.9**
Measurement at fair value	-13.4
As at Jan 31 2023	**6.5**

The Company measures at fair value the derivative instrument containing a potential obligation under the Equity Kicker related to the agreement on the loan from CCC Shoes & Bags Sp. z o.o. (concerning the issue of bonds by CCC Shoes & Bags Sp. z o.o. subscribed for by PFR Inwestycje Fundusz Inwestycyjny Zamknięty).

The Equity Kicker is an obligation of the issuer to pay a premium to PFR based on an algorithm agreed between PFR and the CCC Group. The derivative instrument based on the valuation of Modivo shares was therefore separated (bifurcated) and measured at fair value amounting to PLN 5.0m as at the reporting date. The change in measurement in the reporting period was PLN 1.5m and was recognised under finance income.

(all amounts in PLN million unless stated otherwise)

The valuation of that instrument was prepared by independent experts. The valuation was carried out using a binomial tree model, based on the following key assumptions:

- Number of shares covered by the Equity Kicker option – 0.72 million
- Expiry date of the Equity Kicker option – September 22nd 2028
- Risk-free rate – 5.26%
- Maximum duration of the instrument – 7 years
- Base rate (3M WIBOR) for the first interest period – 0.24%

The fair value measurement of Equity Kicker is classified in Level 3 of the fair value hierarchy.

11.4 CONTRACTUAL MATURITIES OF FINANCIAL LIABILITIES

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

As at Jul 31 2023	CONTRACTUAL MATURITIES FROM THE END OF THE REPORTING PERIOD					TOTAL UNDISCOUNTED	CARRYING AMOUNT
unaudited, reviewed	UP TO 3 MONTHS	3–12 MONTHS	1–3 YEARS	3–5 YEARS	OVER 5 YEARS		
Bank borrowings	5.9	17.9	256.0	–	–	279.8	249.4
Other borrowings	14.3	40.3	122.9	504.6	–	682.1	337.3
Bonds	8.3	18.3	256.9	–	–	283.5	211.2
Derivative financial instruments embedded in bonds issued to PFR – Equity Kicker	–	–	–	–	5.0	5.0	5.0
Trade and other payables	61.7	189.7	–	–	–	251.4	251.4
Sureties provided for credit facilities	576.2	–	–	–	–	576.2	–
Returns liabilities	11.2	–	–	–	–	11.2	11.2
Lease liabilities	38.4	128.4	295.8	147.9	68.3	678.8	649.8
Total financial liabilities	**716.0**	**394.6**	**931.6**	**652.5**	**73.3**	**2,768.0**	**2,291.5**

As at Jan 31 2023	CONTRACTUAL MATURITIES FROM THE END OF THE REPORTING PERIOD					TOTAL UNDISCOUNTED	CARRYING AMOUNT
audited	UP TO 3 MONTHS	3–12 MONTHS	1–3 YEARS	3–5 YEARS	OVER 5 YEARS		
Bank borrowings	6.0	18.1	268.1	–	–	292.2	249.2
Other borrowings	50.2	43.8	131.2	111.6	383.1	719.9	401.7
Bonds	8.5	18.7	49.9	220.4	–	297.5	211.3
Derivative financial instruments embedded in bonds issued to PFR – Equity Kicker	–	–	–	–	6.5	6.5	6.5
Trade and other payables	132.4	38.7	–	–	–	171.1	171.1
Sureties provided for credit facilities	911.7	–	–	–	–	911.7	–
Returns liabilities	10.7	–	–	–	–	10.7	10.7
Lease liabilities	73.8	139.8	328.3	164.1	76.0	782.0	720.6
Total financial liabilities	**1,193.3**	**259.1**	**777.5**	**496.1**	**465.6**	**3,191.6**	**2,682.8**

Sureties for credit facilities presented in the above notes relate to off-balance-sheet liabilities under financial guarantees provided to subsidiaries. The Company recognised a provision for credit risk related to sureties provided, as discussed in detail in Note 10.

(all amounts in PLN million unless stated otherwise)

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

unaudited, reviewed	TRADE RECEIVABLES, OTHER RECEIVABLES	TRADE AND OTHER PAYABLES AND OTHER LIABILITIES
As at Feb 1 2023	117.4	292.8
As at Jul 31 2023	87.6	368.4
Change in statement of financial position	**29.8**	**75.6**
Difference due to:		
Changes in sureties provided/received	-0.3	0.5
Changes in investment liabilities/receivables	-3.7	7.0
Loan from Gino Rossi offset against receivables	-19.4	–
Liquidation of CCC Austria Ges.m.b.H	2.5	48.4
Accounting for receivables in connection with acquisition of CCC Ukraina Sp. z o.o.	-12.2	–
Change in allowance for expected credit losses	0.1	–
Other	0.1	-5.5
Change recognised in statement of cash flows	**-3.1**	**126.0**

unaudited, reviewed	TRADE RECEIVABLES, OTHER RECEIVABLES	TRADE AND OTHER PAYABLES AND OTHER LIABILITIES
As at Feb 1 2022	318.1	464.7
As at Jul 31 2022	392.0	458.0
Change in statement of financial position	**-73.9**	**-6.7**
Difference due to:		
Changes in sureties provided/received	-6.1	18.1
Changes in investment liabilities/receivables	1.3	-2.8
Changes in late payment interest payable/receivable	21.8	–
Change in allowance for expected credit losses	-7.6	–
Other	0.2	-5.6
Change recognised in statement of cash flows	**-64.3**	**3.0**

	Feb 1–Jul 31 2023	Feb 1–Jul 31 2022
	unaudited, reviewed	unaudited, reviewed
Other adjustments to profit before tax:		
Change in provisions and allowances (mainly change in allowance for expected credit losses related to sureties provided)	-47.9	87.9
Sureties provided	–	-12.0
Derivative financial instruments embedded in bonds issued to PFR − Equity Kicker	-1.5	-10.5
Liquidation of CCC Austria Ges.m.b.H	-62.7	2.4
Exchange differences on measurement of lease liabilities and gain on settlement of lease contracts	-34.9	-16.0
Interest accrued on loans	-35.2	-21.8
Other	7.9	-1.2
Total	**-174.3**	**28.8**

(all amounts in PLN million unless stated otherwise)

12. OTHER NOTES

12.1 FINANCIAL INSTRUMENTS

	Jul 31 2023		Jan 31 2023	
	unaudited, reviewed		audited	
	FINANCIAL ASSETS	FINANCIAL LIABILITIES	FINANCIAL ASSETS	FINANCIAL LIABILITIES
Financial assets at amortised cost	**1,858.6**	**–**	**1,282.9**	**–**
Loans	1,541.6	–	1,006.9	–
Trade receivables	68.9	–	72.1	–
Other financial receivables	1.0	–	0.3	–
Receivables from sale of property, plant and equipment	0.8	–	5.6	–
Other receivables from Gino Rossi	2.5	–	21.9	–
Lease receivables	125.4	–	138.1	–
Cash and cash equivalents	118.4	–	38.0	–
Financial liabilities at amortised cost	**–**	**1,710.3**	**–**	**1,764.6**
Liabilities under borrowings and bonds	–	797.9	–	862.2
Trade and other payables	–	251.4	–	171.1
Returns liabilities	–	11.2	–	10.7
Lease liabilities	–	649.8	–	720.6
Financial liabilities measured at fair value through profit or loss	**–**	**5.0**	**–**	**6.5**
Derivative financial instruments embedded in bonds issued to PFR − Equity Kicker	–	5.0	–	6.5

For detailed information on the valuation of the derivative financial instrument embedded in bonds issued to PFR − Equity Kicker, see Note 11. According to the Company's assessment, the fair value of variable-interest loans, trade receivables, receivables due from sale of property, plant and equipment, lease receivables, cash and cash equivalents, derivative financial instruments, current variable-interest financing liabilities, trade and other payables, as well as returns liabilities does not differ materially from the respective carrying amounts due to the short maturities. In the case of non-current variable-interest financing liabilities and lease liabilities, the fair value does not differ materially from their carrying amounts. In the opinion of the Company, the variable interest rates correspond to market interest rates. The fair value of the CCC0626 variable-rate bonds, listed on the regulated Catalyst market, is PLN 199.2m (carrying amount: PLN 211.3m).

12.2 RELATED-PARTY TRANSACTIONS

In the presented periods, the Company entered into the following transactions with its subsidiaries, associates and entities related to it through key management personnel:

	Feb 1–Jul 31 2023		Feb 1–Jul 31 2022	
	unaudited, reviewed		unaudited, reviewed	
	Proceeds from related-party transactions	Purchases from related parties	Proceeds from related-party transactions	Purchases from related parties
SUBSIDIARIES	140.8	120.4	92.1	893.6
ASSOCIATES	0.2	0.2	–	–
ENTITIES RELATED TO KEY MANAGEMENT PERSONNEL	–	3.6	–	11.1
Total	**141.0**	**124.2**	**92.1**	**904.7**

(all amounts in PLN million unless stated otherwise)

	Jul 31 2023		Jan 31 2023	
	unaudited, reviewed		audited	
	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)
SUBSIDIARIES	550.9	1,662.9	520.9	1,142.8
ASSOCIATES	0.5	0.1	0.6	0.0
ENTITIES RELATED TO KEY MANAGEMENT PERSONNEL	0.4	0.0	-0.3	0.0
Total	**551.8**	**1,663.0**	**521.2**	**1,142.8**

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

12.3 SHARE-BASED PAYMENTS

Incentive scheme for the CCC Management Board implemented in 2021–2024

As described in the separate financial statements for the financial year ended January 31st 2023, Management Board members are awarded variable remuneration components, including a long-term bonus linked to CCC S.A. value growth, understood as appreciation of its share price, which is awarded to each member of the Management Board for two periods: one already ended and the second running from August 1st 2021 to July 31st 2024.

The long-term bonus for period two was valued by an external expert using the Black-Scholes model. The number of rights to benefit from share appreciation (number of options) used in the valuation was 200,000, with June 22nd 2021 – July 31st 2024 as the vesting period. The value of a single right to benefit from share appreciation (value of a single option) used in the valuation was PLN 1.19. The assumed risk-free rate was 5.54% and the expected volatility of the share price was 52.0%. The duration of the option is one year.

In the statement of financial position, a provision of PLN 0.2m related to the valuation of the incentive scheme was recognised under other current liabilities (January 31st 2023: PLN 0.2m).

12.4 EVENTS AFTER REPORTING DATE

On August 7th 2023, CCC S.A. announced that requests for pari passu redemption of 125,901 bonds had been submitted in connection with the offer of voluntary early redemption concerning bonds with a maximum aggregate nominal value of PLN 8,898,000.00. The Company would redeem 8,898 bonds, pro rata to the number of bonds covered by the redemption requests (pari passu redemption), in accordance with the rules set out in the relevant regulations of the Central Securities Depository of Poland. The pari passu redemption would take place on August 10th 2023. At the redemption, the issuer would pay interest accrued on the bonds being redeemed.

On August 31st 2023, the General Meeting of CCC S.A. passed a resolution to transfer an organised part of business of CCC S.A. engaged in logistics operations and a similar organised part of business of CCC Factory Sp. z o.o. to CCC.eu Sp. z o.o., with effect from September 1st 2023. As a result, CCC S.A. and CCC Factory Sp. z o.o. acquired new shares issued by CCC.eu in exchange for the transferred non-cash contributions (organised parts of business). The table below presents the estimated carrying amounts of the Company's assets and liabilities forming part of the organised part of business to be transferred as at July 31st 2023. The amounts will be updated as at the transfer date.

(all amounts in PLN million unless stated otherwise)

	CCC S.A.
Środki trwałe	226,2
Aktywo z tytułu podatku odroczonego	1,0
Aktywa długoterminowe	**227,2**
Zapasy	0,0
Należności handlowe	15,8
Należności pozostałe	1,4
Aktywa krótkoterminowe	**17,2**
Aktywa razem	**244,4**
Rezerwy	1,0
Dotacje	12,8
Zobowiązania długoterminowe	**13,8**
Zobowiązania handlowe	14,8
Zobowiązania pozostałe	10,9
Rezerwy	0,7
Dotacje	0,4
Zobowiązania krótkoterminowe	**26,8**
Zobowiązania razem	**40,6**
Aktywa netto	**203,8**

On September 28th 2023, CCC S.A. and CCC Factory Sp. z o.o. decided to abandon plans to merge the two companies based on the merger plan of July 28th 2023 agreed and signed by CCC S.A. and CCC Factory Sp. z o.o., and not to notify the merger and the resulting changes to the Business Register of the National Court Register. The Group concluded that the best way to simplify the CCC Group's corporate structure would be by merging CCC Factory Sp. z o.o. with CCC.eu Sp. z o.o. through transfer of all assets of CCC Factory Sp. z o.o. to CCC.eu Sp. z o.o. (merger through acquisition). As part of the merger, the sole shareholder of CCC Factory Sp. z o.o., i.e. CCC S.A., would receive CCC.eu Sp. z o.o.'s own shares purchased as a result of the merger. These steps are consistent with the CCC Group's earlier decision to simplify its corporate structure.

On August 31st 2023, CCC S.A. made a further partial reduction of its debt towards the bank syndicate consisting of mBank S.A. (the agent), Bank Polska Kasa Opieki S.A. (the security agent), Bank Handlowy w Warszawie S.A., Bank Millennium S.A., BNP Paribas Bank Polska S.A., Bank Polska Kasa Opieki S.A., mBank S.A., Powszechna Kasa Oszczędności Bank Polski S.A., Santander Bank Polska S.A. and Santander Factoring Sp. z o.o., and Bank Handlowy w Warszawie S.A. under a bilateral credit agreement secured by a guarantee issued under a portfolio guarantee scheme of the PLG-FGK BGK Emergency Guarantee Fund. The total reduction of credit limits made on August 31st 2023 through agreed debt prepayments was PLN 64.3m, constituting another stage of the previously communicated debt reduction plan.

As the credit limits reduced through the additional early reduction (prepayments referred to above) were not fully restored or renewed within 60 days of the reduction date, on September 15th 2023 CCC S.A. announced early redemption of its Series 1/2018 Bonds (the "Pari Passu Redemption"). The Pari Passu Redemption is to cover 11,414 Bonds, with a nominal value of PLN 11.4m, as reported in Current Report No. 52/2023 of September 15th 2023.

On September 6th 2023, CCC S.A. together with CCC Shoes & Bags Sp. z o.o. signed an annex amending the agreement with Modivo S.A.'s minority shareholder (MKK3 Sp. z o.o.) concerning the obligation to purchase the minority shareholder's interest in Modivo S.A. The related liability is disclosed by the CCC Group in its consolidated financial statements in the full amount, i.e. PLN 180.0m. The annex provided for interest to be accrued on the liability under the option if the option was not exercised starting from January 1st 2024 (subject to approval by the finance providers, which was granted to the Company on October 2nd 2023), and the possibility of exercising the option in up to three tranches, of which a single tranche may not involve less than 10% of the shares covered by the option. The annex also amends the vesting date for MKK3 Sp. z o.o.'s option to October 3rd 2023 (previously: July 1st 2023). The option expiry date remains unchanged, i.e. the option will expire on June 30th 2026 or if the initial public offering is carried out.

INTERIM CONDENSED CONSOLIDATED DIRECTORS' REPORT ON THE OPERATIONS OF THE CCC GROUP FOR THE SIX MONTHS

from February 1st 2023
to July 31st 2023

(all amounts in PLN million unless stated otherwise)

ABOUT THIS REPORT

This interim condensed consolidated Directors' Report on the operations of the CCC Group in the six months ended July 31st 2023 contains financial and non-financial data, showing the results and position of the CCC Group on the Polish and European markets. This report is published in the PDF format, in Polish and English. It contains logos and photographs of products, including registered proprietary brands available in CCC, eobuwie and HalfPrice stores.
The report covers the period from February 1st to July 31st 2023 and contains comparative data for the period from February 1st to July 31st 2022 and as at January 31st 2023. To keep the information as current as possible, this report includes a summary of events after the reporting date up to the date of its issue.

BASIS OF PREPARATION OF THE DIRECTORS' REPORT

This Directors' Report on the operations of the CCC Group was prepared in compliance with the consolidated financial statements as well as current and periodic reports. This Directors' Report is consistent with Par. 71.3 and Par. 71.4 of the Minister of Finance's Regulation on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state, dated March 29th 2018, and contains elements required under Par. 68.5-6 applicable to issuers of securities in the manufacturing, construction, trade, and services sectors. Art. 55.2.5 in conjunction with Art. 49.2, Art. 49.3 and Art. 63d. of the Accounting Act of September 29th 1994 also apply. In the case of the Rules of the Warsaw Stock Exchange, Sections 29.1, 29.2, 29.3 and 29.5 apply.

CCC IN NUMBERS

The data relate to changes in the period February 1st–July 31st 2023 relative to the corresponding period of the previous year. Data calculated based on a table representing revenue from continuing operations by operating segments.

		Feb 1–Jul 31 2023	y/y change
CCC GROUP	**Revenue**	**4,488.6**	**+5%**
	E-commerce contribution to sales	52%	N/C
	Number of markets	31	+1
	Number of stores	987	+27
CCC	**Revenue**	**1,889.1**	**−6%**
	Contribution to the CCC Group's revenue	42%	−5pp
	E-commerce contribution to sales	26%	+6pp
	Number of markets	24	+1
	Number of stores	816	−3
HalfPrice	**Revenue**	**589.0**	**+96%**
	Contribution to the CCC Group's revenue	13%	+6pp
	E-commerce contribution to sales	4%	–
	Number of markets	8	+3
	Number of stores	108	+31
eobuwie	**Revenue**	**1,469.6**	**−5%**
	Contribution to the CCC Group's revenue	33%	−3pp
	E-commerce contribution to sales	90%	−1pp
	Number of markets	19	+2
	Number of stores	48	+15
MODIVO	**Revenue**	**497.3**	**+42%**
	Contribution to the CCC Group's revenue	11%	+3pp
	E-commerce contribution to sales	95%	−5pp
	Number of markets	18	+3
	GMV	607.5	+45.7%

13. BUSINESS OF THE CCC GROUP

The CCC Group (the "CCC Group", the "Group") is a leader of the omnichannel footwear market in Poland and Central Europe. The Group's operations are currently segmented into the following business lines:

- **CCC**
- **HalfPrice**
- **eobuwie**
- **MODIVO**
- **DeeZee**

The CCC Group comprises a total of 987 offline CCC, HalfPrice, eobuwie and MODIVO chain stores the vast majority of which are located in modern shopping centres and malls, as well as a number of online sales platforms in Poland and in 28 countries of Europe and the Middle East.

The CCC business line offers mainly private labels, regarded as leading brands on the CEE footwear markets – Lasocki, Gino Rossi, Badura, Jenny Fairy, Sprandi and DeeZee, complemented by certain third-party brands (mainly within sports categories). In the eobuwie, MODIVO and HalfPrice business lines, the offering includes mainly third-party brands. The CCC Group has a wide range of products, constantly expanded, picked and selected in response to the needs of consumer groups carefully targeted by particular brands.

BUSINESS PROFILE

The CCC Group is a leader of the CEE footwear market, actively expanding its product portfolio to include new categories – mainly clothes offered by the MODIVO and HalfPrice business lines.

The Group focuses on Customers, offering them high quality, fashionable products. In line with its mission, the CCC Group's main objective is 'To unlock fashion for everybody, everywhere'.

The Group's business model is based on an omnichannel platform of five complementary business lines: CCC, HalfPrice, eobuwie, MODIVO, and DeeZee. The omnichannel model is based on the overlapping of online and offline sales channels and free migration of Customers between those channels. Expansion of the omnichannel platform is also supported by a number of facilities for Customers, including express delivery, deferred payments, etc.

Products at brick-and-mortar stores are mainly sold under the CCC business line, which offers chiefly well-known private labels (e.g. Lasocki, Jenny Fairy, Gino Rossi) and under the off-price concept called HalfPrice (launched in 2021). In the six months to July 31st 2023, the Group's revenue generated through the offline channel accounted for 47.6% of the total.

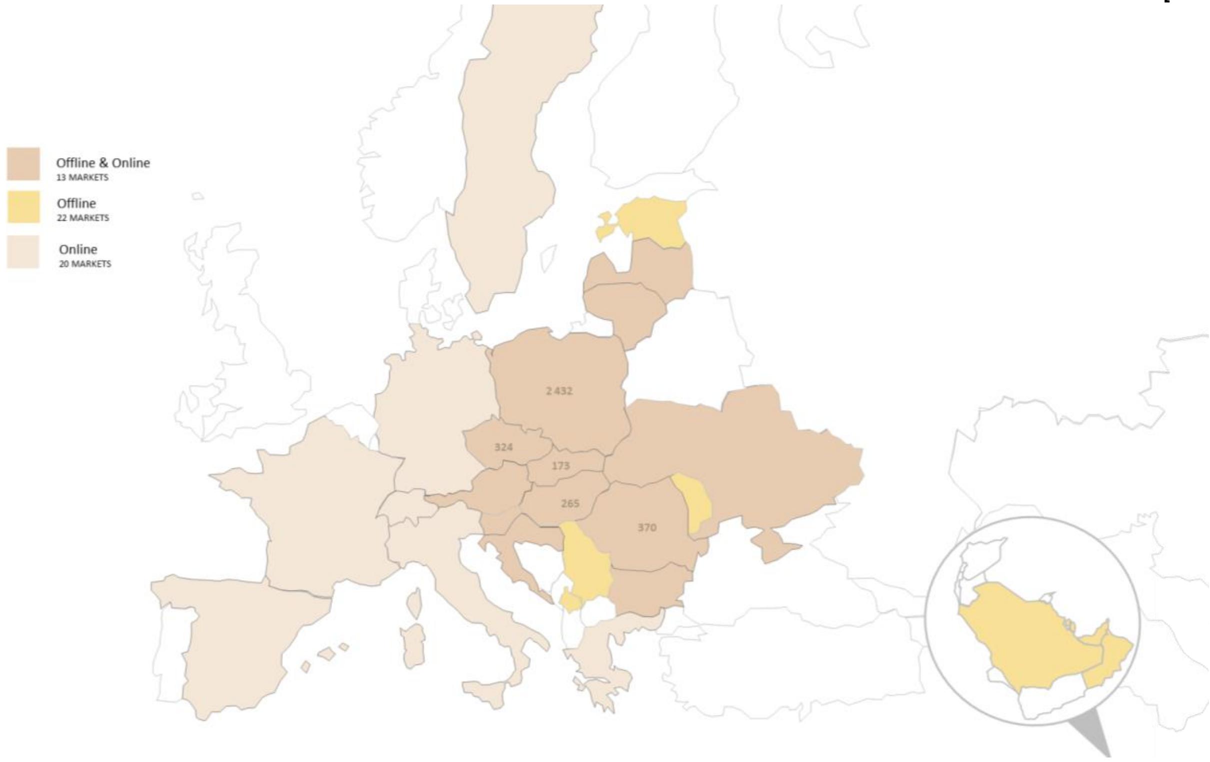
The Group is ramping up sales in the fast-growing e-commerce channel. The Group's revenue from this channel, accounting for 52.4% of the total, is generated through the CCC and HalfPrice online stores, as well as through the pure online platforms, i.e., the eobuwie and MODIVO platforms and DeeZee.

In November 2021, the CCC Group adopted a new business strategy called 'GO.25 Everything Fashion. Omnichannel Platform', outlining its strategic objectives: to triple revenue (to approximately PLN 20bn) and deliver an EBITDA margin of 12% or more by 2025. The other strategic objectives are to increase the share of new product categories (other than footwear) in the offering to one third, increase the share of online sales in total revenue to 60%, enhance customer satisfaction as measured by NPS (Net Promoter Score) by 10 points for each of the Group's five business lines, and achieve the MSCI ESG rating of 'A+' and 10pp above the industry average in employee engagement. However the Group believes that, since the adoption of the GO.25 strategy, the business environment has become more challenging than initially expected, which is affecting and may further affect the path towards achievement of its strategic objectives.

The main driver of the Group's revenue growth in the coming years will be dynamic expansion of the off-price segment (with 250 HalfPrice stores planned to be opened by 2025) and further scaling up of the Modivo Group's business (including through expansion of the marketplace service and increasing foreign markets' contribution to revenue).

The Group intends to grow its business in a responsible and sustainable manner by engaging in projects that promote a low-carbon circular economy, diversity and transparency.

FIVE COUNTRIES IN WHICH THE CCC GROUP EARNED THE HIGHEST REVENUE IN FEBRUARY 1ST TO JULY 31ST 2023 [PLNm]



KEY EVENTS FROM FEBRUARY 1ST TO JULY 31ST 2023

Q1

- Issue of 14 million Series M and Series L shares at a price of PLN 36.11 per share.

Q2

- Execution of a ten-year licensing agreement with ABG concerning the Reebok brand.
- Reduction of the CCC Business Unit's financial debt to its lowest level since 2018.

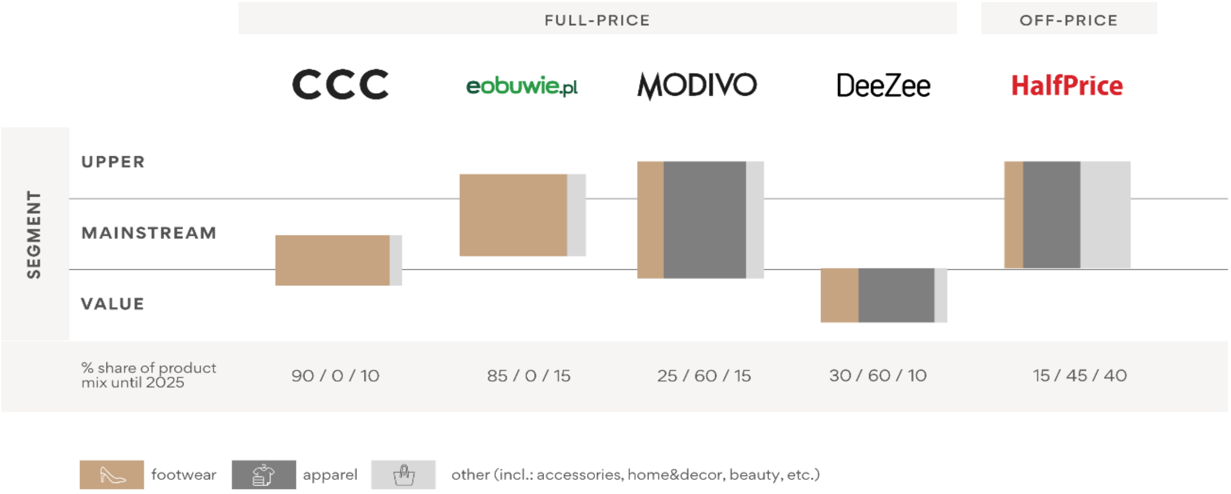
Find out more about developments important to the Group on the websites:

https://corporate.ccc.eu/news/aktualnosci,1
https://corporate.ccc.eu/raporty#pills-relacjeinwestorskie-raporty-zakladki-raporty-biezace-1-tab

14. CCC GROUP'S PORTFOLIO

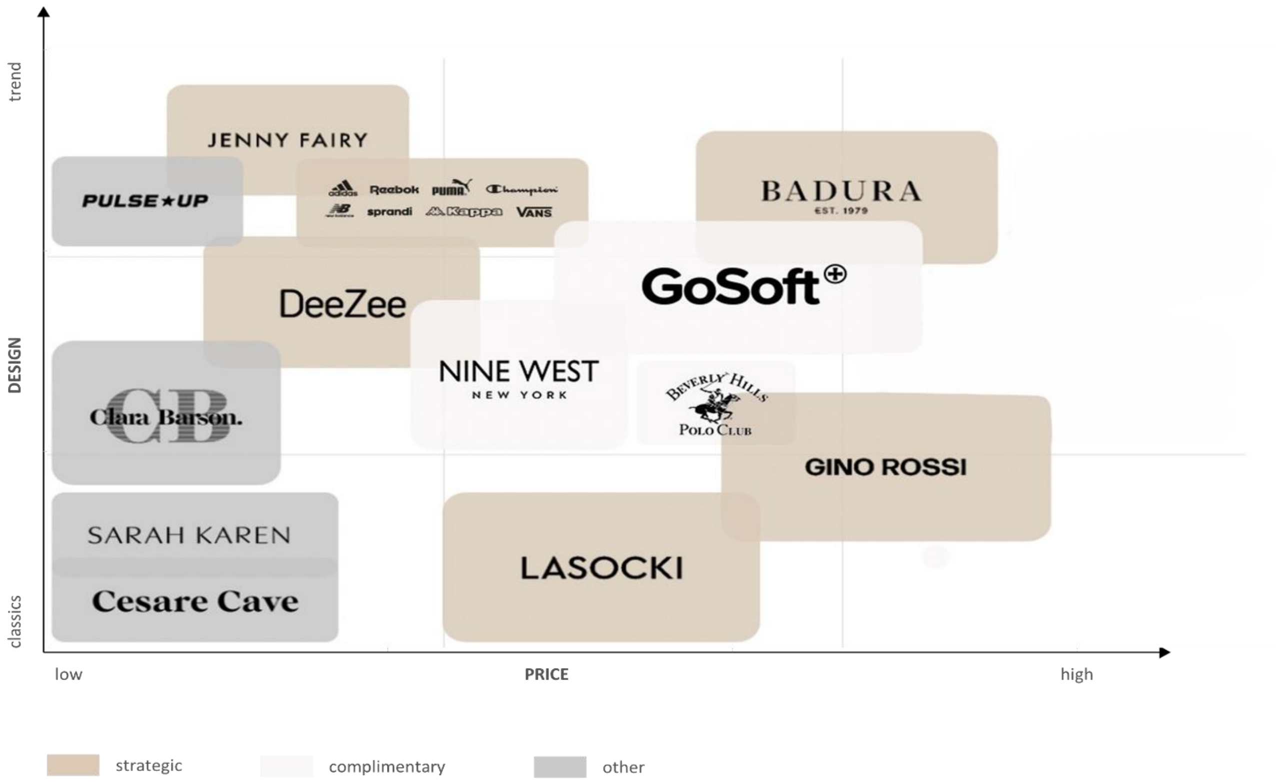
Products offered by the Group address the needs of a wide range of customers. Products sold through the CCC business line include primarily high-quality value for money goods and mainstream private label brands. The eobuwie and MODIVO offerings include clothing, footwear and accessories across the premium, casual, sports and street style categories. The portfolio is complemented by HalfPrice, the off-price business line selling primarily clothes of famous brands and other products at attractive prices.

OUR BUSINESS LINES ADDRESS THE NEEDS OF VARIOUS CUSTOMER SEGMENTS

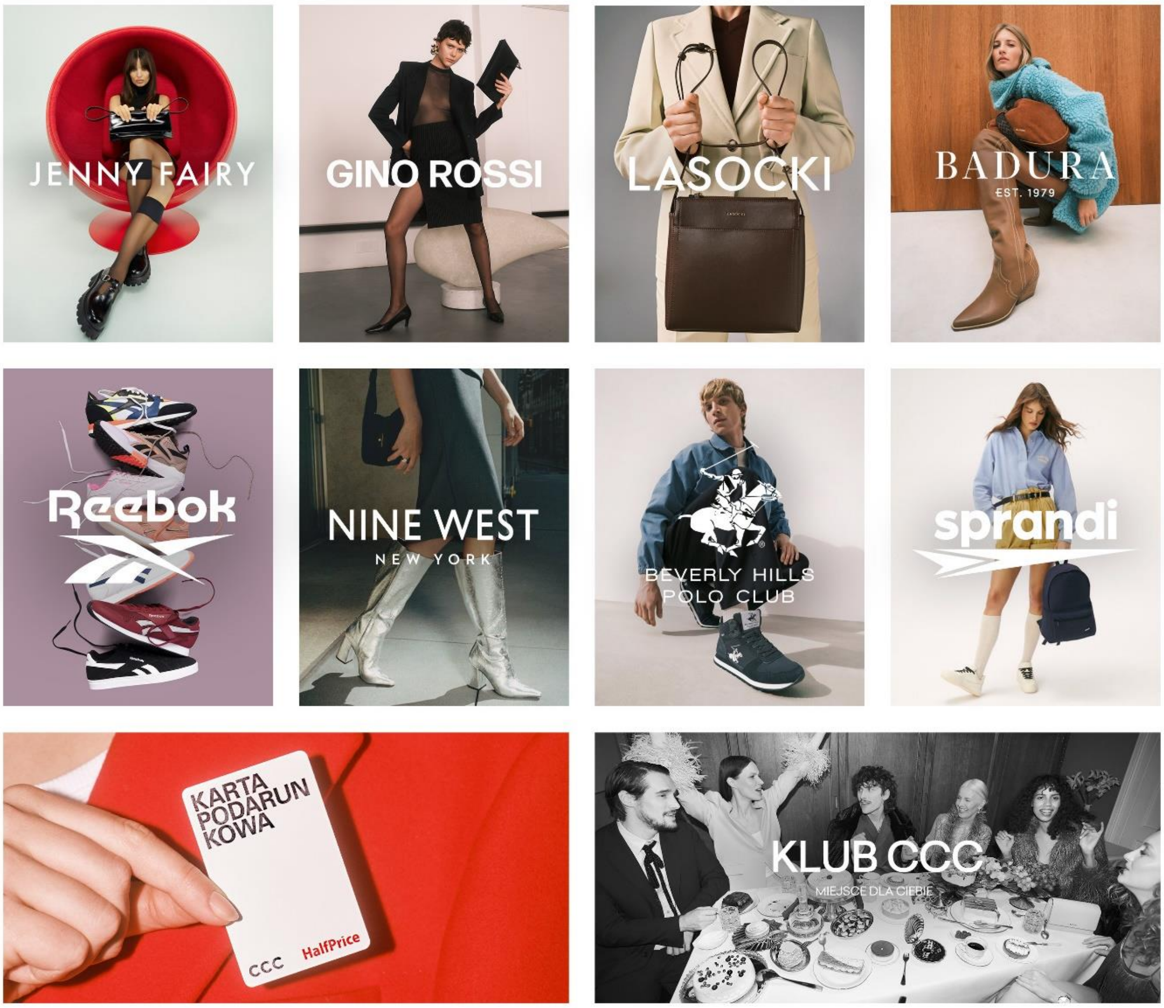


The CCC chain's product portfolio includes both popular private labels and recognised third-party brand names, as well as licences. The portfolio has been designed so that its elements address demand from various groups of customers, depending on their fashion preferences, age, or disposable income. We address the shopping needs of consumers through inspiringly presented offerings of third-party and private label sports brands, trendy synthetics and leather, children's shoes, as well as men's footwear and accessories.

OUR BRAND PORTFOLIO CATERS TO A WIDE RANGE OF CUSTOMER NEEDS



CCC flexibly adapts its product offerings to the purchasing power of consumers, driven by macroeconomic factors. In response to the rise in inflation and the resulting pressure on consumers, CCC's private label portfolio was expanded to include three new economy brands: Sarah Karen, Cesare Cave and Pulse up. With these brands added to the range, customers will find fashionable leather and athletic footwear at more affordable prices in CCC stores.



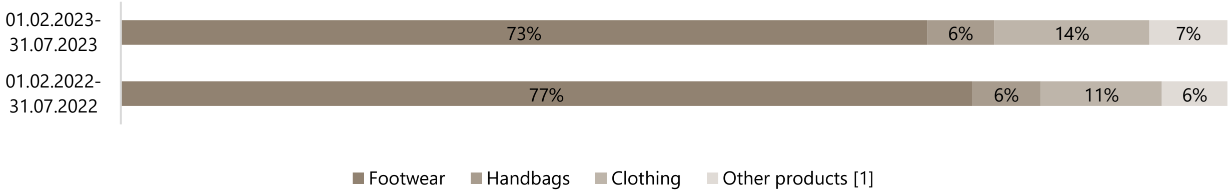
Furthermore, CCC offers other iconic sports brands, such as Adidas, Champion, Reebok, Puma, New Balance, Converse, Skechers and Vans, as well as children's footwear featuring some of the beloved Disney characters.

In May 2023, the CCC Group entered into a ten-year licensing agreement (with an option to extend it for another decade) with Authentic Brands Group, one of the world's largest licence providers, concerning the Reebok brand. As part of the partnership, the CCC Group will have the right to distribute a wide range of Reebok products through its sales channels (CCC, HalfPrice, eobuwie and Modivo) on 28 markets. The Company will also be authorised to run retail stores, shop-in-shop kiosks and outlets for the brand. Thus, the CCC Group has joined the top three retail players holding licences for the Reebok brand in Europe.

The CCC Group's range is also complemented by products offered by eobuwie and MODIVO. Revenue generated by the two channels is mostly derived from sales of third-party brands, i.e., brands supplied by footwear and clothing manufacturers widely recognised by consumers.

The CCC Group's portfolio is complemented by HalfPrice, a modern store concept in the off-price segment, offering a wide variety of popular brands at attractive prices. Products sold at HalfPrice brick-and-mortar outlets and the halfprice.eu online store are tailored to the needs of customers choosing quality and looking for branded products sold at reduced prices. Several times a week, new products are added to the existing range, allowing consumers to find real bargains. The product portfolio comprises clothing, footwear, accessories, cosmetics, toys, and homewares.

SALES MIX OF THE CCC GROUP



[1] 'Other' includes primarily (by value): shoe care products, insoles, belts, wallets, socks, jewellery and accessories, homeware and beauty products.

The CCC Group's sales mix changed during 2023 in line with the GO.25 strategy, reflecting primarily development of the omnichannel platform and the HalfPrice business line. The contribution of the 'Footwear' category to total sales fell nearly 4pp year on year, mainly in favour of 'Clothing' (up 3pp).

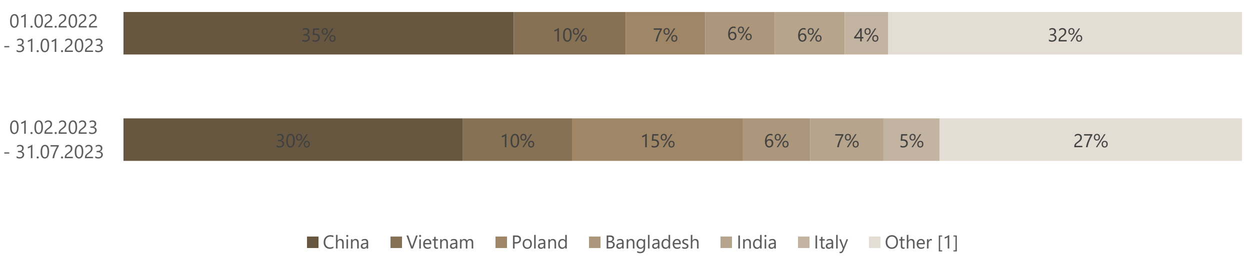
15. BUSINESS MODEL

SUPPLIERS

CCC.eu Sp. z o.o. is the supplier of goods for the CCC, HalfPrice and DeeZee chains. The company procures goods from domestic and foreign suppliers.

The Modivo Group purchases merchandise for the eobuwie and Modivo online platforms and offline stores of the same names through its parent Modivo S.A. In the six months to July 31st 2023, purchases made by Modivo accounted for nearly 50% of the CCC Group's total purchases of merchandise.

The purchasing structure of the CCC Group, including purchases by the Modivo Group, is presented below.



[1] In the 'Other' category, purchases in any single country did not exceed 5% of the CCC Group's total purchases.

For a detailed description of the supply chain, see the Non-Financial Report of the CCC Group for the 2022 financial year, which is available from https://corporate.ccc.eu/raporty-csr.

LOGISTICS

Currently, the CCC Group operates the following logistics centres:

- **Logistics Centre in the Legnica Special Economic Zone (LSEZ) in Polkowice**
- **E-Commerce Logistics Centre in Zielona Góra**
- **E-Commerce Logistics Centre in Bucharest**
- **Logistics Centre in Wola Bykowska**

DISTRIBUTION

The breakdown of the Group's operations by distribution channel corresponds to the respective business lines:

- **CCC**
- **HalfPrice**
- **eobuwie**
- **MODIVO**
- **DeeZee**

(all amounts in PLN million unless stated otherwise)

GEOGRAPHICAL COVERAGE OF CCC GROUP SALES CHANNELS

Outside Poland, the Group operates in Central and Eastern Europe, Western Europe, the Baltic States, the Balkans and the Middle East. The Group's showrooms operate in large shopping centres or at attractive high-street locations.

BUSINESS LINE	COUNTRY	Jul 31 2023		Jan 31 2023	
		area [m²]	number	area [m²]	number
CCC	Poland	280,020	445	281,929	444
	Hungary	51,219	73	53,543	77
	Czech Republic	48,064	79	48,507	82
	Romania	46,133	73	48,340	76
	Slovakia	31,569	47	32,628	50
	Croatia	19,342	26	20,624	28
	Bulgaria	12,976	20	12,976	20
	Slovenia	11,295	16	11,763	17
	Ukraine	9,190	15	–	–
	Serbia	8,995	11	11,050	14
	Latvia	4,445	6	4,621	6
	Estonia	2,879	3	2,879	3
	Lithuania	1,420	2	1,420	2
TOTAL		**527,547**	**816**	**530,280**	**819**
HalfPrice	Poland	150,625	87	124,689	75
	Czech Republic	10,011	5	5,000	3
	Slovakia	7,828	4	4,787	3
	Hungary	5,633	3	5,633	3
	Austria	5,038	3	5,038	3
	Slovenia	4,752	3	3,515	2
	Romania	2,975	2	1,486	1
	Croatia	1,955	1	1,955	1
TOTAL		**188,817**	**108**	**152,103**	**91**
MODIVO	MODIVO	32,359	48	26,689	38
TOTAL OWN STORES		**748,723**	**972**	**709,072**	**948**

CHAIN	COUNTRY	Jul 31 2023		Jan 31 2023	
		area [m²]	number	area [m²]	number
CCC FRANCHISE	UAE*	5,302	6	5,302	6
	Saudi Arabia	2,420	3	2,420	3
	Kosovo	1,958	2	1,958	2
	Oman	1,223	1	1,223	1
	Qatar	1,002	1	1,002	1
	Bahrain	929	1	929	1
	Moldova	740	1	740	1
	Ukraine	–	–	9,415	16
TOTAL FRANCHISE		**13,574**	**15**	**22,989**	**31**
TOTAL CCC GROUP		**762,297**	**987**	**732,061**	**979**

* United Arab Emirates

(all amounts in PLN million unless stated otherwise)

OMNICHANNEL SALES

Omnichannel sales at the CCC Group are made through the CCC, HalfPrice, eobuwie and MODIVO own stores and sales platforms.

Services supporting online shopping at the CCC Group include CCC Express (deliveries within 90 minutes), deliveries over the weekend via InPost, and deferred PayPo payments. What is more, 2021 saw the implementation of OMS (Order Management System), which transformed CCC offline stores into mini-hubs that can ship e-commerce orders, offering customers better access to more products.

HalfPrice is a modern store concept in the off-price segment, offering a wide variety of popular brands at attractive prices, including clothing, footwear, accessories, toys and homewares. The network, launched in Poland in May 2021, operated in eight European markets as at the reporting date.

Omnichannel sales revenue increased in the reporting period by PLN 252.3m (up 6.0%) year on year, to PLN 4,445.0m, accounting for 99.0% of total sales.

DIGITAL SALES

As at the reporting date, DeeZee operated exclusively in the digital segment. Digital sales revenue fell in the reporting period by PLN 10.3m (down 19.1%) year on year, to PLN 43.6m, accounting for 1.0% of total sales.

CHANGES IN EXCHANGE RATES

Part of the settlements of the CCC Group is denominated in foreign currencies. The USD and EUR exchange rates have an impact on the structure of revenue and costs. As the Group imports merchandise whose purchase prices are mainly denominated in USD, and also sells finished goods on foreign markets where selling prices are denominated in EUR, the Group is exposed to currency risk. The Group also provides loans denominated in foreign currencies.

PERIOD (USD/PLN)	HIGH	LOW	END OF PERIOD	MID
Feb 1–Jul 31 2023	4.4888	3.9451	3.9995	4.2130
Feb 1 2022–Jan 31 2023	5.0381	3.9218	4.3480	4.4873
Feb 1–Jul 31 2022	4.8284	3.9218	4.6365	4.3613

PERIOD (EUR/PLN)	HIGH	LOW	END OF PERIOD	MID
Feb 1–Jul 31 2023	4.7895	4.4135	4.4135	4.5638
Feb 1 2022–Jan 31 2023	4.9647	4.4879	4.7089	4.6975
Feb 1–Jul 31 2022	4.9647	4.4879	4.7399	4.6663

16. MARKET ENVIRONMENT AND COMPETITION IN OUR KEY REGIONS

The main external factors affecting the Group's business are the macroeconomic environment, industry outlook, and the competitive environment in the Group's key operating regions.

MACROECONOMIC DEVELOPMENTS IN POLAND AND CENTRAL AND EASTERN EUROPE

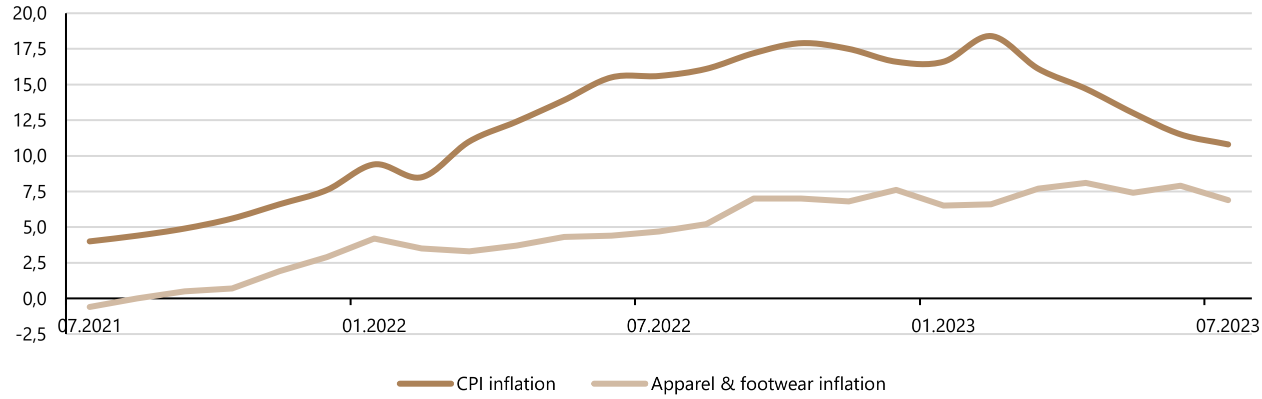
The CCC Group operates mainly on the markets of Central and Eastern Europe, with a key focus on the Polish market. As a result of the location of the Group's sales channels in this region, the condition of the CEE economies has a significant impact on the sales of the Group.

The main factors that influenced the financial results in the reporting period were:

- **change in disposable income of consumers, change in propensity for consumption, change of shopping preferences**

Inflation was rising fast over the past months, peaking in February. Currently, we are seeing the process of disinflation. However, it should be stressed that inflation in the first six months of the year remained in high double digits.

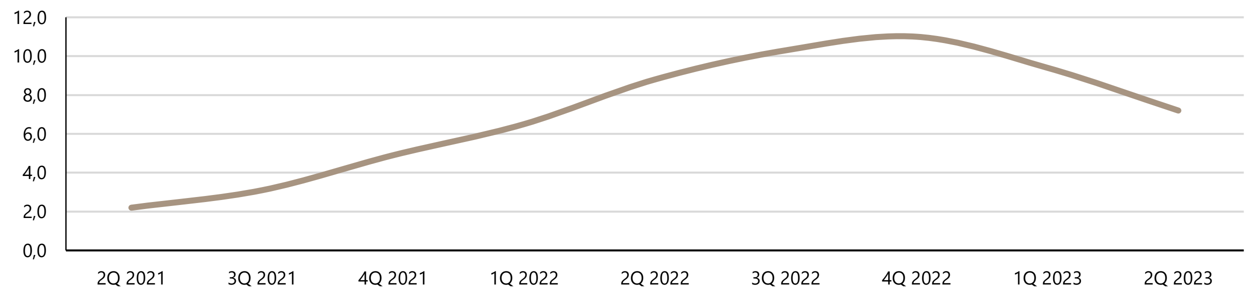
Inflation in Poland [%]



Source: NBP

Growing inflation changes the distribution of disposable income of consumers and consequently affects their shopping preferences. Customers tend to choose cheaper products and show higher price sensitivity. The Group makes every effort to ensure that the product offering is best tailored to customers' needs. Inflation for clothes and footwear has also been rising in recent months, albeit still at a slower rate than CPI.

Inflation in the European Union (HICP) [%]



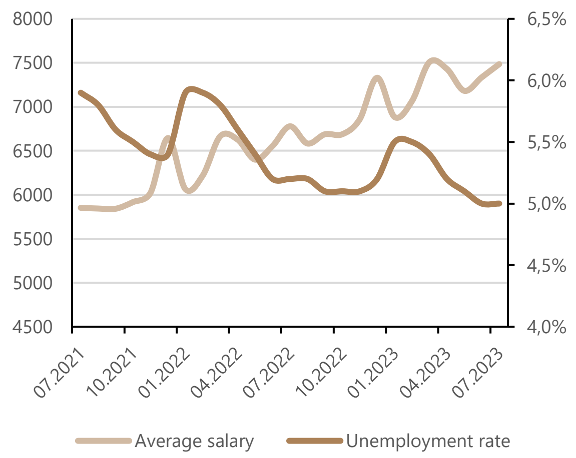
Source: EC

Inflation is already past its peak across the European Union. However, it still remains above the target range. According to the European Commission's data, the HICP inflation rate was approximately 7.2% for all member states in the second quarter of 2023.

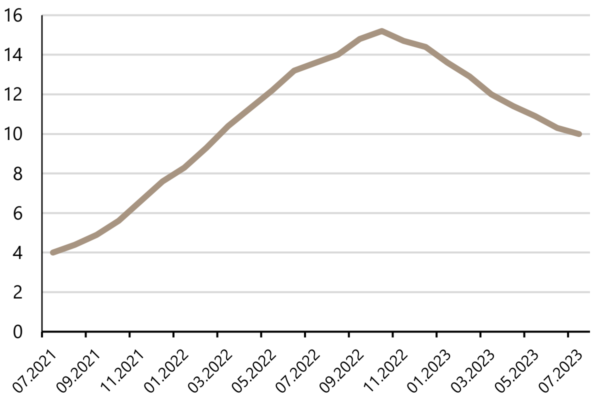
– **cost pressures**

The inflation's impact is also seen on the cost side. Since 2021, wages have been rising rapidly while unemployment remained relatively low. Such a situation leads to wage pressures.

Unemployment rate and wage growth [%]



Increase in construction and assembly prices [%]

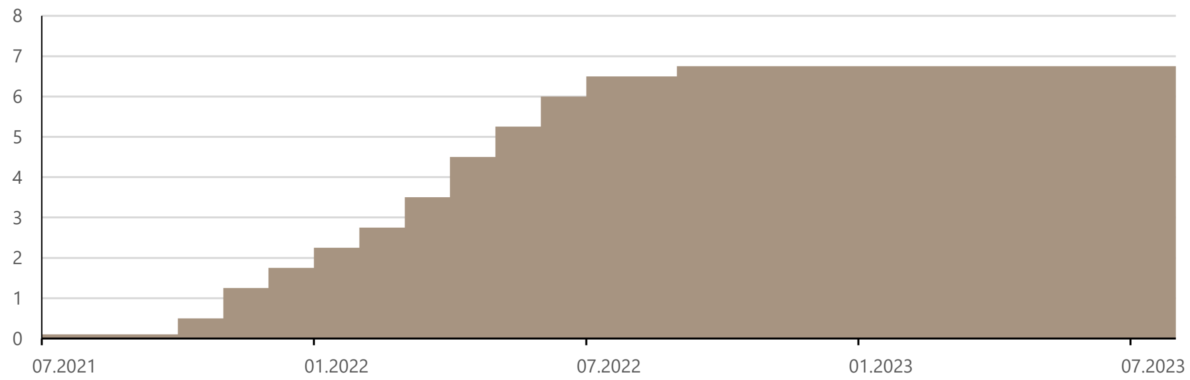


Source: Statistics Poland, National Bank of Poland

Since the second half of 2021, the prices of construction and assembly output have been growing rapidly, which mainly affected the costs and expenditure on the expansion of the offline sales chain. The growth in prices of construction and assembly output has been slightly decelerating since the end of 2022. The CCC Group takes numerous measures to mitigate the inflationary cost increase.

– **interest rate development**

Reference rate in Poland [%]

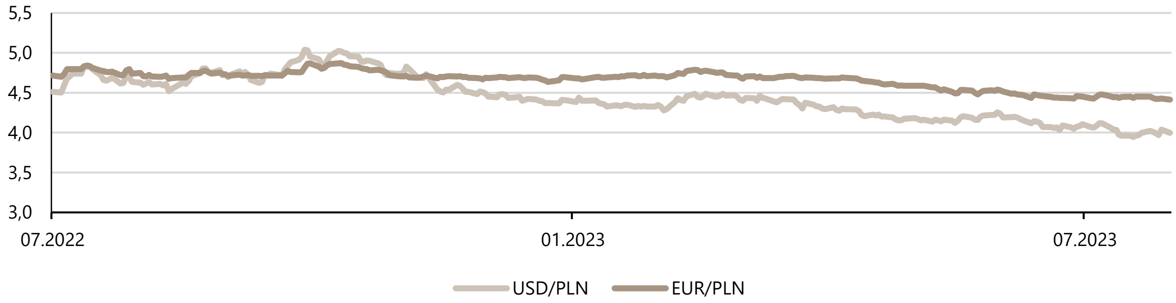


Source: NBP

Due to the strong growth of inflation in Poland, in October 2021 the Monetary Policy Council of the National Bank of Poland started a series of reference rate rises. As the price growth slowed down, in September 2023 a series of interest rate cuts began, bringing the reference rate to 6.75% as at the date of issue of this report. The prevailing level of interest rates affects the debt service costs incurred by the Group.

– **foreign exchange**

EUR/PLN and USD/PLN exchange rates [PLN]



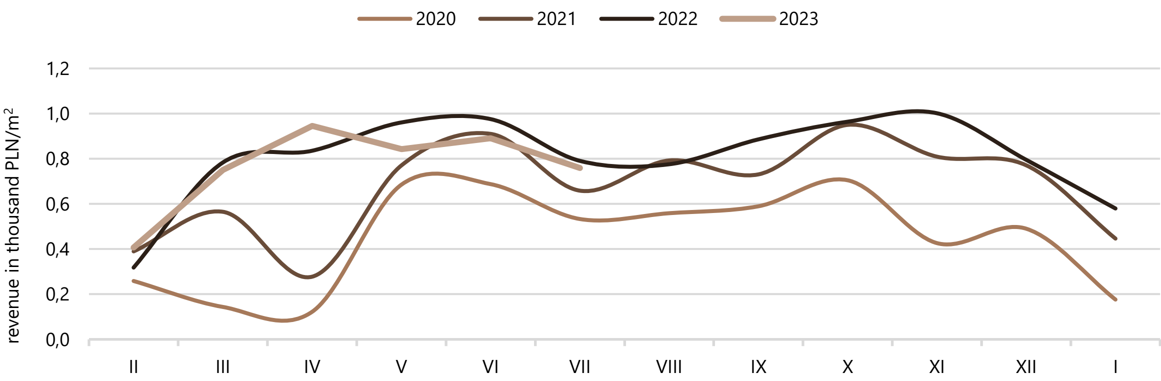
Source: NBP

In late 2021 and early 2022, the geopolitical situation contributed to a strengthening of foreign currencies – the euro and US dollar – against the Polish złoty. The situation normalised in late 2022 and early 2023. In recent months, we have been seeing a gradual appreciation of the Polish złoty against the major foreign currencies. A depreciation or appreciation of the złoty has an impact on gross margin (USD, EUR) and rental costs (EUR). The Group mitigates the impact of movements in foreign exchange rates on its performance by actively adjusting its pricing and discount policies. It also seeks to enter into contracts providing for flexible terms of lease of retail space, and some of its revenue is generated in the euro.

17. SEASONALITY

The weather and seasonality have a significant effect on the distribution of revenue during the financial year (peak demand falls in spring and autumn). Irregular weather conditions may result in customers postponing purchasing decisions or in a shortened peak sales season. In 2020–2021, the seasonality of sales was disrupted by the effects of the global coronavirus pandemic and, in particular, by several rounds of administrative restrictions on retail trade through offline stores in most of the Group's markets.

Seasonality of revenue for CCC network in Poland in 2020–2023



18. KEY TRENDS IN THE FOOTWEAR AND CLOTHING MARKET AND CUSTOMERS' SHOPPING HABITS:

The Group has identified four key trends affecting customers' shopping habits as well as the footwear and clothing market:

1) **Product** – development of fashion products, sneakerisation, eco-consciousness and recycling.
2) **Competition** – market consolidation, emergence of marketplace models and subscription models.
3) **Sales channels** – evolution of store functions, growing online penetration, off-price expansion.
4) **Experience** – accelerated deliveries, personalised communication, fast payments and deferred payments.

19. STRATEGY ALIGNED WITH MARKET CHANGES

In response to the changing market environment, the CCC Group developed and implemented the GO.25 Everything fashion. Omnichannel Platform corporate strategy, and is monitoring progress in its delivery. The Group's strategy is implemented through the omnichannel platform for optimised customer experience proposition, which comprises:

Business lines: Five strong complementary business lines – CCC, eobuwie, MODIVO, HalfPrice and DeeZee – which complement one another in terms of sales channels, product mix and pricing ranges, across the full- and off-price segments.

Channels: Overlapping offline and online channels to help the customer optimise the path to purchase.

Products: Diverse product mix, offering customers a wide range of footwear plus a growing selection of new categories: clothing, accessories and other (homeware, health and beauty, and other products)

Platform foundations: Cooperation between business lines to unlock synergies in procurement, product offerings, communication, supply chains, technology, finance, sustainability aspects (ESG), culture and people.

The CCC Group's omnichannel platform is a unique ecosystem for products representing various brands (both private label and third-party brands, which are consistently developed by the Group), enabling the flow of products from full-price (CCC, eobuwie, MODIVO, DeeZee) to off-price (HalfPrice) channels.

The GO.25 strategy has outlined seven key strategic objectives:

1) **3x business** – threefold expansion of the Group's business scale by leveraging the omnichannel platform model
2) **EBITDA margin > 12%**
3) **New categories accounting for more than one-third of total sales** – strong entry into new fashion categories, including clothing, homeware and beauty products
4) **60% share of online sales** – with the focus on a well-balanced share of pure online and digitalised offline channels
5) **NPS + 10p for all business lines and channels** – our strategic goal is to increase NPS across all business lines and channels while maintaining focus on the customer and continuously enhancing customer experience, and we have set ourselves the sustainability goals of circularity, low carbon intensity, diversity and transparency that underlie our strategic efforts:

6) **MSCI ESG rating of A+**
7) **Employee** engagement +10pp vs. industry average

The Group believes that the business environment has become more challenging than initially expected, which is affecting and may further affect the path towards achievement of its strategic objectives.

The CCC Group's strategy is discussed at length in the 'CCC Group's strategy, Execution and growth plans' section of the full-year consolidated Directors' Report on the operations of the CCC Group.

20. OPERATIONAL DATA ON MODIVO SALES

KPI	Unit	Business line	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023
Share of mobile visits	%	eobuwie	78.8%	77.6%	79.1%	79.9%	80.5%	83.3%	83.4%	82.6%	81.5%
		MODIVO	77.7%	79.4%	79.3%	78.4%	79.1%	80.2%	81.2%	80.5%	77.4%
Conversion rate	%	eobuwie	2.2%	1.8%	1.7%	1.9%	2.3%	2.0%	1.7%	1.7%	2.1%
		MODIVO	1.5%	1.3%	1.6%	1.5%	1.8%	1.6%	1.5%	1.4%	1.7%
Active customers	’000	eobuwie	6,968	7,356	7,591	7,814	8,102	8,265	8,219	8,099	7,926
		MODIVO	723	879	1,200	1,386	1,669	1,908	2,165	2,315	2,446
Number of SKUs	‘000	eobuwie	106	120	125	132	137	140	145	159	150
		MODIVO	53	64	75	91	103	130	117	132	124
		MODIVO + Marketplace	53	64	75	91	103	130	174	190	292

Definitions:

Share of mobile visits – share of visits via the mobile channel (including the tablet) in the total number of sessions.
Conversion rate – the total number of orders divided by the total number of sessions.
Active customers – the number of customers who have made at least one transaction in the last 12 months.
Average number of SKUs (Stock Keeping Units) – the average number of SKUs in the main warehouse during a quarter, rounded to the nearest thousand.

The share of mobile visits remained stable, with a growing contribution of sales through mobile applications. Thanks to the steady customer migration to a new application, about 40% of sales on the key markets are already transacted through the application, which is a solid foundation for further strengthening of customer loyalty.
Conversion rates within both business lines were below last year’s levels due to weaker consumer demand and challenges related to the offering’s appeal (with an excessive share of the old collection in total stocks).
Number of customers: flat at eobuwie, growing at a slower rate at Modivo. The weaker consumer demand and reduced investment in brand recognition in Q3 2022 (ATL marketing) translated into a decline in the top of mind brand awareness. Investment in brand recognition gradually restored to former levels starting from Q2/Q3 2023.

Number of SKUs at eobuwie influenced by measures to optimise stocking levels. Stable increase in the offering breadth at Modivo, thanks mainly to the Marketplace platform (with a 17.5% share of PL orders in July).

(all amounts in PLN million unless stated otherwise)

21. ANALYSIS OF SELECTED FINANCIAL AND OPERATING DATA OF THE CCC GROUP

21.1. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (KEY ITEMS)

REVENUE BY DISTRIBUTION CHANNELS

REVENUE [1]						
	Feb 1–Jul 31 2023	Feb 1–Jul 31 2022	Change [%]	May 1–Jul 31 2023	May 1–Jul 31 2022	Change [%]
	unaudited, reviewed	unaudited, reviewed		unaudited, unreviewed	unaudited, unreviewed	
CCC	1,889.1	2,000.4	-5.6%	1,040.7	1,180.7	-11.9%
HalfPrice	589.0	300.3	96.1%	337.5	181.8	85.6%
eobuwie	1,469.6	1,542.6	-4.7%	768.6	797.5	-3.6%
MODIVO	497.3	349.4	42.3%	256.4	187.0	37.1%
DeeZee	43.6	53.9	-19.1%	21.3	27.9	-23.7%
Total	**4,488.6**	**4,246.6**	**5.7%**	**2,424.5**	**2,374.9**	**2.1%**
Not allocated to segments/discontinued operations	–	12.8	-100.0%	–	2.5	-100.0%
Total	**4,488.6**	**4,259.4**	**5.4%**	**2,424.5**	**2,377.4**	**2.0%**

REVENUE BY GEOGRAPHICAL SEGMENTS

REVENUE [1]						
	Feb 1–Jul 31 2023	Feb 1–Jul 31 2022	Change [%]	May 1–Jul 31 2023	May 1–Jul 31 2022	Change [%]
	unaudited, reviewed	unaudited, reviewed		unaudited, unreviewed	unaudited, unreviewed	
Poland	2,432.1	2,270.4	7.1%	1,304.2	1,268.9	2.8%
Central and Eastern Europe	1,630.7	1,522.4	7.1%	892.9	869.0	2.7%
Western Europe	425.8	453.8	-6.2%	227.4	237.0	-4.0%
Total	**4,488.6**	**4,246.6**	**5.7%**	**2,424.5**	**2,374.9**	**2.1%**
Not allocated to segments/discontinued operations	–	12.8	-100.0%	–	2.5	-100.0%
Total	**4,488.6**	**4,259.4**	**5.4%**	**2,424.5**	**2,377.4**	**2.0%**

[1] Only revenue from external customers.

In the reporting period, revenue was PLN 4,488.6m, having increased by PLN 229.2m (5.4%) year on year.

In terms of distribution channels, the largest contribution to revenue growth was from the HalfPrice chain (up PLN 288.7m or +96%).

In terms of geographical segments, the largest contributions to revenue growth were seen in Poland (up PLN 161.7m or 7.1%) and Central and Eastern Europe (up PLN 108.3m or 7.1%).

The revenue was affected by the change in sales at like-for-like stores, product mix expansion and changes resulting from the opening and closing of retail outlets. The breakdown of revenue into like-for-like sales and sales by newly opened or closed outlets is presented below.

(all amounts in PLN million unless stated otherwise)

LIKE-FOR-LIKE STORES

BUSINESS LINE	SALES CHANNEL	LIKE-FOR-LIKE STORES [1] NUMBER	LIKE-FOR-LIKE STORES [1] Feb 1–Jul 31 2023 unaudited, reviewed	LIKE-FOR-LIKE STORES [1] Feb 1–Jul 31 2022 unaudited, reviewed	Change [%]	OTHER STORES [2] Feb 1–Jul 31 2023 unaudited, reviewed	OTHER STORES [2] Feb 1–Jul 31 2022 unaudited, reviewed	Change [%]
CCC	Offline	658.0	1,083.5	1,235.3	-12.3%	288.7	314.9	-8.3%
HalfPrice	Offline	40.0	225.2	173.9	29.5%	342.9	115.1	197.9%
Total		**698.0**	**1,308.7**	**1,409.2**	**-7.1%**	**631.6**	**430.0**	**46.9%**

[1] Like-for-like stores are stores that operated without interruption in 2023 and 2022 over the comparative period.
[2] All other stores, including new stores opened in the current or previous year; stores closed in the current or previous year; and stores which temporarily suspended operations.

Year on year, there was a PLN 100.6m decrease in sales generated by like-for-like stores (-7.1%).

A +29.5% increase was reported for the HalfPrice business line, whereas CCC stores recorded a drop of -12.3%.

The PLN 101.0m year-on-year growth in revenue from retail stores generated in Poland was attributable to revenue from like-for-like stores (down PLN 100.6m, including down PLN 151.8m for CCC and up PLN 51.3m for HalfPrice) and revenue from other stores (up PLN 201.6m, including down PLN 26.2m for CCC and up PLN 227.8m for HalfPrice).

(all amounts in PLN million unless stated otherwise)

CCC business line

CCC	Feb 1–Jul 31 2023	Feb 1–Jul 31 2022	Change [%]	May 1–Jul 31 2023	May 1–Jul 31 2022	Change [%]
	unaudited, reviewed	unaudited, reviewed		unaudited, unreviewed	unaudited, unreviewed	
Revenue from sales to external customers	1,889.1	2,000.4	-5.6%	1,040.7	1,180.7	-11.9%
Gross profit	**1,017.9**	**1,075.5**	**-5.4%**	**570.4**	**612.2**	**-6.8%**
Gross margin (gross profit on sales/revenue from sales to external customers)	*54%*	*54%*	*n/a*	*55%*	*52%*	*n/a*
Costs of points of purchase and distribution	-858.6	-928.6	-7.5%	-421.3	-474.9	-11.3%
Administrative expenses	-128.3	-129.5	-0.9%	-62.7	-64.2	-2.3%
Other income and expenses, and (recognition) / reversal of loss allowances	42.4	-92.3	<-100%	28.8	-63.6	<-100%
EBIT	**73.4**	**-74.9**	**<-100%**	**115.2**	**9.5**	**>100%**
Depreciation/amortisation	-207.0	-220.3	-6.0%	-98.9	-109.4	-9.6%
Segment profit (EBITDA)	**280.4**	**145.4**	**92.8%**	**214.1**	**118.9**	**80.1%**

Segment assets:	**Jul 31 2023**	**Jan 31 2023**	**Change [%]**
Inventories	**1,102.9**	**1,044.8**	**5.6%**
in stores	583.3	617.7	-5.6%
in the central warehouse	519.6	427.1	21.7%

HalfPrice business line

HalfPrice	Feb 1–Jul 31 2023	Feb 1–Jul 31 2022	Change [%]	May 1–Jul 31 2023	May 1–Jul 31 2022	Change [%]
	unaudited, reviewed	unaudited, reviewed		unaudited, unreviewed	unaudited, unreviewed	
Revenue from sales to external customers	589.0	300.3	96.1%	337.5	181.8	85.6%
Gross profit	**227.5**	**136.9**	**66.2%**	**127.5**	**82.5**	**54.5%**
Gross margin (gross profit on sales/revenue from sales to external customers)	*39%*	*46%*	*n/a*	*38%*	*45%*	*n/a*
Costs of points of purchase and distribution	-249.4	-156.6	59.3%	-138.2	-88.8	55.6%
Administrative expenses	-14.5	-8.7	66.7%	-7.8	-4.4	77.3%
Other income and expenses, and (recognition) / reversal of loss allowances	1.2	2.4	-50.0%	0.7	2.2	-68.2%
EBIT	**-35.2**	**-26.0**	**35.4%**	**-17.8**	**-8.5**	**>100%**
Depreciation/amortisation	-47.4	-35.9	25.1%	-22.1	-20.3	8.9%
Segment profit (EBITDA)	**12.2**	**11.9**	**2.4%**	**4.3**	**11.8**	**-63.6%**

Segment assets:	**Jul 31 2023**	**Jan 31 2023**	**Change [%]**
Inventories	**425.3**	**328.3**	**29.5%**
in stores	206.7	162.6	27.1%
in the central warehouse	218.6	165.7	31.9%

(all amounts in PLN million unless stated otherwise)

eobuwie business line

eobuwie	Feb 1–Jul 31 2023	Feb 1–Jul 31 2022	Change [%]	May 1–Jul 31 2023	May 1–Jul 31 2022	Change [%]
	unaudited, reviewed	unaudited, reviewed		unaudited, unreviewed	unaudited, unreviewed	
Revenue from sales to external customers	1,469.6	1,542.6	-4.7%	768.6	797.5	-3.6%
Gross profit	**598.4**	**665.8**	**-10.1%**	**298.0**	**340.8**	**-12.6%**
Gross margin (gross profit on sales/revenue from sales to external customers)	*41%*	*43%*	*n/a*	*39%*	*43%*	*n/a*
Costs of points of purchase and distribution	-586.2	-549.1	6.8%	-302.0	-292.4	3.3%
Administrative expenses	-36.8	-36.2	1.7%	-16.8	-17.9	-6.1%
Other income and expenses, and (recognition) / reversal of loss allowances	7.3	-2.3	<-100%	8.1	0.6	>100%
EBIT	**-17.3**	**78.2**	**<-100%**	**-12.7**	**31.1**	**<-100%**
Depreciation/amortisation	-36.8	-31.7	23.9%	-19.7	-14.3	37.8%
Segment profit (EBITDA)	**19.5**	**109.9**	**-81.9%**	**7.0**	**45.4**	**-84.6%**

Segment assets:	**Jul 31 2023**	**Jan 31 2023**	**Change [%]**
Inventories	**890.9**	**962.2**	**-7.4%**
in stores	106.9	98.6	8.4%
in the central warehouse	784.0	863.6	-9.2%

(all amounts in PLN million unless stated otherwise)

MODIVO business line

MODIVO	Feb 1–Jul 31 2023 unaudited, reviewed	Feb 1–Jul 31 2022 unaudited, reviewed	Change [%]	May 1–Jul 31 2023 unaudited, unreviewed	May 1–Jul 31 2022 unaudited, unreviewed	Change [%]
Revenue from sales to external customers	497.3	349.4	42.3%	256.4	187.0	37.1%
Gross profit	**193.1**	**145.2**	**33.0%**	**93.4**	**78.5**	**19.0%**
Gross margin (gross profit on sales/revenue from sales to external customers)	*39%*	*42%*	*n/a*	*36%*	*42%*	*n/a*
Costs of points of purchase and distribution	-191.8	-131.8	45.5%	-94.0	-68.4	37.4%
Administrative expenses	-11.6	-8.8	31.8%	-5.3	-4.4	20.5%
Other income and expenses, and (recognition) / reversal of loss allowances	–	-10.3	-100.0%	–	-9.7	-100.0%
EBIT	**-10.3**	**-5.7**	**80.7%**	**-5.9**	**-4.0**	**47.5%**
Depreciation/amortisation	-8.4	-2.9	>100%	-3.5	-1.3	>100%
Segment profit (EBITDA)	**-1.9**	**-2.8**	**-32.1%**	**-2.4**	**-2.7**	**-11.1%**

Segment assets:	**Jul 31 2023**	**Jan 31 2023**	**Change [%]**
Inventories	**303.7**	**335.7**	**-9.5%**
in stores	4.5	4.5	–
in the central warehouse	299.2	331.2	-9.7%

DeeZee business line

DeeZee	Feb 1–Jul 31 2023 unaudited, reviewed	Feb 1–Jul 31 2022 unaudited, reviewed	Change [%]	May 1–Jul 31 2023 unaudited, unreviewed	May 1–Jul 31 2022 unaudited, unreviewed	Change [%]
Revenue from sales to external customers	43.6	53.9	-19.1%	21.3	27.9	-23.7%
Gross profit	**24.0**	**28.8**	**-16.7%**	**12.8**	**15.4**	**-16.9%**
Gross margin (gross profit on sales/revenue from sales to external customers)	*55%*	*53%*	*n/a*	*60%*	*55%*	*n/a*
Costs of points of purchase and distribution	-19.5	-23.3	-16.3%	-10.6	-10.9	-2.8%
Administrative expenses	-2.5	-2.5	–	-1.2	-1.2	–
Other income and expenses, and (recognition) / reversal of loss allowances	-0.3	0.2	<-100%	-0.5	-0.1	>100%
EBIT	**1.7**	**3.2**	**-46.9%**	**0.5**	**3.2**	**-84.4%**
Depreciation/amortisation	-0.4	-0.7	-42.9%	-0.2	-0.4	-50.0%
Segment profit (EBITDA)	**2.1**	**3.9**	**-46.2%**	**0.7**	**3.6**	**-80.6%**

Segment assets:	**Jul 31 2023**	**Jan 31 2023**	**Change [%]**
Inventories	**19.4**	**20.1**	**-3.5%**
in the central warehouse	19.4	20.1	-3.5%

EFFECT OF OTHER INCOME AND EXPENSES

Operating income and expenses

In the reporting period, other income and other expenses attributable to continuing operations were PLN 67.4m and PLN 9.5m, respectively; on a net basis, the Group generated PLN 57.9m of other income, compared with PLN 71.5m of other expenses in the corresponding period of the previous year. The change was mainly attributable to foreign exchange differences on items other than debt (with foreign exchange gains of PLN 31.8m recognised in the reporting period vs. loss of PLN 69.5m recognised in the comparative period). In addition, an expense related to loss allowance for trade receivables was recognised at PLN 7.3m.

Operating profit (loss)

Operating profit in the reporting period was PLN 12.3m, having increased by PLN 37.5m year on year. The improvement was mainly attributable to foreign exchange gains on items other than debt and lower allowances for expected credit losses.

Finance income and costs

In the reporting period, finance income and finance costs attributable to continuing operations were PLN 73.2m and PLN 213.6m, respectively; on a net basis, the Group generated PLN 140.4m of finance costs, compared with PLN 186.6m of finance costs in the corresponding period of 2022. The largest items of finance costs were interest expense on borrowings (PLN 153.0m, compared with PLN 130.4m in the same period of the previous year), and interest expense on leases (PLN 33.8m compared with PLN 17.7m in the same period last year). The largest item of finance income was foreign exchange gains (PLN 35.6m, against foreign exchange losses of PLN 35.3m in the corresponding period of the previous year), valuation of options to purchase non-controlling interests (PLN 20.7m; corresponding period of the previous year: PLN 6.2m), and derivative financial instruments embedded in bonds convertible into Modivo shares – voluntary conversion option (PLN 9.1m; compared with PLN 0.0m in the same period last year).

Income tax

In the reporting period, income tax recognised in the statement of comprehensive income totalled PLN 9.0m.

Net profit

After accounting for finance income and costs, loss allowances, share in the loss of an associate and income tax expense, net loss from continuing operations in the reporting period was PLN 137.1m, which represents a PLN 77.1m decrease year on year.

(all amounts in PLN million unless stated otherwise)

21.2. CONSOLIDATED STATEMENT OF FINANCIAL POSITION (OVERVIEW OF THE MAIN ITEMS)

	Jul 31 2023	Jan 31 2023	Change [%]
	unaudited, reviewed	audited	
Non-current assets, including:	**3,662.6**	**3,601.3**	**1.7%**
Total property, plant and equipment	1,461.7	1,441.9	1.4%
Right-of-use assets	1,378.1	1,379.9	-0.1%
Deferred tax assets	195.8	184.1	6.4%
Current assets, including:	**3,597.9**	**3,462.8**	**3.9%**
Inventories	2,742.2	2,691.1	1.9%
Cash and cash equivalents	423.1	395.4	7.0%
TOTAL ASSETS	**7,260.5**	**7,064.1**	**2.8%**
Non-current liabilities, including:	**2,275.8**	**2,741.4**	**-17.0%**
Bank borrowings and bonds	999.6	1,370.5	-27.1%
Lease liabilities	1,196.8	1,266.8	-5.5%
Current liabilities, including:	**4,045.2**	**3,740.0**	**8.2%**
Bank borrowings and bonds	1,084.4	1,155.7	-6.2%
Trade and other payables	1,808.8	1,389.5	30.2%
TOTAL LIABILITIES	**6,321.0**	**6,481.4**	**-2.5%**
EQUITY	**939.5**	**582.7**	**61.2%**

	PROPERTY, PLANT AND EQUIPMENT		CHANGE [%]	
	Jul 31 2023	Jan 31 2023	PROPERTY, PLANT AND EQUIPMENT	IN RETAIL SPACE
	unaudited, reviewed	audited		
Leasehold improvements	**677.5**	**656.7**	**3.2%**	**4.1%**
Manufacturing and distribution	**692.2**	**692.0**	**0.0%**	
Land, buildings and structures	449.4	423.7	6.1%	
Machinery and equipment	187.2	173.7	7.8%	
Property, plant and equipment under construction	55.6	94.6	-41.2%	
Other	**92.0**	**93.2**	**-1.3%**	
Total	**1,461.7**	**1,441.9**	**1.4%**	

INVENTORIES			
	Jul 31 2023	Jan 31 2023	Change [%]
	unaudited, reviewed	audited	
CCC	1,102.9	1,044.8	5.6%
HalfPrice	425.3	328.3	29.5%
eobuwie	890.9	962.2	-7.4%
MODIVO	303.7	335.7	-9.5%
DeeZee	19.4	20.1	-3.5%
Total	**2,742.2**	**2,691.1**	**1.9%**

Cash and cash equivalents

As at July 31st 2023, cash and cash equivalents were PLN 423.1m, having increased by PLN 27.7m (up 7.0%) on a net basis relative to January 31st 2023. As at the reporting date, 99% of cash was held in hand or in bank accounts.

Equity and financing liabilities

As at the reporting date, equity stood at PLN 939.5m, having gone up by PLN 356.8m (61.2%) following an equity increase through the issue of shares on May 9th 2023 (14 million shares with a par value of PLN 0.1 and issue price of PLN 36.11 per share. The issue proceeds amounted to PLN 505.5m).

As at the reporting date, non-current liabilities amounted to PLN 2,275.8m, And comprised mainly bank borrowings and bonds (PLN 999.6m) and lease liabilities (PLN 1,196.8m). Non-current liabilities were PLN 465.6m (17%) lower on the end of the comparative period, due partly to a PLN 370.9m decrease in bank borrowings and bonds and a PLN 70.0m decrease in lease liabilities.

As at the reporting date, current liabilities amounted to PLN 4,045.2m, And included bank borrowings and bonds (PLN 1,084.4m), payables towards suppliers (PLN 1,808.8m), lease liabilities (PLN 502.1m), and other liabilities (PLN 445.7m). Current liabilities increased by PLN 305.2m (8.2%) compared with the previous reporting period, mainly as a consequence of higher trade payables (PLN 419.3m) and lower liabilities under bank borrowings and bonds (PLN 71.3m).

For information on financing liabilities, see ‘Debt and liquidity of CCC S.A.’.

(all amounts in PLN million unless stated otherwise)

21.3. CONSOLIDATED STATEMENT OF CASH FLOWS (REVIEW OF THE MAIN ITEMS)

	Feb 1–Jul 31 2023	Feb 1–Jul 31 2022	Change [%]	May 1–Jul 31 2023	May 1–Jul 31 2022	Change [%]
	unaudited, reviewed	unaudited, reviewed		unaudited, unreviewed	unaudited, unreviewed	
Profit (loss) before tax from continuing operations	**-128.1**	**-211.8**	**-39.5%**	**26.0**	**-57.3**	**<-100%**
Adjustments	394.3	479.1	-17.7%	170.0	171.4	-0.8%
Income tax paid	-40.3	-59.9	-32.7%	-23.2	-39.2	-40.8%
Cash flow before changes in working capital	**225.9**	**169.2**	**33.5%**	**172.8**	**78.0**	**>100%**
Changes in working capital	308.4	36.5	>100%	38.0	262.8	-85.5%
Cash flows from operating activities	**534.3**	**205.7**	**>100%**	**210.8**	**340.8**	**-38.1%**
Cash flows from investing activities	**-191.6**	**-199.0**	**-3.7%**	**-92.0**	**-143.6**	**-35.9%**
Cash flows from financing activities, including:	**-315.0**	**-237.7**	**32.5%**	**-90.1**	**13.2**	**<-100%**
Repayment of borrowings	-487.9	-28.3	>100%	-170.9	38.0	<-100%
Lease payments	-200.4	-217.2	-7.7%	-101.1	-61.7	63.9%
Interest paid	-157.6	-83.6	88.5%	-113.2	-54.5	>100%
Net proceeds from share issue	501.6	–	–	289.3	0.0	–
TOTAL CASH FLOWS	**27.7**	**-231.0**	**<-100%**	**28.7**	**210.4**	**-86.4%**

PROFIT GUIDANCE

No profit guidance has been published.

21.4. TRADING UPDATE

In the period from August 1st to October 10th 2023 (beginning of the third quarter of the financial year 2023), the CCC Group's sales were down 4% year on year, including: -12% at CCC, +48% at HalfPrice, -15% at eobuwie, and +4% at Modivo (Modivo GMV: +15%).

The retail sector continues to be affected by the weakened, albeit slowly recovering consumer power. On top of that, until the end of September this year, sales of the new Autumn-Winter collection were accompanied by extremely unfavourable weather conditions – above average temperatures, directly affecting consumers' propensity to buy (traffic in CCC stores fell by 23% year on year).

The CCC Group favourably assesses the quality of the new collection and its reception by shoppers. Sales of the Back To School offering through the CCC business line were almost 7% higher year on year, with nearly 90% growth in revenue recorded for the expanded range of school backpacks.

In early October, as colder weather sets in, the CCC Group records accelerated sales growth. In the first week of October, the CCC Group's revenue grew 9% year on year, including no change yoy at CCC, +51% at HalfPrice, +5% at eobuwie, and +22% at Modivo.

The more supportive market environment (with a yoy appreciation of the Polish złoty and lower freight costs) is bolstering the CCC business line's gross margin, while the Modivo Group remains affected by the continued inventory optimisation.

The CCC Group continues to implement cost saving measures across all its business lines, entering into the third quarter – a key period in terms of sales and performance.

(all amounts in PLN million unless stated otherwise)

21.5. INDICATORS

Profitability ratios	Feb 1–Jul 31 2023	Feb 1–Jul 31 2022	Change [%]	change [% qoq]
Gross margin	45.9%	48.2%	-2.3%	-0.5%
Operating profit/(loss) margin	0.3%	-0.6%	0.9%	0.2%
Net profit/(loss) margin	-3.1%	-6.0%	2.9%	4.2%

Gross margin is calculated as the ratio of gross profit to revenue.
Operating profit/(loss) margin is calculated as the ratio of operating profit/(loss) to revenue.
Net profit/(loss) margin is calculated as the ratio of net profit/(loss) to revenue.

Liquidity ratios	Jul 31 2023	Jan 31 2023	change	change [qoq]
Current ratio	0.9	0.9	N/C	N/C
Quick ratio	0.2	0.2	N/C	N/C
Inventory cycle (days)	213.8	216.8	-3.0	-21.3
Average collection period (days)	6.3	7.6	-1.3	-0.8
Average payment period (days)	127.8	117.8	10.1	-6.9

The **current ratio** is calculated as the ratio of current assets to the carrying amount of current liabilities.
The quick ratio is calculated as the ratio of current assets less inventory to the carrying amount of current liabilities.
The **inventory cycle** in days is calculated as the ratio of the average inventory value for the last four quarters to cost of sales, multiplied by the number of days in the period.
The **average collection period** in days is calculated as the ratio of the average amount of receivables from customers for the last four quarters to revenue, multiplied by the number of days in the period.
The **average payment period** in days is calculated as the ratio of the amount of trade and other payables for the last four quarters to cost of sales, multiplied by the number of days in the period.

In the second quarter, the inventory turnover period at the Group shortened by 21 days. This was mainly attributable to continued efforts to optimise the inventory structure in the CCC segment. These included basing purchase decisions on historical turnover data for individual products, appropriate timing of deliveries, adjusting of the sales calendar, and pursuing operational excellence.

Operating efficiency ratios	Jul 31 2023	Jan 31 2023	Change [%]	change [% qoq]
Equity to non-current assets ratio	25.7%	16.2%	9.5%	7.7%
Debt ratio	28.7%	35.8%	-7.1%	-2.1%
Short-term debt ratio	14.9%	16.4%	-1.5%	0.4%
Long-term debt ratio	13.8%	19.4%	-5.6%	-2.6%

Equity to non-current assets ratio is calculated by dividing equity by non-current assets.
Debt ratio is calculated by dividing debt under long-term and short-term borrowings and bonds by total assets.
Short-term debt ratio is calculated by dividing short-term debt under borrowings and bonds by total assets.
Long-term debt ratio is calculated by dividing long-term debt under borrowings and bonds by total assets.

(all amounts in PLN million unless stated otherwise)

22. MANAGEMENT OF FINANCIAL RESOURCES AND LIQUIDITY

DEBT AND LIQUIDITY OF THE CCC GROUP

The CCC Group finances its operations using equity and external capital, including bank and non-bank borrowings as well as bonds.

22.1. BANK BORROWINGS AND BONDS

As at the reporting date, the Group had financing liabilities of PLN 2,084.0m, consisting of bank borrowings and bonds.

The current portion of financing liabilities as at the reporting date comprised debt under bank borrowings and bonds of PLN 1,084.4m.

BANK	COMPANY	INSTRUMENT	TYPE	AGREEMENT DATE	MATURITY DATE	AMOUNT [MILLION]	UTILISATION [MILLION]*	CURRENCY
Credit facility agreements								
PKO BP	CCC.eu Sp. z o.o.	Long-term credit facility	Tranche A	Jun 2 2021	Jun 30 2025	81.4	81.4	PLN
		including current portion				24.5	24.5	PLN
Santander	CCC.eu Sp. z o.o.	Long-term credit facility	Tranche A	Jun 2 2021	Jun 30 2025	63.1	63.1	PLN
		including current portion				19.0	19.0	PLN
Pekao S.A.	CCC.eu Sp. z o.o.	Long-term credit facility	Tranche A	Jun 2 2021	Jun 30 2025	50.5	50.5	PLN
		including current portion				15.2	15.2	PLN
Bank Handlowy	CCC.eu Sp. z o.o.	Long-term credit facility	Tranche A	Jun 2 2021	Jun 30 2025	46.6	46.6	PLN
		including current portion				14.0	14.0	PLN
mBank	CCC.eu Sp. z o.o.	Long-term credit facility	Tranche A	Jun 2 2021	Jun 30 2025	34.2	34.2	PLN
		including current portion				10.3	10.3	PLN
BNP Paribas	CCC.eu Sp. z o.o.	Long-term credit facility	Tranche A	Jun 2 2021	Jun 30 2025	26.3	26.3	PLN
		including current portion				7.9	7.9	PLN
Millennium	CCC.eu Sp. z o.o.	Long-term credit facility	Tranche A	Jun 2 2021	Jun 30 2025	25.0	25.0	PLN
		including current portion				7.5	7.5	PLN
PKO BP	CCC.eu Sp. z o.o.	Short-term credit facility	Tranche B	Nov 21 2019	Jun 30 2024	104.8	0.0	PLN
Pekao S.A.	CCC.eu Sp. z o.o.	Short-term credit facility	Tranche B	Oct 15 2014	Jun 30 2024	65.2	0.0	PLN
Bank Handlowy	CCC.eu Sp. z o.o.	Short-term credit facility	Tranche B	Mar 3 2009	Jun 30 2024	36.6	0.0	PLN
Bank Handlowy	CCC.eu Sp. z o.o.	Short-term credit facility	Tranche B	Mar 3 2009	Jun 30 2024	36.6	0.0	PLN
mBank	CCC.eu Sp. z o.o.	Short-term credit facility	Tranche B	Dec 17 2018	Jun 30 2024	10.3	0.0	PLN
mBank	CCC.eu Sp. z o.o.	Short-term credit facility	Tranche B	Jun 2 2021	Jun 30 2024	13.0	0.0	PLN
Santander	CCC.eu Sp. z o.o.	Short-term credit facility	Tranche B	Jun 2 2021	Jun 30 2024	21.7	0.0	PLN
BNP Paribas	CCC.eu Sp. z o.o.	Short-term credit facility	Tranche B	Jun 2 2021	Jun 30 2024	19.3	0.0	PLN
Bank Handlowy	CCC.eu Sp. z o.o.	Long-term credit facility	Tranche C	Dec 20 2022	Dec 20 2024	38.9	0.0	PLN
Pekao S.A.	CCC.eu Sp. z o.o.	Long-term credit facility	Tranche C	Jun 2 2021	Dec 20 2024	33.1	0.0	PLN
Santander	CCC.eu Sp. z o.o.	Long-term credit facility	Tranche C	Jun 2 2021	Dec 20 2024	15.0	0.0	PLN
mBank	CCC.eu Sp. z o.o.	Long-term credit facility	Tranche C	Jun 2 2021	Dec 20 2024	14.3	0.0	PLN
BNP Paribas	CCC.eu Sp. z o.o.	Long-term credit facility	Tranche C	Jun 2 2021	Dec 20 2024	6.2	0.0	PLN
mBank	CCC.eu sp. z o.o	Long-term credit facility	BGK	Jun 14 2021	Dec 12 2024	24.2	0.0	PLN
Pekao S.A.	CCC.eu sp. z o.o	Long-term credit facility	BGK	Mar 31 2021	Dec 20 2024	48.4	0.0	PLN
Bank Handlowy	CCC.eu sp. z o.o	Short-term credit facility	BGK	Jun 17 2021	Dec 20 2024	32.8	0.0	PLN
mBank	CCC Factory Sp. z o.o.	Long-term credit facility	BGK	Jun 14 2021	Dec 12 2024	1.0	0.0	PLN
BNP Paribas	CCC Factory Sp. z o.o.	Long-term credit facility	BGK	Mar 31 2021	Dec 20 2024	11.8	0.0	PLN
Pekao S.A.	CCC Factory Sp. z o.o.	Long-term credit facility	BGK	Mar 31 2021	Dec 20 2024	2.1	0.0	PLN
Santander	CCC Factory Sp. z o.o.	Long-term credit facility	BGK	Dec 20 2022	Dec 20 2024	4.3	0.0	PLN
Pekao S.A.	CCC S.A.	Long-term credit facility	BGK	Nov 5 2020	Oct 27 2024	41.0	41.0	PLN
PKO BP	CCC S.A.	Long-term credit facility	BGK	Nov 5 2020	Oct 27 2024	60.0	60.0	PLN
Bank Handlowy	CCC S.A.	Long-term credit facility	BGK	Nov 5 2020	Oct 27 2024	31.0	31.0	PLN
BNP Paribas	CCC S.A.	Long-term credit facility	BGK	Nov 5 2020	Oct 27 2024	13.0	13.0	PLN
Santander	CCC S.A.	Long-term credit facility	BGK	Nov 5 2020	Oct 27 2024	50.0	50.0	PLN
Millennium	CCC S.A.	Long-term credit facility	BGK	Nov 5 2020	Oct 27 2024	16.0	16.0	PLN
mBank	CCC S.A.	Long-term credit facility	BGK	Nov 5 2020	Oct 27 2024	39.0	39.0	PLN
Česká spořitelna	CCC Czech s.r.o.	Short-term credit facility	–	Apr 18 2013	Jun 30 2024	30.3	0.0	CZK

(all amounts in PLN million unless stated otherwise)

Česká spořitelna	CCC Slovakia s.r.o.	Short-term credit facility	–	Apr 18 2013	Jun 30 2024	25.3	0.0	CZK
Pekao S.A.	Modivo S.A.	Short-term credit facility	–	Oct 26 2017	Apr 29 2024	155.3	118.3	PLN
PKO BP	Modivo S.A.	Short-term credit facility	–	Jun 2 2021	Nov 21 2023	164.9	141.7	PLN
Total credit facility agreements, PLN						**1,492.5**	**837.1**	**PLN**
Total short-term agreements, PLN						**781.7**	**358.4**	**PLN**
Total long-term agreements, PLN						**710.8**	**478.7**	**PLN**

	COMPANY	TYPE	AGREEMENT DATE	MATURITY DATE	AMOUNT [MILLION]	UTILISATION [MILLION]*	CURRENCY
Bonds							
Series 1/2018 bonds	CCC S.A.	Bonds	Jun 29 2018	Jun 29 2026	209.7	209.7	PLN
Softbank	Modivo S.A.	Bonds	Sep 1 2021	Aug 23 2024**	716.2	716.2	PLN
PFR FI FIZAN	CCC Shoes & Bags Sp. z o.o.	Bonds	Sep 22 2021	Sep 22 2028	363.0	363.0	PLN
Total Bonds					**1,288.8**	**1,288.8**	**PLN**

** In connection with the planned settlement, the liability is presented as current.

BANK	COMPANY	TYPE	AGREEMENT DATE	MATURITY DATE	AMOUNT [MILLION]	UTILISATION [MILLION]*	CURRENCY
Supplier Finance Programme							
Bank Handlowy	CCC.eu Sp. z o.o.	Tranche B	Aug 2 2018	Dec 28 2023	0.0	7.5	PLN
Millennium	CCC.eu Sp. z o.o.	Tranche B	Dec 15 2017	Dec 31 2023	5.5	6.1	PLN
Millennium	CCC.eu Sp. z o.o.	Tranche C	Dec 20 2022	Dec 31 2023	19.0	18.5	PLN
Santander	CCC.eu Sp. z o.o.	Tranche C	Dec 20 2022	Dec 20 2024	73.8	73.9	PLN
Santander	CCC.eu Sp. z o.o.	BGK	Dec 20 2022	Dec 20 2024	98.3	98.4	PLN
Millennium	CCC.eu Sp. z o.o.	BGK	Dec 20 2022	Dec 22 2024	38.1	37.5	PLN
Millennium	CCC Factory Sp. z o.o.	BGK	Dec 20 2022	Dec 22 2024	1.7	0.0	PLN
Pekao S.A.	Modivo S.A.	–	Jan 14 2019	unspecified	100.0	90.4	PLN
Pekao S.A.	Modivo S.A.	BGK	Jul 28 2021	Jul 14 2023	50.0	1.7	PLN
Pekao S.A.	Modivo S.A.	BGK	Dec 30 2022	Nov 28 2024	30.0	28.6	PLN
PKO BP	Modivo S.A.	–	Jul 30 2021	Oct 26 2023	80.0	77.1	PLN
PKO BP	Modivo S.A.	BGK	Nov 4 2022	Oct 26 2023	60.0	58.8	PLN
Total Supplier Finance Programme					**556.4**	**498.5**	**PLN**

BANK	COMPANY	INSTRUMENT	TYPE	AGREEMENT DATE	MATURITY DATE	AMOUNT [MILLION]	UTILISATION [MILLION]*	CURRENCY
Guarantee facility								
PKO BP	CCC S.A.	Bank guarantee facility	Tranche B	Nov 21 2019	Jun 30 2024	29.0	28.5	PLN
mBank	CCC S.A.	Bank guarantee facility	Tranche B	Nov 14 2012	Jun 30 2024	21.0	18.4	PLN
Santander	CCC S.A.	Bank guarantee facility	Tranche B	Mar 31 2009	Jun 30 2024	41.0	34.2	PLN
BNP Paribas	CCC S.A.	Bank guarantee facility	Tranche B	May 4 2011	Jun 30 2024	17.0	16.2	PLN
Pekao S.A.	Modivo S.A.	Bank guarantee facility	–	Oct 26 2017	Apr 30 2021	104.7	104.7	PLN
PKO BP	Modivo S.A.	Bank guarantee facility	–	Jun 2 2021	Nov 21 2022	15.1	15.1	PLN
Ceska sporitelna	CCC Czech s.r.o.	Bank guarantee facility	–	Apr 6 2020	Jul 31 2023	69.7	69.7	CZK
Ceska sporitelna	CCC Slovakia s.r.o.	Bank guarantee facility	–	Apr 6 2020	Jul 31 2023	34.7	34.7	CZK
Raiffeisen	CCC Hungary Shoes Kft.	Bank guarantee facility	–	Jun 25 2014	Dec 31 2022	3.0	1.6	EUR
KREDOBANK	CCC Ukraina Sp. z o.o.	Bank guarantee facility	–	May 30 2014	May 30 2024	0.1	0.1	UAH
Total guarantee facility, PLN						**227.8**	**217.1**	**PLN**
Total guarantee facility, CZK						**104.4**	**104.4**	**CZK**
Total guarantee facility, EUR						**3.0**	**1.6**	**EUR**
Total guarantee facility, UAH						**0.1**	**0.1**	**UAH**

* The data presented in the table relates to amounts utilised in cash, not consistent with the carrying amount of the liability as a result of its measurement at amortised cost and the recognition of embedded derivative financial instruments.

22.2. BONDS

Information on CCC S.A. bonds

In June 2014, the Company carried out the first issue of CCC S.A. Series 1/2014 Bonds, under the Bond Issuance Programme up to PLN 500.0m. The bonds denominated in the Polish złoty were issued as coupon bearer securities in book-entry form. mBank S.A. was appointed as the issue agent.

In June 2018, the Company carried out the second issue of CCC S.A. Series 1/2018 Bonds, combined with early redemption of Series 1/2014 Bonds. Both series were issued with the following terms:

1. Nominal value: PLN 1,000.00 per bond;
2. Issue price: equal to the nominal value;
3. Number of bonds: 210,000 in Series 1/2014 and 210,000 in Series 1/2018;
4. Total nominal value of the bonds – PLN 210m in Series 1/2014 and PLN 210m in Series 1/2018;
5. Redemption: one-off, at nominal value on June 10th 2019 for Series 1/2014 and on June 29th 2021 for Series 1/2018;
6. Interest rate of coupon bonds: variable, 6M WIBOR plus fixed margin, payable on a six-monthly basis;
7. Listing in the alternative trading system on Catalyst – Series 1/2014 bonds as of October 16th 2014.
8. Series 1/2014 bonds were registered with the Central Securities Depository of Poland on July 20th 2018.

Following the issue of 210000 Series 1/2018 Bonds and the redemption of 210000 Series 1/2014 Bonds, 210000 Series 1/2018 Bonds are outstanding.

Under Resolution No. 4 of May 17th 2021 passed by the Bondholders' Meeting of the holders of Series 1/2018 Bonds, issued on June 29th 2018 pursuant to the Terms and Conditions of the Bonds of June 21st 2018, the terms and conditions of the Bonds were amended, in particular the Bonds redemption date was changed from June 29th 2021 to June 29th 2026.

On June 20th 2022, the Bondholders Meeting resolved to amend the 'Terms and Conditions of the Bonds recorded in the Bond Register with the possibility of transfer to the CSDP depository, prepared in Polkowice on June 21st 2018' (the "Terms and Conditions"), concerning the issue of Series 1/2018 Bonds (the "Bonds").

The Terms and Conditions were amended by:

- adding Obuv Sp. z o.o. to the list of Excluded Companies,
- changing Section 14.2(o) of the Terms and Conditions.

On October 24th 2022, the Bondholders Meeting resolved to amend the 'Terms and Conditions of the Bonds recorded in the Bond Register with the possibility of transfer to the CSDP depository, prepared in Polkowice on June 21st 2018', concerning the issue of Series 1/2018 Bonds.

On April 17th 2023, the Company redeemed 337 Series 1/2018 Bonds. As at that date, the Company had 209,663 outstanding Series 1/2018 Bonds. On August 10th 2023, the Company redeemed 8,898 Bonds of that series. Currently, the Company has 200,765 outstanding Series 1/2018 Bonds, maturing on June 29th 2026.

The Terms and Conditions were amended by:

- changing the rules of testing the Financial Ratios specified in the Terms and Conditions;
- adding new disclosure obligations towards Bondholders and the security administrator;
- granting Bondholders the right to early pro rata redemption of their Bonds in the event of a reduction in credit limits ("Pari Passu Redemption").

The amendments to the Terms and Conditions concerning the Financial Ratios changed the rules of their testing to reflect the amendments made to the credit facility agreement of June 2nd 2021 and the Common Terms Agreement of November 5th 2020.

The Bonds are listed in the Alternative Trading System organised by BondSpot S.A.

Information on CCC Shoes & Bags Sp. z o.o. bonds

On September 9th 2021, CCC Shoes & Bags Sp. z o.o. ("CCC S&B") entered into an issue agreement with PFR Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych (formerly: PFR Inwestycje Fundusz Inwestycyjny Zamknięty) (the "Fund") for the issue of up to 360 ordinary registered Series A bonds with a total nominal value of PLN 360,000,000.0 (three hundred and sixty million złoty), to be subscribed for by the Fund.

On September 22nd 2021, CCC S&B carried out the issue of 360 Series A bonds with a nominal value of PLN 1,000,000.0 per bond and a total nominal value of PLN 360,000,000.0. All the bonds were subscribed for by the Fund at an issue price equal to their nominal value. The bonds bear interest at a variable rate comprising:

(i) semi-annual interest accruing at a fixed rate, to be increased on the terms specified in the bond issue documents;
(ii) deferred interest accruing at a rate equal to the sum of the reference rate of 3M WIBOR plus a margin.

Notwithstanding the foregoing, on redemption of the bonds by CCC S&B, the Fund will be entitled to an additional payment based on appreciation of MODIVO shares.

The investor's claims under the bonds and bond issue documents are secured by:

(i) a surety provided by CCC S.A.;
(ii) ordinary and registered pledges over a total of 1,440,000 MODIVO S.A. shares;
(iii) ordinary pledges and a registered pledge over receivables under an agreement for the operation of CCC S&B's bank account into which MODIVO S.A. is to pay a portion of dividends attributable to the shares pledged as security for claims under the bonds and other bonds issue documents (to be mandatorily applied towards payment or prepayment of interest on the bonds);
(iv) subordination of selected components of CCC S&B's financial debt towards CCC.eu Sp. z o.o. (including debt under an unsecured loan granted to CCC S&B by that entity); and
(v) declarations on voluntary submission to enforcement provided by CCC S&B (as the bond issuer) and CCC S.A. (as the surety provider).

The Fund will have the right to demand early redemption of the bonds in situations described in the terms and conditions of the bonds. CCC S&B will have the right to redeem the bonds early subject to payment of the relevant fee specified in the terms and conditions of the bonds. If no early redemption occurs, the bonds will be redeemed on September 22nd 2028. The bonds were issued pursuant to Art. 33.2 of the Bonds Act of January 15th 2015. The bonds will not be introduced to trading on a regulated market.

Information on MODIVO S.A. bonds

On October 5th 2021, the company issued unsecured bonds convertible into shares with a total value of PLN 500,000,000.0. The bonds were issued to SVF II Motion Subco (DE) LLC, an affiliate of SoftBank Vision Fund 2. Unless first converted into shares or redeemed earlier, the bonds will be redeemed on August 23rd 2024. Interest will accrue on a quarterly basis, at a fixed interest rate equal to 6.99% per annum, payable on the redemption or conversion date. Under the terms and conditions of the bonds, the bonds will be automatically converted into MODIVO S.A. shares in the event of MODIVO S.A.'s initial public offering or any similar transaction specified in the terms and conditions of the bonds (mandatory conversion) at the market price subject to a specific discount as per the terms and conditions of the bonds.

An embedded derivative instrument was identified in the bond instrument. At any time during the term of the issue agreement, the voluntary conversion option gives the bondholder the right to convert the value of the bonds acquired, together with interest accrued until the conversion date, generally at a price of PLN 600.0. If, in the event of an initial public offering, the bondholder chooses to exercise the voluntary conversion option, that option will replace the mandatory conversion. For this reason, the conversion factor varies (i.e. takes one value in the event of an IPO and another in the other situations), and the voluntary conversion option is an embedded derivative instrument, which is initially measured at fair value and separated (bifurcated) from the host contract, and then subsequently measured at fair value through profit or loss on the basis of gains/losses as at each subsequent reporting date. In the case of conversion of liabilities under the bonds into shares, derecognition of liabilities under the bonds will be a non-cash item, as MODIVO S.A. shares will be delivered. Thus, the interest expense related to the separation and settlement of embedded financial instruments will also be a non-cash item. Liability under the bonds measured as at July 31st 2023 amounted to PLN 698.1m and was disclosed in the statement of financial position as part of current liabilities under bonds (as at January 31st 2023, liability under the bonds amounted to PLN 629.8m and was disclosed as part of non-current liabilities under bonds). The value of the derivative instrument measured as at July 31st 2023 amounted to PLN 6.7m and was disclosed in the statement of financial position under other current liabilities (as at January 31st 2023, the value of the derivative instrument amounted to PLN 15.8m and was disclosed under other non-current liabilities).

22.3. COVENANTS / FINANCIAL RATIOS

CCC GROUP

Financing in the CCC Group is provided at the level of two business units, which are separately responsible for their liabilities:

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

Details of the financing arrangements and covenants are discussed in the *Covenants/Financial Indicators* section of the *Directors' Report on the operations of the CCC Group in 2022*.

The explanation of financial ratio calculations presented below is a simplified overview of the provisions of the credit facility agreements and the terms and conditions of the bonds (the Terms and Conditions). The purpose of the explanation is to present information on the methodology applied in the financing agreements to calculate the Group's financial ratios.

(all amounts in PLN million unless stated otherwise)

MODIVO Business Unit	Jul 31 2023	Jan 31 2023	Δ Jul 31 2023– Jan 31 2023	Change [%]
Gross debt*	**958.1**	**860.0**	**98.1**	**11.4%**
(+) Reverse factoring	256.7	158.7	98.0	61.8%
(-) Cash	77.1	152.0	-74.9	-49.3%
Net debt, including:	**1,137.7**	**866.7**	**271.0**	**31.3%**
(-) Bonds convertible into Softbank shares	698.1	630.0	68.1	10.8%
Net financial debt	**439.6**	**236.7**	**202.9**	**85.7%**

* Excluding reverse factoring (reverse factoring is included in the definition of a bank covenant applicable to MODIVO S.A.'s gross debt).

The increase in debt mainly due to the capitalisation of interest on Softbank bonds, which represent the largest component in the debt structure.

The decrease in cash attributable to lower use of financial instruments to reduce financing costs.

Increased reliance by the Group on reverse factoring arrangements in connection with the ongoing process to contract orders for the coming seasons.

CCC Business Unit	Jul 31 2023	Jan 31 2023	Δ Jul 31 2023– Jan 31 2023	Change [%]
Gross debt	**1,125.9**	**1,666.0**	**-540.1**	**-32.4%**
(-) Cash	346.0	243.0	103.0	42.4%
Net debt	**779.9**	**1,423.0**	**-643.1**	**-45.2%**
(-) Bonds issued to PFR*	341.0	376.0	-35.0	-9.3%
(+/-) other adjustments**	2.9	12.0	-9.1	-75.8%
Net financial debt	**441.8**	**1,059.0**	**-617.2**	**-58.3%**
(+) Reverse factoring	242.0	92.0	150.0	>100%
(+) Bank guarantees	123.6	120.0	3.6	3.0%
Net exposure	**807.4**	**1,271.0**	**-463.6**	**-36.5%**

* Debt under bonds issued to PFR is not included in covenants; in the financial statements, its amount is included in liabilities under borrowings and bonds and in other financial liabilities.
** For the purpose of calculating the net exposure covenant – adjustments for measurement of derivatives and SCN.

Continued process to deleverage and achieve the lowest level of net financial debt and net financial exposure of the CCC Group (excluding the Modivo Group) since 2018.

Decreased use of credit facilities of the CCC Group (excluding the Modivo Group) due to the implementation of the working capital optimisation programme, continued cost-saving measures in the CCC segment, and the effect of the second tranche of funds paid to subscribe for CCC shares (PLN 293.0m) in May 2023.

Increased use of reverse factoring products reflecting merchandise payments from the SS23 collection and contracts signed for the next AW23 season.

The ratios as at the reporting date are to be reviewed on the dates agreed in the financing agreements, after the issue of these financial statements.

CCC BUSINESS UNIT'S RATIOS REVIEWED AS AT THE REPORTING DATE

As at July 31st 2023, in the Management Board's opinion, during the reporting period and until the date of authorisation of this report for issue, none of the financial covenants were breached.

Under the refinancing agreements of June 2nd 2021 and the ordinary bonds issue agreement (ISIN:PLCCC0000081) of May 17th 2021, as amended, the CCC Business Unit is obliged, among others, to test the ratios listed below at July 31st 2023:

a) **EBITDA for the CCC Business Unit** not lower than PLN 150.0m:

b) **Net Exposure/EBITDA calculated for the CCC Business Unit** not higher than 7.3x.

c) **DSCR for the CCC Business Unit** not lower than 1.0x.

(all amounts in PLN million unless stated otherwise)

CCC BUSINESS UNIT'S RATIOS REVIEWED AFTER THE REPORTING DATE

In accordance with the financing agreements, formal confirmation of the fulfilment of the financing terms is to be made within specified time limits after the date of issue of the Group's consolidated financial statements.

a) EBITDA for the CCC Business Unit as at October 31st 2023 not lower than PLN 200.0m:

b) Net Exposure/EBITDA for the CCC Business Unit

Calculation Period	Net Exposure/EBITDA
October 31st 2023	3.9x
January 31st 2024	3.5x
April 30th 2024	3.8x
July 31st 2024	3.5x
October 31st 2024	3.0x
next Quarter End Date	3.0x

c) DSCR for the CCC Business Unit in subsequent six-month periods ending on January 31st and July 31st – not lower than 1.2x.

d) Capital Expenditure for the CCC Business Unit as at January 31st 2024 not higher than PLN 162.0m.

Definitions:

EBITDA (cumulative for 12 months) excluding IFRS 16, i.e., operating profit from continuing operations plus depreciation and amortisation; taking into account numerous adjustments, such as the result of measurement of assets and liabilities other than derivative instruments (including the effects of asset impairment recognition and reversal); decreased by the gain or increased by the loss on the sale of fixed assets; decreased (excluding) by amounts arising from lease contracts (for, e.g., premises) that would have been operating leases prior to the implementation of IFRS 16; increased by dividends received (from non-consolidated entities); decreased by gain from a bargain purchase of a business unit; increased by operating profit or decreased by operating loss on discontinued operations.

Gross Financial Debt means the total amount of liabilities of the CCC Business Unit entities (the Group excluding the MODIVO Business Unit) under the following: loans, credit facilities, bond is issue, promissory notes, finance leases (excluding leases recognised in accordance with IFRS 16, which would have been classified as operating leases under IAS 17), factoring (excluding reverse factoring/confirming), marking of derivative transactions to market, other debt recognised in the accounts as financial debt under IAS. Gross Financial Debt does not include PFR bond financing.

Net Financial Debt means Gross Financial Debt less cash and cash equivalents.

Net Financial Exposure means net Financial Debt under reverse factoring and confirming, as well as letters of credit and guarantees.

DSCR with Cash calculated for the CCC Business Unit as at January 31st 2023 and July 31st 2023 not lower than 1.5x. In these two periods, i.e., January 31st 2023 and July 31st 2023, a default occurs only when the required levels of both DSCR and DSCR with Cash are not achieved. DSCR – the ratio of Cash Flows Available for Debt Service (EBITDA adjusted for numerous items, including decreased by income tax, increased by write-offs of accounts receivable and inventory, decreased by Capital Expenditure (excluding the portion financed by Permitted Financial Debt explicitly allocated for this purpose) to Debt Service DSCR with Cash calculated in the same manner as DSCR, but with Cash Flows Available for Debt Service increased by cash at the beginning of the period.

MODIVO BUSINESS UNIT'S RATIOS REVIEWED AS AT THE REPORTING DATE

The Modivo Business Unit comprises MODIVO S.A. and all its subsidiaries. As at July 31st 2023, in the Management Board's opinion, during the reporting period and until the date of authorisation of this report for issue, none of the financial covenants were breached. In accordance with the credit facility and factoring agreements in force, the MODIVO Business Unit is obliged to test, among others:

a) Net Financial Debt not higher than PLN 548.0m.

MODIVO BUSINESS UNIT'S RATIOS REVIEWED AFTER THE REPORTING DATE

a) Net Financial Debt not higher than PLN 548.0m.

For the Modivo Business Unit, the covenant to be tested after the reporting date is the Net Financial Debt as at January 31st 2024, which replaced the net debt/EBITDA ratio as at January 31st 2024 as a result of consent from the finance providers (PKO BP S.A. and Bank Polska

Kasa Opieki S.A. as well as Pekao Faktoring Sp. z o.o.) obtained on October 9th 2023 that the conditions for covenant testing as at July 31st 2023 may be maintained as at January 31st 2024.

The covenant will be tested only once.

b) Net Financial Debt/EBITDA not higher than 3.5.

Ratio calculated semi-annually, next testing date: July 31st 2024. On September 9th 2023, the subsidiary MODIVO S.A. obtained the banks' approval for suspension of the Net Financial Debt/EBITDA ratio testing as at January 31st 2024, and its substitution with Net Financial Debt.

In the case of bonds issued to Softbank Vision Fund II Motion Subco (DE) LLC, the ratio was set at a level not higher than 5.0x, to be tested every six months, as at two consecutive testing dates. In the Management Board's opinion, as at the first testing date (January 31st 2023) the ratio exceeded the prescribed limit. In connection with the banks' approval, MODIVO S.A. also obtained conditional consent from the bondholder Softbank that the ratio may exceed the prescribed limit and waiver of the right to demand early redemption if the limit is exceeded as at the second testing date, i.e. July 31st 2023, effective upon execution of the credit documentation extending the availability period of the PLN 260.0m credit facility, in accordance with the binding offer received from Bank Polska Kasa Opieki S.A. on April 13th 2023. In light of Softbank's consent, the ratio higher than the prescribed limit as at January 31st 2023 or July 31st 2023 would not constitute a breach under that or any other financing agreement of the MODIVO Business Unit and other business units.

Definitions:

Net Financial Debt is defined as: the sum of interest-bearing debt under bank and non-bank borrowings, debt securities (excluding bonds issued to Softbank Vision Fund II Motion Subco (DE) LLC) and debt under reverse factoring / eFinancing and leasing (excluding amounts resulting from the implementation of IFRS 16), less cash.

FINANCIAL INSTRUMENTS

As at the reporting date, the Company used forward instruments to hedge against currency risk arising from an open exposure denominated in USD. Moreover, the CCC Group holds derivative instruments embedded in the bonds issued to PFR (Equity Kicker) and a derivative financial instrument embedded in bonds convertible into Modivo shares – voluntary conversion option. For a detailed description of the financial instruments used, see Note 6.1 to the financial statements.

22.4. ISSUE OF SECURITIES AND USE OF PROCEEDS

CCC S.A. carried out a share issue with a value of PLN 505.5m. The bookbuilding process took place between April 17th and April 19th 2023, while the execution of agreements to subscribe for Series L Shares and Series M Shares was completed on April 27th 2023. As part of the Offering, 5,878,535 Series L Shares and 8,121,465 Series M Shares were subscribed for, the former by Ultro S.à r.l. and the latter by 100 investors. The New Shares were subscribed for at an issue price of PLN 36.11 per share. Costs incurred in connection with the Offering, as estimated by the Company at the date of this report, were PLN 4.2m (including fees due to the CSDP/WSE estimated by the Company at approximately PLN 0.1m), including the costs of:

- preparing and carrying out the Offering: PLN 4.1m;
- underwriting fees: not applicable;
- drawing up the prospectus, including costs of advisory services: not applicable;
- advertising the Offering: not applicable;
- other: PLN 0.1m.

Costs incurred on the issue of New Shares will be charged to statutory reserve funds.

FEASIBILITY OF INVESTMENT PLANS

The Group intends to finance investment projects with its own funds and with external capital. Subject to the limitations set out in the refinancing agreement, the Management Board believes that there are currently no major threats which could adversely affect delivery of the investment plans in the future.

(all amounts in PLN million unless stated otherwise)

22.5. AGREEMENTS EXECUTED BY COMPANIES OF THE CCC GROUP

LOANS

LENDER	BORROWER	AGREEMENT DATE	MATURITY DATE	LIMIT [MILLION]	CURRENCY	INTEREST RATE
CCC S.A.	CCC Shoes Bulgaria EOOD	Dec 4 2014	Jan 31 2024	4.0	BGN	3M EURIBOR + 3.12%
CCC S.A.	CCC.eu Sp. z o.o.	Jun 22 2021	Jun 1 2026	1,600.0	PLN	1M WIBOR + 3.54%
CCC S.A.	CCC.eu Sp. z o.o.	Dec 17 2014	Jun 1 2026	9.3	USD	1.50%
CCC S.A.	CCC Shoes&Bags d.o.o. Beograde	Sep 22 2016	Jan 31 2024	0.1	EUR	3M EURIBOR + 3.26%
		Nov 18 2016	Jan 31 2024	0.1	EUR	
		Dec 9 2016	Jan 31 2024	0.1	EUR	
CCC S.A.	HR Group Holding s.a.r.l.	Jan 31 2019	Dec 31 2029	41.5	EUR	8.00%
CCC S.A.	CCC Obutev d.o.o	Feb 18 2019	Feb 29 2024	0.8	EUR	3M EURIBOR + 2.35%
		Apr 21 2020	Apr 30 2024	0.3	EUR	3M EURIBOR + 2.70%
CCC S.A.	HR Group GmbH & Co. KG	Feb 17 2020	Mar 31 2023	6.2	EUR	3.00%
CCC S.A.	HalfPrice Sp. z o.o.	Jun 22 2021	Jun 1 2026	200.0	PLN	3.55%
CCC S.A.	DeeZee Sp. z o.o.	Aug 17 2021	Jul 26 2026	11.0	PLN	3.55%
CCC S.A.	CCC Estonia OÜ	May 9 2022	May 10 2024	0.3	EUR	3M EURIBOR + 3.08%
CCC S.A.	UAB CCC Lithuania	May 10 2022	May 10 2024	0.2	EUR	3M EURIBOR + 3.22%
CCC S.A.	CCC Shoes Latvia SIA	May 19 2022	May 19 2024	0.5	EUR	3M EURIBOR + 3.13%

LENDER	BORROWER	AGREEMENT DATE	MATURITY DATE	LIMIT [MILLION]	CURRENCY	INTEREST RATE
CCC.eu Sp. z o.o.	CCC GERMANY GmbH (agreement)	Apr 11 2018	Apr 30 2023	18.5	EUR	1.80%
CCC.eu Sp. z o.o.	CCC Shoes & Bags Sp. z o.o.	Apr 24 2018	Jan 31 2029	20.0	EUR	1.80%
CCC.eu Sp. z o.o.	CCC S.A.	Jun 22 2021	Jun 1 2026	47.2	PLN	3.55%

LENDER	BORROWER	AGREEMENT DATE	MATURITY DATE	LIMIT [MILLION]	CURRENCY	INTEREST RATE
MODIVO S.A.	EOBUWIE.PL LOGISTICS SP. Z O.O.	Oct 15 2015	Sep 30 2026	50.0	PLN	3M WIBOR +0.55%
MODIVO S.A.	EOBUWIE.PL LOGISTICS SP. Z O.O.	Oct 24 2022	Dec 31 2027	60.0	PLN	3M WIBOR +0.55%
MODIVO S.A.	Branded Shoes&Bags Sp. z o.o.	Sep 11 2019	Dec 31 2029	2.0	PLN	3M WIBOR +0.55%
MODIVO S.A.	eobuv.cz s.r.o.	Apr 12 2021	Dec 31 2031	4.5	PLN	3M PRIBOR +0.55%
MODIVO S.A.	EPANTOFI MODIVO S.R.L.	Sep 3 2021	Dec 31 2031	15.0	PLN	3M ROBOR +0.55%
MODIVO S.A.	Modivo SRL	Apr 4 2022	Dec 31 2027	0.2	EUR	EUR 3M + 0.55%
MODIVO S.A.	Modivo.lv SIA	Jun 28 2023	Dec 31 2033	0.8	EUR	EUR 3M + 0.55%
MODIVO S.A.	Modivo.sk s.r.o.	Sep 20 2022	Dec 31 2032	1.5	EUR	EUR 3M + 0.55%
Gino Rossi S.A.	CCC S.A.	Aug 3 2021	Jan 31 2024	20.0	PLN	1M WIBOR + 3.55%
CCC Factory Sp. z o.o.	CCC.eu Sp. z o.o.	Dec 17 2021	Jun 1 2026	100.0	PLN	3.55%

(all amounts in PLN million unless stated otherwise)

GUARANTEES PROVIDED AS SUPPORT OF COMMERCIAL SPACE LEASE CONTRACT

Bank guarantees under CCC S.A.'s and CCC.eu Sp. z o.o.'s guarantee facilities:

COMPANY	NUMBER OF GUARANTEES	DEBTOR	AMOUNT OF GUARANTEE [MILLION]	CURRENCY
CCC S.A.	69	CCC S.A.	4.9	EUR
CCC S.A.	25	CCC S.A.	3.4	PLN
CCC S.A.	6	CCC Hrvatska d.o.o.	0.3	EUR
CCC S.A.	5	CCC Obutev d.o.o.	0.5	EUR
CCC S.A.	46	Shoe Express S.A.	2.0	EUR
CCC S.A.	1	Shoe Express S.A.	0.1	RON
CCC S.A.	8	CCC Shoes Bulgaria EOOD	0.3	EUR
CCC S.A.	1	DeeZee Sp. z o.o.	0.1	PLN
CCC S.A.	1	DeeZee Sp. z o.o.	0.1	EUR
CCC S.A.	16	MODIVO S.A.	1.3	EUR
CCC S.A.	1	MODIVO S.A.	0.2	PLN
CCC S.A.	5	OFP Austria GmbH	0.8	EUR
CCC S.A.	11	HalfPrice Sp. z o.o.	1.5	EUR
CCC S.A.	2	HalfPrice Sp. z o.o.	0.4	PLN
CCC S.A.	2	SIA CCC Shoes Latvia	0.1	EUR
CCC S.A.	41	CCC.eu Sp. z o.o.	3.6	EUR
CCC S.A.	2	CCC.eu Sp. z o.o.	0.5	PLN
CCC S.A.	18	CCC.eu Sp. z o.o.	3.0	USD
CCC. EU	5	CCC.eu Sp. z o.o.	1.0	EUR
CCC. EU	11	CCC.eu Sp. z o.o.	2.1	USD

Bank guarantees under guarantee facilities of other CCC Group companies:

COMPANY	NUMBER OF GUARANTEES	DEBTOR	AMOUNT OF GUARANTEE [MILLION]	CURRENCY
CCC Czech s.r.o.	31	CCC Czech s.r.o.	41.0	CZK
CCC Czech s.r.o.	19	CCC Czech s.r.o.	1.2	EUR
CCC Slovakia s.r.o.	31	CCC Slovakia s.r.o.	1.5	EUR
CCC Hungary Kft.	13	CCC Hungary Kft.	1.6	EUR
MODIVO S.A.	36	MODIVO S.A.	22.3	EUR
MODIVO S.A.	8	MODIVO S.A.	13.1	PLN

Sureties provided by CCC S.A. for store leases by subsidiaries:

COMPANY	NUMBER OF SURETIES	DEBTOR	AMOUNT OF SURETY [MILLION]	CURRENCY
CCC S.A.	3	CCC Shoes Bulgaria EOOD	0.1	EUR
CCC S.A.	26	CCC Czech s.r.o.	26.1	CZK
CCC S.A.	23	CCC Czech s.r.o.	1.5	EUR
CCC S.A.	3	OU CCC Estonia	0.1	EUR
CCC S.A.	5	CCC Germany	0.3	EUR
CCC S.A.	16	CCC Hrvatska d.o.o.	0.7	EUR
CCC S.A.	63	CCC Hungary Shoes Kft.	2.6	EUR
CCC S.A.	14	CCC Hungary Shoes Kft.	155.4	HUF
CCC S.A.	15	CCC Obutev d.o.o.	0.6	EUR
CCC S.A.	3	SIA CCC Shoes Latvia	0.1	EUR
CCC S.A.	28	CCC Slovakia s.r.o.	1.4	EUR
CCC S.A.	12	HalfPrice Sp. z o.o.	1.5	EUR
CCC S.A.	22	HalfPrice Sp. z o.o.	15.7	PLN
CCC S.A.	1	OFP Austria GmbH	0.2	EUR
CCC S.A.	44	Shoe Express S.A.	1.5	EUR
CCC S.A.	1	Shoe Express S.A.	0.1	RON
CCC S.A.	2	UAB CCC Lithuania	0.1	EUR

(all amounts in PLN million unless stated otherwise)

OTHER SURETIES AND GUARANTEES

Intragroup provided to Polish subsidiaries:

COMPANY	BANK	DEBTOR	TYPE OF SECURITY	PERIOD OF VALIDITY		AMOUNT OF SURETY OR GUARANTEE [MILLION]	CURRENCY
				START DATE	END DATE		
CCC S.A. (Surety provided jointly with CCC Shoes & Bags Sp. z o.o., CCC Factory Sp. z o.o.)	Millennium	CCC.eu Sp. z o.o.	Aval for reverse factoring agreement secured by guarantee BGK	Dec 20 2022	Dec 22 2027	61.0	PLN
CCC S.A. (Surety provided jointly with CCC Shoes & Bags Sp. z o.o., CCC Factory Sp. z o.o.)	Pekao S.A.	CCC.eu Sp. z o.o.	Surety for multi-purpose credit facility agreement	Dec 20 2022	–	58.1	PLN
CCC S.A. (Surety provided jointly with CCC Shoes & Bags Sp. z o.o. and CCC Factory Sp. z o.o.)	Bank Handlowy	CCC.eu Sp. z o.o.	Aval for card agreement	Dec 8 2016	3 years from debt due date	0.6	PLN
CCC S.A. (Surety provided jointly with CCC Shoes & Bags Sp. z o.o. and CCC Factory Sp. z o.o.)	Bank Handlowy	CCC.eu Sp. z o.o.	Surety for revolving credit facility agreement secured by guarantee BGK	Dec 20 2022	Dec 20 2027	81.9	PLN
CCC S.A. (Surety provided jointly with CCC Factory Sp. z o.o.)	Santander Factoring	CCC.eu Sp. z o.o.	Surety for reverse factoring agreement secured by guarantee BGK	Dec 20 2022	–	147.5	PLN
CCC S.A.	mBank	CCC.eu Sp. z o.o.	Surety for revolving credit facility agreement secured by guarantee BGK	Jul 1 2021	Dec 30 2027	46.0	PLN
CCC S.A. (Surety provided jointly with CCC.eu Sp. z o.o.)	Santander Bank	CCC Factory Sp. z o.o.	Surety for overdraft facility agreement secured by guarantee BGK	Dec 20 2022	Dec 20 2027	6.4	PLN
CCC S.A. (Surety provided jointly with CCC Shoes & Bags Sp. z o.o., CCC.eu Sp. z o.o.)	Millennium	CCC Factory Sp. z o.o.	Aval for reverse factoring agreement secured by guarantee BGK	Dec 20 2022	Dec 22 2027	2.6	PLN
CCC S.A. (Surety provided jointly with CCC Shoes & Bags Sp. z o.o., CCC.eu Sp. z o.o.)	Pekao S.A.	CCC Factory Sp. z o.o.	Surety for overdraft facility agreement secured by guarantee BGK	Dec 20 2022	–	2.5	PLN
CCC S.A.	BNP PARIBAS	CCC Factory Sp. z o.o.	Surety for overdraft facility agreement secured by guarantee BGK	Jul 1 2021	Dec 20 2027	17.8	PLN
CCC S.A.	mBank	CCC Factory Sp. z o.o.	Surety for revolving credit facility agreement secured by guarantee BGK	Jul 1 2021	Dec 30 2027	3.5	PLN
CCC S.A. (Surety provided jointly with the Obligors*)	Bank Handlowy	CCC.eu Sp. z o.o., CCC S.A., CCC Shoes & Bags Sp. z o.o., CCC Factory Sp. z o.o.	Surety for syndicated agreement	Jun 18 2021	Dec 31 2028	245.7	PLN
CCC S.A. (Surety provided jointly with the Obligors*)	Millennium	CCC.eu Sp. z o.o., CCC S.A., CCC Shoes & Bags Sp. z o.o., CCC Factory Sp. z o.o.	Surety for syndicated agreement	Jun 18 2021	Dec 31 2028	78.4	PLN
CCC S.A. (Surety provided jointly with the Obligors*)	Pekao S.A.	CCC.eu Sp. z o.o., CCC S.A., CCC Shoes & Bags Sp. z o.o., CCC Factory Sp. z o.o.	Surety for syndicated agreement	Jun 18 2021	Dec 31 2028	245.8	PLN
CCC S.A. (Surety provided jointly with the Obligors*)	PKO BP S.A.	CCC.eu Sp. z o.o., CCC S.A., CCC Shoes & Bags Sp. z o.o., CCC Factory Sp. z o.o.	Surety for syndicated agreement	Jun 18 2021	Dec 31 2028	347.0	PLN
CCC S.A. (Surety provided jointly with the Obligors*)	BNP PARIBAS	CCC.eu Sp. z o.o., CCC S.A., CCC Shoes & Bags Sp. z o.o., CCC Factory Sp. z o.o.	Surety for syndicated agreement	Jun 18 2021	Dec 31 2028	112.2	PLN
CCC S.A. (Surety provided jointly with the Obligors*)	mBank	CCC.eu Sp. z o.o., CCC S.A., CCC Shoes & Bags Sp. z o.o., CCC Factory Sp. z o.o.	Surety for syndicated agreement	Jun 18 2021	Dec 31 2028	154.0	PLN
CCC S.A. (Surety provided jointly with the Obligors*)	Santander Bank / Santander Factoring	CCC.eu Sp. z o.o., CCC S.A., CCC Shoes & Bags Sp. z o.o., CCC Factory Sp. z o.o.	Surety for syndicated agreement	Jun 18 2021	Dec 31 2028	355.7	PLN
CCC.eu Sp. z o.o., CCC S.A., CCC Shoes & Bags Sp. z o.o., CCC Factory Sp. z o.o., HalfPrice Sp. z o.o.	agent/Security Agent	CCC.eu Sp. z o.o., CCC S.A., CCC Shoes & Bags Sp. z o.o., CCC Factory Sp. z o.o.	Surety for Commission Agreement	Jun 24 2021	Dec 31 2028	2.6	PLN
CCC S.A.	PFR FI FIZAN	CCC Shoes & Bags Sp. z o.o.	Surety for bonds	Sep 16 2021	Sep 30 2031	720.0	PLN

*Obligors: CCC S.A., CCC.eu Sp. z o.o., CCC Shoes & Bags Sp. z o.o., CCC Factory Sp. z o.o., HalfPrice Sp. z o.o., CCC Slovakia s.r.o., CCC Czech s.r.o., CCC Obutev d.o.o., CCC Hrvatska d.o.o., CCC Hungary, Shoe Express S.A., SIA CCC Shoes Latvia, CCC Estonia OU, UAB CCC Lithuania, OFP Austria GmbH

(all amounts in PLN million unless stated otherwise)

Received by CCC S.A.

COMPANY	BANK	DEBTOR	TYPE OF SECURITY	PERIOD OF VALIDITY		AMOUNT OF SURETY OR GUARANTEE [MILLION]	CURRENCY
				START DATE	END DATE		
CCC.eu Sp. z o.o. (Surety provided jointly with CCC Shoes & Bags Sp. z o.o.)	Bondholder	CCC S.A.	Surety for bonds	Jun 21 2018	Jun 29 2026	750.0	PLN
CCC.eu Sp. z o.o. (Surety provided jointly with CCC Shoes & Bags Sp. z o.o., CCC Factory Sp. z o.o., HalfPrice Sp. z o.o., CCC Russia LLC, CCC Slovakia s.r.o., CCC Czech s.r.o., CCC Obutev d.o.o., CCC Hrvatska d.o.o., CCC Hungary, Shoe Express S.A.)	Bondholder	CCC S.A.	Surety for bonds	Jun 1 2021	Jun 29 2027	315.0	PLN
CCC.eu Sp. z o.o. (Surety provided jointly with CCC Shoes & Bags Sp. z o.o., CCC Factory Sp. z o.o.)	PKO BP S.A.	CCC S.A.	Surety for Common Terms Agreement (CTA)	Nov 5 2020	Dec 31 2027	90.0	PLN
CCC.eu Sp. z o.o. (Surety provided jointly with CCC Shoes & Bags Sp. z o.o., CCC Factory Sp. z o.o.)	Pekao S.A.	CCC S.A.	Surety for Common Terms Agreement (CTA)	Nov 5 2020	Dec 31 2027	61.5	PLN
CCC.eu Sp. z o.o. (Surety provided jointly with CCC Shoes & Bags Sp. z o.o., CCC Factory Sp. z o.o.)	mBank	CCC S.A.	Surety for Common Terms Agreement (CTA)	Nov 5 2020	Dec 31 2027	58.5	PLN
CCC.eu Sp. z o.o. (Surety provided jointly with CCC Shoes & Bags Sp. z o.o., CCC Factory Sp. z o.o.)	Santander Bank	CCC S.A.	Surety for Common Terms Agreement (CTA)	Nov 5 2020	Dec 31 2027	75.0	PLN
CCC.eu Sp. z o.o. (Surety provided jointly with CCC Shoes & Bags Sp. z o.o., CCC Factory Sp. z o.o.)	Millennium	CCC S.A.	Surety for Common Terms Agreement (CTA)	Nov 5 2020	Dec 31 2027	24.0	PLN
CCC.eu Sp. z o.o. (Surety provided jointly with CCC Shoes & Bags Sp. z o.o., CCC Factory Sp. z o.o.)	BNP PARIBAS	CCC S.A.	Surety for Common Terms Agreement (CTA)	Nov 5 2020	Dec 31 2027	19.5	PLN
CCC.eu Sp. z o.o. (Surety provided jointly with CCC Shoes & Bags Sp. z o.o., CCC Factory Sp. z o.o.)	Bank Handlowy	CCC S.A.	Surety for Common Terms Agreement (CTA)	Nov 5 2020	Dec 31 2027	46.5	PLN
CCC.eu Sp. z o.o. (Surety provided jointly with the Obligors)	Bank syndicate	CCC S.A. (jointly with CCC.eu Sp. z o.o., CCC Factory Sp. z o.o., CCC Shoes & Bags Sp. z o.o., HalfPrice Sp. z o.o.)	Surety for syndicated credit facility agreement	Jun 18 2021	Dec 31 2028	1,538.7	PLN

Provided by CCC S.A. to foreign subsidiaries:

COMPANY	BANK	DEBTOR	TYPE OF SECURITY	PERIOD OF VALIDITY		AMOUNT OF SURETY OR GUARANTEE [MILLION]	CURRENCY
				START DATE	END DATE		
CCC S.A.	Raiffeisen Bank Zrt	CCC Hungary Shoes Kft.	Surety for bank guarantee agreement	Jun 25 2014	Dec 31 2023	3.0	EUR

(all amounts in PLN million unless stated otherwise)

MATERIAL RELATED-PARTY TRANSACTIONS

To the best of the Group's knowledge, no material related-party transactions were concluded on non-arm's length terms during the financial year. For information on related-party transactions, see section 'Related-party transactions' in the consolidated financial statements.

DESCRIPTION OF SIGNIFICANT AGREEMENTS

Credit facility and bank guarantee facility agreements:

1. Annex 156 of March 3rd 2023 to the guarantee limit agreement of March 31st 2009 between CCC S.A. and Santander Bank Polska S.A.
2. Annex 157 of June 28th 2023 to the guarantee limit agreement of March 31st 2009 between CCC S.A. and Santander Bank Polska S.A.
3. Annex 20 of March 14th 2023 to the framework agreement of November 14th 2012 between CCC S.A. and mBank S.A.
4. Annex 8 of May 31st 2023 to the multi-purpose credit facility agreement of November 21st 2019 between CCC S.A., CCC.eu and Powszechna Kasa Oszczędności Bank Polski S.A.
5. Annex 2 of May 31st 2023 to the revolving facility agreement of June 17th 2021 between CCC.eu and Bank Handlowy w Warszawie S.A.
6. Annex 26 of June 30th 2023 to the multi-purpose credit facility agreement of October 15th 2014 between CCC.eu and Bank Polska Kasa Opieki Spółka Akcyjna

23. SIGNIFICANT RISK FACTORS

The risks identified by the Group, with relevant descriptions and measures taken to minimise their impact, are provided below.

RISK	DEFINITION	ACTION
Risk of footfall decline at offline stores	If there is a lasting and significant decline in foot traffic at offline stores e.g. due to the COVID-19 pandemic, the Group's offline segment may deliver financial results significantly below the target set forth in the Strategy.	➢ ongoing monitoring of store performance and store chain management, including store closures and openings, space reductions and expansions, relocations, etc. ➢ consistent expansion of digital distribution channels – online and mobile sales platforms, ➢ monitoring the activities of other market operators.
Aligning products with customer expectations	The Group's ability to offer footwear and other products in line with current trends in fashion and customer expectations is crucial in driving customers' interest in purchasing them.	➢ building on the long track-record in designing, manufacturing and sale of footwear, ➢ influencing fashion trends through promotional and marketing activities and collaboration with influencers, ➢ implementing improvements in the process of creating, ordering and delivering collections to shorten design-to-shelf lead times.
Strength and recognition of brands under which the Group markets its products (notably CCC and eobuwie) and its private label brands of selected products (notably Lasocki, Gino Rossi, DeeZee, Sprandi, and Jenny Fairy)	Declining brand recognition affects customer interest, leading to lower traffic in offline and digital stores, which may cause financial performance to be significantly below the target set in the Strategy.	➢ promotional and marketing activities aimed at strengthening individual brands, ➢ building a footwear retail ecosystem integrating numerous touchpoints to increase customer loyalty, ➢ rollout of up-to-date offline store formats to boost brand image.
Risk of manufacturing delays/supply chain disruption	The Company's private label products are supplied by a fragmented group of Asian manufacturers, while third-party brands are sourced mainly from European suppliers. In the event of any delays in such supplies, there is a risk that the Company will not be able to deliver well-timed products (matched to the current season or BTS period) sought by its customers. Moreover, in extreme cases, supply chains may get disrupted, preventing the Group from sourcing merchandise.	➢ ongoing monitoring of goods in transit helps manage the risk of delayed deliveries, ➢ relationships with many forwarders allow, in the event of a delay risk, to switch shipowners or modes of transport of goods from Asia to Poland.
Freight price risk	The Company's private label products are sourced from a fragmented group of Asian manufacturers. Such goods are supplied mostly by sea. Given that freight prices are variable and depend, among other factors, on the prevailing macroeconomic conditions, their sudden growth may adversely affect the Company's financial performance. Moreover, in extreme cases, supply chains may get disrupted, preventing the Group from sourcing merchandise.	➢ in order to mitigate the risk of fluctuations in freight prices for supplies originating in Asia, cooperation with forwarders is based on quarterly price quotes and partially on contracts guaranteeing a fixed freight price in the long term regardless of current market rates, ➢ continuous monitoring of the freight market and relationships maintained with a number of forwarders help diversify the risk of supply chain disruption in the short term.

Risk related to merchandise stocks/purchase orders	The Company orders seasonal collections some time in advance. This entails a risk of insufficient or excessive order volumes, which in turn may necessitate future sales with lower margins. This risk is mitigated by optimising purchase orders: reducing the number of colour options, focus on the fastest-moving categories, increased depth of replenishment orders, as well as phasing and sequencing of order deliveries to warehouses;	➢ monthly budget revisions, ➢ increasing the volume of year-round products, reducing seasonal stocks, ➢ increasing the number of NOOS (Never Out Of Stock) items, products, splitting of orders into several lots.
Risk of termination of contracts with key suppliers	In the course of its business, the Group works with a number of suppliers of third-party brands (including: Adidas, Champion, etc.). If any of these supplier relationships are terminated, the attractiveness of the Group's commercial offering could deteriorate, which in turn could result in an outflow of customers. This risk is mitigated by maintaining long-standing relationships with suppliers and diversifying the supplier base.	➢ the portfolio of suppliers of third-party brands allows the Group to make portfolio shifts and fill any potential gaps, ➢ development of private label brands – in terms of products and marketing (brand awareness), ➢ long-term experience in building business partnerships, besides CCC, the Group includes MODIVO – a strategic partner to suppliers given the unique omnichannel concept.
Liquidity risk	The Group's business is partly financed with external capital, e.g. raised through credit facilities or bonds. Such instruments are subject to a number of requirements/covenants. Their potential breaches could accelerate repayment of such liabilities in whole or in part. If any such acceleration trigger materialises rendering those liabilities immediately due and payable, the structure of the Group's balance sheet and its liquidity position could materially deteriorate. This risk is minimised through the capital accumulation plan (e.g. working capital improvement, investor in HP, profitability improvement with a deleveraging effect), strong relationships maintained with banks, etc.	➢ the risk is minimised in the budgeting and performance monitoring process by matching available capital to liquidity requirements, ➢ implementation of liquidity improvement projects (e.g. to improve working capital by reducing inventory turnover, extending the average payment period), ➢ in addition, the Company is able to raise additional liquidity through share issues or possible divestment processes, e.g. by finding an equity partner for a selected business line, or sale&leaseback of warehouse space, ➢ The Company seeks to deleverage the business mainly through improved operating profitability and cost reduction.
Trade credit risk	Some wholesale operations are conducted on a deferred payment basis, which exposes the Group to the risk of financing its customers. In order to maintain the leading position on the footwear market, the Group uses trade credit to additionally increase its attractiveness to wholesale trading partners. The source of this risk lies in uncertainty as to whether and when amounts due to the Company will be settled.	➢ ongoing checks of customers' financial condition; ➢ ongoing checks of customers' credit history.
Currency risk	The CCC Group companies generate revenue in PLN, EUR, CZK, HUF, HRK, BGN, RSD and most of its costs are denominated in foreign currencies. This means the CZK, HUF, HRK, BGN, RSD, CHF, USD and EUR exchange rates (virtually all imports are denominated in USD and EUR, and a large percentage of rental costs is denominated in EUR) will affect the Group's income and expenses. The key supply market for the Group is the Chinese market and, consequently, the exchange rate of CNY against major global currencies may also have a significant impact on the Group's expenses. A stronger CNY may lead to deterioration in import terms and increase costs for consumers.	➢ hedging of foreign exchange risk, mainly for USD-denominated purchases, ➢ implementation of a natural hedging strategy for EUR, continuous monitoring of movements in currency exchange rates relevant to the Group.
Interest rate risk	The CCC Group is exposed to interest rate risk as a result of existing credit facility agreements, which bear interest at floating rates based on WIBOR or BLR. An increase in interest rates will affect the amount of interest paid on bank borrowings.	➢ diversification of capital sources, ➢ monitoring of key interest rates.
Risk related to overall economic conditions	The CCC Group operates primarily in the Polish, Czech, Hungarian, Slovak and Romanian markets, so the purchasing power of consumers in these markets and their propensity to consume are important factors to the Group. Any deterioration of the economic conditions may have an adverse effect on the Group's operating results and financial standing. The CCC Group also operates in several other foreign markets (including Croatia, Slovenia, Bulgaria, and Serbia).	➢ diversifying its operations in terms of countries in which it is present (reducing the correlation of economic situation between countries); ➢ monitoring the economic situation globally and in the countries relevant to the Group, and adjusting the Group's strategy accordingly, ➢ monitoring important economic indicators in selected countries (unemployment rate, GDP per capita, CPI).
Seasonality of sales and weather conditions	Sales and the value of inventories depend on seasonal movements in demand (with peak demand in spring and autumn). Irregular weather conditions may result in customers postponing purchasing decisions or in a shortened peak sales season.	➢ The Group mitigates the risk of weather conditions impacting its sales chiefly by increasing the proportion of year-round products in its portfolio, including sports shoes marketed under its private label Sprandi and under recognisable third-party brands.

(all amounts in PLN million unless stated otherwise)

Risk of lockdown (government-imposed restrictions on offline retail)	The events of the first half of 2020 revealed the risk of government-imposed lockdowns on an unprecedented scale (in Poland, the EU and globally). The lockdown restrictions led to suspension of offline store operations, which translated into lower revenue.	➢	The Group took steps to mitigate this risk by developing a comprehensive business stabilisation plan, covering the operational, financial and strategic domains. The key measures included steps taken to secure continuity of the Group's operating processes in an environment of widespread remote working, to strengthen e-commerce logistics processes, to accelerate the launch of e-commerce platforms in new markets, to enter into negotiations with landlords to adjust the lease terms to the circumstances and the expected decline in footfall once the stores are reopened, and to apply for and receive support from available public assistance programmes subsidising labour and other costs. In terms of financing, the Company held negotiations with bondholders, banks and financing institutions with a view to securing the stability of its long-term funding, and issued new shares to raise additional capital to fund the Group's business and, in particular, for orders of collections for future seasons.

REPORTING CALENDAR

November 29th 2023 Consolidated report for the third quarter of 2023

24. CCC S.A. SHARES ON THE WARSAW STOCK EXCHANGE

CCC S.A. STOCK PRICE

CCC shares have been listed in the continuous trading system on the main market of the Warsaw Stock Exchange since December 2nd 2004, and they are currently included in the key indices WIG, mWIG40, WIG30, WIG-Poland, WIG-Div, WIG-Odzież, and WIG ESG.

As at July 31st 2023, the price of one CCC share was PLN 44.55, which translated into the CCC Group's market capitalisation in excess of PLN 3.0bn.

The Annual General Meeting held on June 12th 2023 approved the Directors' Reports on the operations of the Company and the CCC Group, and the financial statements for 2022. The Meeting passed a resolution to offset the entire net loss posted in the financial year that began on February 1st 2022 and ended on January 31st 2023, amounting to PLN 22,734,688.30, against the Company's statutory reserve funds.

SHARE CAPITAL AND SHAREHOLDERS

As at July 31st 2023, the share capital of CCC S.A. amounted to PLN 6,886,800.00 and was divided into 68,868,000 shares with a par value of PLN 0.10 per share.

SERIES/ISSUE	TYPE OF SHARES	NUMBER OF SHARES	PAR VALUE OF THE SERIES/ISSUE (PLN)	FORM OF PAYMENT FOR SHARES
"A1"	registered voting preference	6,650,000	665,000	cash
"A2"	ordinary bearer shares	13,600,000	1,360,000	cash
B	ordinary bearer shares	9,750,000	975,000	cash
C	ordinary bearer shares	2,000,000	200,000	cash
D	ordinary bearer shares	6,400,000	640,000	cash
E	ordinary bearer shares	768,000	76,800	cash
H	ordinary bearer shares	2,000,000	200,000	cash
Jan	ordinary bearer shares	6,850,000	685,000	cash
J	ordinary bearer shares	6,850,000	685,000	cash
L	ordinary registered shares	5,878,535	587,854	cash
M	ordinary bearer shares	8,121,465	812,147	cash
Total		**68,868,000**	**6,886,800**	

(all amounts in PLN million unless stated otherwise)

SHAREHOLDERS WITH MAJOR HOLDINGS

According to the information available to the Company, shareholders holding 5% or more of total voting rights in CCC S.A. as at July 31st 2023 were:

- ULTRO S.a.r.l. (a subsidiary of Dariusz Miłek), which held 22,956,000 Company shares, representing 33.33% of the share capital and 39.01% of total voting rights;
- Aviva Polska OFE*, which held 5,000,000 Company shares, representing 7.26% of the share capital and 6.62% of total voting rights.
- Nationale-Nederlanden OFE*, which held 4,267,000 Company shares, representing 6.20% of the share capital and 5.65% of total voting rights.

SHAREHOLDER	NUMBER OF SHARES HELD	% OWNERSHIP INTEREST	NUMBER OF VOTING RIGHTS	% VOTING INTEREST
Ultro S.a.r.l. (subsidiary of CCC S.A. President Dariusz Miłek)	22,956,000	33.33%	29,456,000	39.01%
Allianz Polska OFE*	5,000,000	7.26%	5,000,000	6.62%
Nationale-Nederlanden OFE*	4,267,000	6.20%	4,267,000	5.65%
Other investors***	36,645,000	53.21%	36,795,000	48.72%
total:	**68,868,000**	**100.00%**	**75,518,000**	**100.00%**

* As per the list of shareholders entitled to participate in the Extraordinary General Meeting on June 12th 2023.
** Other investors holding less than 5% of voting rights.

SHARES IN THE PARENT AND IN RELATED ENTITIES HELD BY MANAGING AND SUPERVISING PERSONS

SHAREHOLDER	NUMBER OF SHARES AS AT THE DATE OF ISSUE OF THIS REPORT	PAR VALUE OF SHARES AS AT THE DATE OF ISSUE OF THIS REPORT (PLN)
Supervisory Board		
Mariusz Gnych, Member of the Supervisory Board	207,112	20,711.0
Management Board		
Ultro S.a.r.l. (subsidiary of CCC S.A. President Dariusz Miłek)	22,956,000	2,295,600.0
President of Modivo S.A. Marcin Czyczerski	5,100	510.0
Vice President of CCC S.A. Karol Półtorak	35,500	3,550.0
Vice President of CCC S.A. Igor Matus	527	52.7

The other members of the Management Board and the Supervisory Board did not hold any shares in CCC S.A. Other than described above, members of the Management Board and the Supervisory Board did not hold any shares in entities related to CCC S.A.

COMPANY SHAREHOLDERS HOLDING SPECIAL CONTROL RIGHTS

According to the Articles of Association of the Company, CCC S.A. shares are divided into two classes:

- ordinary bearer shares, each conferring one voting right in the Company,
- registered shares with voting preference, each conferring two voting rights in the Company,

SHAREHOLDER	NUMBER OF SHARES HELD	% OWNERSHIP INTEREST	NUMBER OF VOTING RIGHTS	% VOTING INTEREST
Ultro S.a.r.l. (subsidiary of CCC S.A. President Dariusz Miłek)	6,500,000	9.44%	13,000,000	17.21%
Lech Chudy	50,000	0.07%	100,000	0.13%
Renata Miłek	50,000	0.07%	100,000	0.13%
Mariusz Gnych	50,000	0.07%	100,000	0.13%
Total	**6,650,000**	**9.66%**	**13,300,000**	**17.61%**

RESTRICTIONS ON VOTING RIGHTS ATTACHED TO EXISTING SHARES

There are no restrictions on the exercise of voting rights.

RESTRICTIONS ON TRANSFER OF OWNERSHIP RIGHTS TO SECURITIES

Shareholders have the pre-emptive right to acquire registered preference shares intended for sale. If the right is not exercised with respect to all or any of the shares, the transfer of ownership of the shares requires approval by the Company's Management Board.

(all amounts in PLN million unless stated otherwise)

RULES GOVERNING AMENDMENTS TO THE COMPANY'S ARTICLES OF ASSOCIATION

Any amendments to the Articles of Association are governed by the applicable provisions of the Commercial Companies Code.

Amendments to the Articles of Association require a resolution of the General Meeting adopted by a majority of ¾ of the votes and an entry to the National Court Register. When authorised to do so by the General Meeting, the Supervisory Board of the Company may determine the consolidated text of the amended Articles of Association or make other editorial changes specified in the respective resolution of the General Meeting.

25. MANAGEMENT BOARD AND SUPERVISORY BOARD

As at July 31st 2023, the Management Board of CCC S.A. consisted of:

Full name of Management Board Member	Position held
Dariusz Miłek	President of the Management Board
Karol Półtorak	Vice President
Igor Matus	Vice President

On May 11th 2023, Marcin Czyczerski resigned as President and Member of the Company's Management Board, with effect as of May 11th 2023, due to his appointment as President of the Management Board of Modivo S.A.

On May 11th 2023, Dariusz Miłek resigned as Chairman and member of the Company's Supervisory Board, with effect from May 11th 2023. The reason for his resignation was that on May 11th 2023 he was appointed by the Supervisory Board as President of the Company's Management Board, with effect from May 12th 2023.

As the process to change the CCC Group's business model was completed and the Modivo Group entered a next phase of growth, the two companies appointed new CEOs with expertise that best matches the current needs.

On June 6th 2023, Adam Holewa resigned as Vice President and member of the Company's Management Board, with effect from June 12th 2023.

Full name of Supervisory Board Member	Position held
Wiesław Oleś	Chairman of the Supervisory Board (elected on June 12th 2023; formerly: Chairman of the Supervisory Board elected on June 24th 2015/Deputy Chairman of the Supervisory Board elected on May 9th 2019)
Mariusz Gnych	Deputy Chairman of the Supervisory Board (elected on June 12th 2023), member of the Audit Committee
Filip Gorczyca	Member of the Supervisory Board (elected on April 11th 2019), Chair of the Audit Committee
Zofia Dzik	Member of the Supervisory Board (elected on June 18th 2019), member of the Audit Committee
Piotr Kamiński	Member of the Supervisory Board (elected on June 12th 2023)
Marcin Stańko	Member of the Supervisory Board (elected on June 12th 2023)

On June 12th 2023, the Annual General Meeting appointed Marcin Stańko and Piotr Kamiński to the Supervisory Board. On the same day, the General Meeting appointed Wiesław Oleś as Chairman of the Supervisory Board and Mariusz Gnych as Deputy Chairman of the Supervisory Board.

For a detailed description of the remits of the Management Board and Supervisory Board, see the corporate website:
https://corporate.ccc.eu/wladze-ccc

26. OTHER INFORMATION

Items that are unusual because of their nature, value or frequency and which affect assets, liabilities, equity, net income or cash flows

Events occurring in the reporting period that were considered unusual items because of their nature and frequency were as follows:

- - acquisition of control by the Group of CCC Ukraina Sp. z o.o. of Lviv. Following the transaction, CCC S.A. acquired 75.1% of shares in CCC Ukraina Sp z o.o. for a price of PLN 12.2m, offset against claims between a CCC Group entity and the existing shareholder of CCC Ukraina. See Note 6 for details. Acquisition of subsidiaries and associates
- the share capital of CCC S.A. was increased through the issue of 14 million shares with a par value of PLN 0.1 and an issue price of PLN 36.11. The issue proceeds amounted to PLN 505.5m.

Impairment losses, provisions and deferred tax

See "Interim condensed consolidated financial statements".

Material transactions of purchase and sale of property, plant and equipment and related liabilities

No material transactions of purchase or sale of property, plant and equipment occurred in the reporting period. The transactions occurring after the reporting date are described in the section on events subsequent to the reporting date.

Material proceedings pending before court, competent arbitration authority or public administration authority, concerning liabilities and receivables of the Company or its subsidiaries, including an indication of the subject matter of the proceedings, value of the dispute, date when the proceedings were initiated, parties to the initiated proceedings and the Company's position

Not applicable.

Material litigation settlements

Not applicable.

Corrections of prior period errors

Not applicable.

Changes in economic environment and trading conditions with a material effect on the fair value of financial assets and liabilities of the company, irrespective of whether such assets and liabilities are carried at fair value or adjusted acquisition cost (amortised cost)

Changes in economic environment and trading conditions with a material effect on the fair value of financial assets are disclosed in the section on going concern and events subsequent to the reporting date.

Credit default or breach of material credit covenants with respect to which no remedial action was taken before the end of the reporting period

Not applicable.

Execution by the Company or any of its subsidiaries of one or more related-party transactions, if concluded on non-arm's length terms, including information on the value of such transactions; information on individual transactions may be grouped by type, except where information on individual transactions is necessary to understand their impact on the Company's assets, financial position and financial performance

Not applicable.

Change in the method used to determine the fair value of financial instruments

Not applicable.

Changes in the classification of financial assets as a result of change in the purpose or use of the assets

Not applicable.

Issue, redemption and repayment of non-equity and equity securities

On November 17th 2022, the Extraordinary General Meeting passed a resolution to increase the Company's share capital by no less than PLN 0.20 and no more than PLN 1,400,000.00, to no less than PLN 5,486,800.20 and no more than PLN 6,886,800.00, through the issue of no less than 2 and no more than 14,000,000 ordinary shares with a par value of PLN 0.10 per share, including:

(a) no less than 1 and no more than 13,999,999 Series L ordinary registered shares with a par value of PLN 0.10 per share ("Series L Shares"), and

(b) no less than 1 and no more than 9,643,599 Series M ordinary bearer shares with a par value of PLN 0.10 per share ("Series M Shares"), up to a total of no more than 14,000,000 New Shares.

The execution of agreements to subscribe for Series L Shares and Series M Shares was completed on April 27th 2023 – resulting in the subscription for a total of 14,000,000 ordinary shares in CCC S.A. with a par value of PLN 0.10 per share, of which 8,121,465 were Series M ordinary bearer shares and 5,878,535 were Series L ordinary registered shares.

The Series M Shares (ordinary bearer shares) were introduced to trading on the stock exchange on May 16th 2023.

Dividend paid or declared, in total and per share, with the division into ordinary and preference shares

Not applicable.

Changes in contingent liabilities or contingent assets that have occurred since the end of the last financial year

Not applicable.

Other information which may materially affect the assessment of the Company's assets, financial condition and profit/loss

Not applicable.

Changes to the organisation of the Company's Group, including changes resulting from a merger of entities, the gaining or loss of control over subsidiaries and long-term investments, as well as the division, restructuring or discontinuation of business activities, and identification of entities subject to consolidation, and in the case of the Company being a holding entity, which is not required to prepare consolidated financial statements under the applicable regulations or may not prepare consolidated financial statements – additionally, indication of the reason for and legal basis of the lack of consolidation

For details, see "Structure of the CCC Group".

Management Board's position on the feasibility of meeting any previously published forecasts for a given year in light of the results presented in the quarterly report

Not applicable.

Loan sureties or guarantees provided by the Company or its subsidiary where the aggregate value of such outstanding sureties or guarantees provided to a single entity or its subsidiary is significant

In the reporting period, no significant guarantees or sureties were provided for credit facilities or loans.

Key capital and equity investments within the Company's Group in the financial year

The subsidiaries did not make any significant capital or equity investments in the reporting period. Any cash surplus is used to repay debt under overdraft facilities.

Contracts/agreements between the Company and the management staff

Subscription for new shares by Ultro S.a.r.l. (a subsidiary of CCC S.A. President Dariusz Miłek).

Share buy-back

In the reporting period, CCC S.A. did not perform any buy-back of its own shares.

Restrictions on voting rights at the Company

In the reporting period, there were no restrictions on the exercise of voting rights at the Company.

Parent's branches (establishments)

As at the reporting date, the Parent had no branches (establishments).

Major R&D achievements

Not applicable.

Factors and events, including of a non-recurring nature, having material bearing on the condensed financial statements

No such factors or events were identified except as disclosed in the section on going concern and events subsequent to the reporting date.

Factors which in the Company's opinion will affect its performance in the next quarter or in a longer term

No such factors or events were identified except as disclosed in the section on going concern and events subsequent to the reporting date.

Events subsequent to the date as at which the interim condensed financial statements were prepared, which have not been disclosed in this report but could significantly affect the Company's future financial results

On August 7th 2023, CCC S.A. announced that requests for pari passu redemption of 125,901 bonds had been submitted in connection with the offer of voluntary early redemption concerning bonds with a maximum aggregate nominal value of PLN 8,898,000.0. The Company redeemed 8,898 bonds, pro rata to the number of bonds covered by the redemption requests (pari passu redemption), in accordance with the rules set out in the relevant regulations of the Central Securities Depository of Poland. The pari passu redemption took place on August 10th 2023. At the redemption, the issuer paid interest accrued on the bonds being redeemed, as discussed in Note 4.2.

On August 31st 2023, the General Meeting of CCC S.A. passed a resolution to transfer an organised part of business of CCC S.A. engaged in logistics operations and a similar organised part of business of CCC Factory Sp. z o.o. to CCC.eu Sp. z o.o., with effect from September 1st 2023. As a result, CCC S.A. and CCC Factory Sp. z o.o. were to acquire new shares issued by CCC.eu in exchange for the transferred non-cash contributions (organised parts of business).

On September 28th 2023, CCC S.A. and CCC Factory Sp. z o.o. decided to abandon plans to merge the Company with CCC Factory on the basis of the merger plan of July 28th 2023 agreed and signed by the Company and CCC Factory (the "Merger Plan") and not to notify the merger and the resulting changes to the Business Register of the National Court Register. The Company concluded that the best way to simplify the CCC Group's corporate structure would be by merging CCC Factory with CCC.eu Sp. z o.o. The merger of CCC Factory with CCC.eu will be effected by transferring all of CCC Factory's assets to CCC.eu (merger through acquisition), in exchange for CCC.eu's own shares to be purchased by CCC.eu as a result of the merger with CCC Factory. As part of the merger, the sole shareholder of CCC Factory, i.e. the Company, would receive CCC.eu's own shares purchased as a result of the merger. These steps are consistent with the Company's earlier decision to simplify the CCC Group's corporate structure.

On August 31st 2023, CCC S.A. made a further partial reduction of its debt towards the bank syndicate consisting of mBank S.A. (the agent), Bank Polska Kasa Opieki S.A. (the security agent), Bank Handlowy w Warszawie S.A., Bank Millennium S.A., BNP Paribas Bank Polska S.A., Bank Polska Kasa Opieki S.A., mBank S.A., Powszechna Kasa Oszczędności Bank Polski S.A., Santander Bank Polska S.A. and Santander Factoring Sp. z o.o., and Bank Handlowy w Warszawie S.A. under a bilateral credit agreement secured by a guarantee issued under a portfolio guarantee scheme of the PLG-FGK BGK Emergency Guarantee Fund.

The total reduction of credit limits made on August 31st 2023 through agreed debt prepayments was PLN 64.3m, constituting another stage of the previously communicated debt reduction plan.

As the credit limits reduced through the additional early reduction (prepayments referred to above) were not fully restored or renewed within 60 days of the reduction date, on September 15th 2023 CCC S.A. announced early redemption of its Series 1/2018 Bonds (the "Pari Passu Redemption"). The Pari Passu Redemption is to cover 11,414 Bonds, with a nominal value of PLN 11.4m, as reported in Current Report No. 52/2023 of September 15th 2023.

On September 6th 2023, CCC S.A. together with CCC Shoes & Bags Sp. z o.o. signed an annex amending the agreement with Modivo S.A.'s minority shareholder (MKK3 Sp. z o.o.) concerning the obligation to purchase the minority shareholder's interest in Modivo S.A. The related liability is disclosed by the CCC Group in its consolidated financial statements in the full amount, i.e. PLN 180.0m. The annex provided for interest to be accrued on the liability under the option if the option was not exercised starting from January 1st 2024 (subject to approval by the finance providers, which was granted to the Company on October 2nd 2023), and the possibility of exercising the option in up to three tranches, of which a single tranche may not involve less than 10% of the shares covered by the option. The annex also amends the vesting date for MKK3 Sp. z o.o.'s option to October 3rd 2023 (previously: July 1st 2023). The option expiry date remains unchanged, i.e. the option will expire on June 30th 2026 or if the initial public offering is carried out.

MANAGEMENT BOARD'S REPRESENTATIONS

REPRESENTATION ON ACCURACY OF THE FINANCIAL STATEMENTS

To the best knowledge of the Management Board of CCC S.A., the interim condensed consolidated and separate financial statements and the Directors' Report on the operations of the CCC Group as well as the comparative data have been prepared in compliance with the applicable accounting standards and give a true, clear and fair view of the CCC Group's assets, financial standing and financial results. The Directors' Report on the operations of the CCC Group gives a fair view of the Group's development, achievements and standing, and includes a description of key risks and threats.

The interim condensed consolidated financial report of the CCC Group and CCC S.A. was authorised for issue and signed by the CCC S.A. Management Board on October 11th 2023.

The consolidated financial statements were authorised for issue by the Management Board on October 11th 2023.	
Edyta Skrzypiec - Rychlik	Chief Accountant
Signatures of all Management Board members:	
Dariusz Miłek	President of the Management Board
Karol Półtorak	Vice President
Igor Matus	Vice President