INTERIM CONDENSED CONSOLIDATED FINANCIAL REPORT FOR THE SIX MONTHS

from 1 February 2024
to 31 July 2024

SELECTED FINANCIAL AND OPERATING DATA OF THE CCC GROUP

Selected financial data from the consolidated statement of comprehensive income	PLN million		EUR million	
	1 Feb 2024–31 Jul 2024	1 Feb 2023–31 Jul 2023	1 Feb 2024–31 Jul 2024	1 Feb 2023–31 Jul 2023
	unaudited, reviewed	unaudited, reviewed	unaudited, reviewed	unaudited, reviewed
Revenue	**4,850.5**	**4,488.6**	**1,127.3**	**983.5**
CCC	2,061.3	1,889.1	479.0	413.9
HalfPrice	782.9	589.0	181.9	129.1
eobuwie	1,511.6	1,469.6	351.3	322.0
MODIVO	456.3	497.3	106.0	109.0
DeeZee	38.4	43.6	8.9	9.6
Gross profit	**2,445.1**	**2,060.9**	**568.2**	**451.6**
Gross margin	50%	46%	50%	46%
Operating profit (loss)	**413.1**	**12.3**	**96.0**	**2.7**
Segment profit (EBITDA)	**707.4**	**312.3**	**164.4**	**68.4**
CCC	487.7	280.4	113.3	61.4
HalfPrice	152.1	12.2	35.3	2.7
eobuwie	53.7	19.5	12.5	4.3
MODIVO	13.3	-1.9	3.1	-0.4
DeeZee	0.6	2.1	0.1	0.5
Profit (loss) before tax	**171.6**	**-128.1**	**39.9**	**-28.1**
Net profit (loss)	**305.0**	**-137.1**	**70.9**	**-30.0**

Selected financial data from the consolidated statement of financial position	PLN million		EUR million	
	31 Jul 2024	31 Jan 2024	31 Jul 2024	31 Jan 2024
	unaudited, reviewed	audited	unaudited, reviewed	audited
Non-current assets	**3,940.7**	**3,740.5**	**917.4**	**861.2**
Current assets, including:	**4,409.3**	**3,580.9**	**1,026.5**	**824.4**
Inventories	3,577.0	2,911.6	832.8	670.4
Cash	343.4	266.5	79.9	61.4
Assets classified as held for sale	–	**24.6**	–	**5.7**
Total assets	**8,350.0**	**7,346.0**	**1,944.0**	**1,691.3**
Non-current liabilities, including:	**2,567.5**	**1,959.3**	**597.7**	**451.1**
Bank borrowings and bonds	1,270.8	676.6	295.9	155.8
Lease liabilities	1,219.6	1,213.2	283.9	279.3
Current liabilities, including:	**4,539.5**	**4,433.2**	**1,056.9**	**1,020.7**
Bank borrowings and bonds	1,164.0	1,418.8	271.0	326.7
Trade and other payables	2,125.9	1,820.2	494.9	419.1
Total liabilities	**7,107.0**	**6,392.5**	**1,654.6**	**1,471.8**
Equity	**1,243.0**	**953.5**	**289.4**	**219.5**

Selected financial data from the consolidated statement of cash flows	PLN million		EUR million	
	1 Feb 2024–31 Jul 2024	1 Feb 2023–31 Jul 2023	1 Feb 2024–31 Jul 2024	1 Feb 2023–31 Jul 2023
	unaudited, reviewed	unaudited, reviewed	unaudited, reviewed	unaudited, reviewed
Net cash flows from operating activities	256.0	534.3	59.5	117.1
Net cash flows from investing activities	-115.2	-205.3	-26.8	-45.0
Net cash flows from financing activities	-63.9	-301.3	-14.9	-66.0
Total cash flows	**76.9**	**27.7**	**17.9**	**6.1**
Capital expenditure	-177.5	-208.9	-41.3	-45.8

Operational highlights	31 Jul 2024	31 Jan 2024
	unaudited, reviewed	audited
Number of stores	1,002	979
Retail floor space (thousand m^2)	806.5	787.4
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 31 July 2024 was EUR 1 = PLN 4.2953
   - the exchange rate as at 31 January 2024 was EUR 1 = PLN 4.3434
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 1 February 2024 – 31 July 2024, the average exchange rate was EUR 1 = PLN 4.3029
   - in the period 1 February 2023 – 31 July 2023, the average exchange rate was EUR 1 = PLN 4.5638

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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INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS

from 1 February 2024
to 31 July 2024

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	1 Feb 2024–31 Jul 2024	1 Feb 2023–31 Jul 2023	1 May 2024–31 Jul 2024	1 May 2023–31 Jul 2023
	unaudited, reviewed	unaudited, reviewed	unaudited, unreviewed	unaudited, unreviewed
CONTINUING OPERATIONS				
Revenue	4,850.5	4,488.6	2,589.2	2,424.5
Cost of sales	-2,405.4	-2,427.7	-1,306.9	-1,322.4
Gross profit	**2,445.1**	**2,060.9**	**1,282.3**	**1,102.1**
Costs of points of purchase and distribution	-1,902.2	-1,905.5	-967.5	-966.1
Administrative expenses	-164.2	-193.7	-71.0	-93.8
Other income	47.9	67.4	24.4	38.5
Other expenses	-16.0	-9.5	-4.7	7.9
(Recognition) / Reversal of loss allowances (trade receivables)	2.5	-7.3	-1.0	-9.3
Operating profit (loss)	**413.1**	**12.3**	**262.5**	**79.3**
Finance income	2.4	73.2	-2.4	49.2
Finance costs	-243.9	-213.6	-135.3	-102.5
Profit (loss) before tax	**171.6**	**-128.1**	**124.8**	**26.0**
Income tax	133.4	-9.0	129.7	-11.1
NET PROFIT (LOSS) FROM CONTINUING OPERATIONS	**305.0**	**-137.1**	**254.5**	**14.9**
NET PROFIT (LOSS)	**305.0**	**-137.1**	**254.5**	**14.9**
Attributable to owners of the parent	332.0	-106.6	272.8	33.7
Attributable to non-controlling interests	-27.0	-30.5	-18.3	-18.8
Other comprehensive income from continuing operations				
Items that may be reclassified to profit or loss:				
Translation reserve	-5.9	-17.0	-2.9	-14.4
Total other comprehensive income, net	**-5.9**	**-17.0**	**-2.9**	**-14.4**
TOTAL COMPREHENSIVE INCOME	**299.1**	**-154.1**	**251.6**	**0.5**
Comprehensive income attributable to owners of the parent from:	326.3	-123.1	269.6	19.5
- continuing operations	326.3	-123.1	269.6	19.5
Non-controlling interests	-27.2	-31.0	-18.0	-19.0
Weighted average number of ordinary shares (million)	**68.9**	**63.0**	**68.9**	**68.2**
Basic earnings (loss) per share from profit (loss) for period, attributable to owners of the parent (PLN)	**4.82**	**-1.69**	**3.96**	**0.49**
Basic earnings (loss) per share from profit (loss) from continuing operations for period, attributable to owners of the parent (PLN)	**4.82**	**-1.69**	**3.96**	**0.49**
Diluted earnings (loss) per share from profit (loss) for period, attributable to owners of the parent (PLN)	**4.82**	**-1.69**	**3.96**	**0.49**
Diluted earnings (loss) per share from profit (loss) from continuing operations for period, attributable to owners of the parent (PLN)	**4.82**	**-1.69**	**3.96**	**0.49**

(all amounts in PLN million unless stated otherwise)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31 Jul 2024 unaudited, reviewed	31 Jan 2024 audited
Intangible assets	456.6	431.5
Goodwill	200.5	199.7
Property, plant and equipment – leasehold improvements	763.9	713.1
Property, plant and equipment – distribution	620.0	690.5
Property, plant and equipment – other	50.7	41.9
Right-of-use assets	1,399.9	1,400.1
Deferred tax assets	410.6	248.7
Loans	–	–
Other financial assets	11.2	11.2
Lease receivables	3.7	–
Investments in associates	3.8	3.8
Long-term receivables	19.8	–
Non-current assets	**3,940.7**	**3,740.5**
Inventories	3,577.0	2,911.6
Trade receivables	252.1	194.1
Income tax receivable	1.8	25.2
Loans	–	–
Other receivables	231.5	183.0
Cash and cash equivalents	343.4	266.5
Derivative financial instruments	1.9	0.5
Lease receivables	1.6	–
Current assets	**4,409.3**	**3,580.9**
Assets classified as held for sale	**–**	**24.6**
TOTAL ASSETS	**8,350.0**	**7,346.0**
Bank borrowings and bonds	1,270.8	676.6
Deferred tax liabilities	40.6	31.4
Other non-current liabilities	3.0	4.0
Provisions	13.0	12.8
Grants received	14.4	14.7
Lease liabilities	1,219.6	1,213.2
Other non-current financial liabilities	6.1	6.6
Non-current liabilities	**2,567.5**	**1,959.3**
Bank borrowings and bonds	1,164.0	1,418.8
Trade and other payables	2,125.9	1,820.2
Other liabilities	473.5	462.7
Income tax liabilities	8.0	6.7
Provisions	28.3	9.3
Grants received	0.5	0.5
Lease liabilities	517.1	519.0
Liabilities arising from obligation to purchase non-controlling interests	214.4	192.6
Other current financial liabilities	7.8	3.4
Current liabilities	**4,539.5**	**4,433.2**
TOTAL LIABILITIES	**7,107.0**	**6,392.5**
NET ASSETS	**1,243.0**	**953.5**
Equity		
Share capital	6.9	6.9
Share premium	1,648.2	1,648.2
Translation reserve	-6.8	-1.0
Actuarial valuation of employee benefits	0.5	0.5
Retained earnings	-481.4	-813.5
Equity attributable to owners of the parent	**1,167.4**	**841.1**
Non-controlling interests	75.6	112.4
TOTAL EQUITY	**1,243.0**	**953.5**
TOTAL EQUITY AND LIABILITIES	**8,350.0**	**7,346.0**

(all amounts in PLN million unless stated otherwise)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	1 Feb 2024–31 Jul 2024 unaudited, reviewed	1 Feb 2023–31 Jul 2023 unaudited, reviewed	1 May 2024–31 Jul 2024 unaudited, unreviewed	1 May 2023–31 Jul 2023 unaudited, unreviewed
Profit (loss) before tax	**171.6**	**-128.1**	**124.8**	**26.0**
Depreciation/amortisation	294.3	300.0	144.4	144.5
Impairment losses on property, plant and equipment, right-of-use assets, intangible assets and remeasurement to fair value of disposal group	-0.5	–	-2.2	–
(Gain) loss on investing activities	-15.8	3.6	-28.2	-10.7
Borrowing costs	203.7	193.3	111.4	96.8
Other adjustments to profit before tax	31.4	-102.6	4.1	-60.6
Income tax paid	5.4	-40.3	15.9	-23.2
Cash flow before changes in working capital	**690.1**	**225.9**	**370.2**	**172.8**
Changes in working capital				
Change in inventories and inventory write-downs	-662.1	-41.1	-301.7	182.1
Change in receivables and impairment losses on receivables	-89.6	-73.8	-13.6	-42.6
Change in current liabilities, net of borrowings and bonds	317.6	423.3	-27.3	-101.5
Net cash flows from operating activities	**256.0**	**534.3**	**27.6**	**210.8**
Proceeds from sale of property, plant and equipment	71.6	3.6	53.7	3.0
Other cash provided by investing activities	0.7	–	0.7	–
Acquisition of investments in subsidiaries, net of cash	-10.0	–	-10.0	–
Purchase of intangible assets and property, plant and equipment	-177.5	-208.9	-97.8	-99.8
Net cash flows from investing activities	**-115.2**	**-205.3**	**-53.4**	**-96.8**
Proceeds from borrowings	285.1	29.3	120.1	5.8
Repayment of borrowings	-28.0	-487.9	48.3	-170.9
Payments of commission fees on credit facilities	-16.2	–	-16.2	–
Lease payments	-193.8	-200.4	-98.9	-101.1
Interest paid	-121.5	-157.6	-85.1	-113.2
Other cash provided by financing activities	10.5	13.7	5.5	4.8
Net proceeds from share issue	–	501.6	–	289.3
Net cash flows from financing activities	**-63.9**	**-301.3**	**-26.3**	**-85.3**
TOTAL CASH FLOWS	**76.9**	**27.7**	**-52.1**	**28.7**
Net increase/decrease in cash and cash equivalents	76.9	27.7	-52.1	28.7
Cash and cash equivalents at beginning of period	**266.5**	**395.4**	**395.5**	**394.4**
Cash and cash equivalents at end of period	**343.4**	**423.1**	**343.4**	**423.1**

(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	NON-CONTROLLING INTERESTS	TOTAL EQUITY
	ATTRIBUTABLE TO OWNERS OF THE PARENT						
As at 1 Feb 2024	**6.9**	**1,648.2**	**-813.5**	**-1.0**	**0.5**	**112.4**	**953.5**
Net profit (loss) for period	–	–	305.0	–	–	–	305.0
Net profit (loss) allocated to non-controlling interests	–	–	27.1	–	–	-27.1	–
Exchange differences on translation	–	–	–	-5.8	–	-0.1	-5.9
Total comprehensive income	**–**	**–**	**332.1**	**-5.8**	**–**	**-27.2**	**299.1**
Measurement of employee option plan	–	–	–	–	–	-9.6	-9.6
Total transactions with owners	**–**	**–**	**–**	**–**	**–**	**-9.6**	**-9.6**
As at 31 Jul 2024	**6.9**	**1,648.2**	**-481.4**	**-6.8**	**0.5**	**75.6**	**1,243.0**

audited	SHARE CAPITAL	SHARE PREMIUM	RETAINED EARNINGS	TRANSLATION RESERVE	ACTUARIAL VALUATION OF EMPLOYEE BENEFITS	NON-CONTROLLING INTERESTS	TOTAL EQUITY
	ATTRIBUTABLE TO OWNERS OF THE PARENT						
As at 1 Feb 2023	**5.5**	**1,148.0**	**-759.7**	**22.1**	**0.4**	**166.4**	**582.7**
Net profit (loss) for period attributable to owners of the parent	–	–	-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 31 Jul 2023	**6.9**	**1,648.2**	**-864.1**	**5.7**	**0.4**	**142.4**	**939.5**

(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).**
Composition of the Management Board as at the reporting date:	**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 31 July 2024, 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.

These interim condensed consolidated financial statements cover the six months ended 31 July 2024 and contain comparative data for the six months ended 31 July 2023 and as at 31 January 2024. The interim condensed consolidated statement of comprehensive income and notes to the statement of comprehensive income contain data for the three months ended 31 July 2024 and comparative data for the three months ended 31 July 2023, 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 31 July 2024 were authorised for issue by the Management Board on 24 September 2024.

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 in spring and autumn).

On 23 July 2024, Igor Matus resigned as Vice President and Member of the Company's Management Board, with effect from 16 September 2024.

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

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

(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 31 July 2024, there were changes in the composition of the Group relative to 31 January 2024, as discussed in more detail below. The structure of the CCC Group as at the reporting date is presented below.

SUBSIDIARIES OF CCC S.A.	REGISTERED OFFICE/COUNTRY	PRINCIPAL BUSINESS	EQUITY INTEREST AS AT 31 JUL 2024	EQUITY INTEREST AS AT 31 JAN 2024
CCC Czech s.r.o.	Prague, Czech Republic	trade	100%	100%
CCC Slovakia s.r.o.	Bratislava, Slovakia	trade	100%	100%
CCC Hungary Shoes Kft.	Budapest, Hungary	trade	100%	100%
CCC Obutev d.o.o.	Maribor, Slovenia	trade	100%	100%
CCC Hrvatska d.o.o.	Zagreb, Croatia	trade	100%	100%
C-AirOP Ltd. [1]	Douglas, Isle of Man	services	50%	50%
CCC.eu Sp. z o.o. [2]	Polkowice, Poland	procurement and 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. [3]	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. [4]	Zielona Góra, Poland	services	75%	75%
eschuhe.CH GmbH	Zug, Switzerland	trade	75%	75%
Modivo.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%
Ecip Modivo Kft. [5]	Budapest, Hungary	trade	75%	0%
Fashion Tech Solutions Sp. z o.o. [6]	Warsaw, Poland	services	75%	0%
CCC Shoes & Bags d.o.o. Beograde	Belgrade, Serbia	trade	100%	100%
Shoe Express S.A. [7]	Bucharest, Romania	trade	100%	100%
DeeZee Sp. z o.o. [8]	Kraków, Poland	trade	75%	75%
HalfPrice Sp. z o.o.	Polkowice, Poland	trade	100%	100%
OFP Austria GmbH [9]	Graz, Austria	trade	100%	100%
OU CCC Estonia	Tallinn, Estonia	trade	100%	100%
UAB CCC Lithuania	Vilnius, Lithuania	trade	100%	100%
SIA CCC Shoes Latvia	Riga, Latvia	trade	100%	100%
CCC Ukraina Sp. z o.o.	Lviv, Ukraine	trade	75%	75%
CCC TECH Sp. z o.o. [10]	Polkowice, Poland	services	100%	0%
First distribution s.r.o. [11]	Prague, Czech Republic	trade	100%	0%
Boardriders s.r.o. [11]	Bratislava, Slovakia	trade	100%	0%
Rawaki Sp. z o.o. [11]	Warsaw, Poland	trade	100%	0%

ASSOCIATES	REGISTERED OFFICE/COUNTRY	PRINCIPAL BUSINESS	EQUITY INTEREST AS AT 31 JUL 2024	EQUITY INTEREST AS AT 31 JAN 2024
HR Group Holding s.a.r.l. [12]	Luxembourg	trade	31%	31%
Pronos Sp. z o.o. [13]	Wrocław, Poland	services	25%	25%

[1] 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.
[2] CCC.eu Sp. z o.o. is a subsidiary of CCC S.A. (86.69%) and a subsidiary of CCC Shoes & Bags Sp. z o.o. (13.31%).
[3] Modivo S.A. is a subsidiary of CCC Shoes & Bags Sp. z o.o. (74.69%) together with other Modivo group companies.
[4] On 26 July 2024, Branded Shoes and Bags Sp. z o.o. was liquidated.
[5] On 15 February 2024, Modivo S.A. registered Ecipo Modivo Kft., a new commercial company based in Budapest, Hungary. The entity is a wholly-owned subsidiary of Modivo S.A.
[6] On 14 February 2024, Modivo S.A. registered Fashion Tech Solutions Sp. z o.o., its new subsidiary based in Warsaw, Poland. The entity is a wholly-owned subsidiary of Modivo S.A. whose principal business consists in the sale of information and communication technology tools and the provision of software and IT services.
[7] Shoe Express S.A. shares are held by: CCC Shoes & Bags Sp. z o.o. (95%) and CCC.eu Sp. z o.o. (5%).
[8] DeeZee Sp. z o.o. is a subsidiary of CCC Shoes & Bags Sp. z o.o. (75%).
[9] OFP Austria GmbH is a subsidiary of HalfPrice Sp. z o.o. (100%).

[10] On 5 February 2024, CCC S.A. registered CCC Tech Sp. z o.o., its subsidiary based in Polkowice. CCC Tech Sp. z o.o. was established to spin off IT services from the broader framework of the CCC Group. The principal business activity of the new company is the provision of IT services to CCC Group companies as well as to entities outside the CCC Group. For this purpose, an organised part of the enterprise was spun off within CCC.eu Sp. z o.o. and transferred to CCC Tech Sp. z o.o., in return for new shares.
[11] On 4 June 2024, conditions stipulated under the preliminary agreement to acquire 100% of shares in Rawaki Sp. z o.o. (of Warsaw, Poland), FirstDistribution s.r.o. (of Prague, the Czech Republic) and Boardriders s.r.o. (of Bratislava, Slovakia), signed on 10 May 2024 by the CCC Group, were fulfilled. The total purchase price for those companies was USD 4.8 million. The acquired companies carry out retail sales via an offline network comprising a total of 16 stores. The transaction will be accounted for during 2024. For the provisional accounting estimates, see Note 6.2.
[12] On 12 April 2023, the Management Board of HR Group filed for bankruptcy with the District Court of Osnabrück.
[13] 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").

These 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 31 January 2024, which were authorised for issue on 5 April 2024.

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 Group will continue as a going concern for the foreseeable future, that is for at least 12 months from the reporting date.

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

- CCC Business Unit (the CCC Group excluding the Modivo Business Unit); and separately for
- 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.

As at 31 July 2024, the CCC Group's current liabilities exceeded its current assets by PLN 130.2 million, but, in the Management Board's opinion, this is not affecting the Group's ability to settle its liabilities as they fall due, as discussed in more detail below. As presented in Note 4.2 to these financial statements, the Group's operations are financed through financial instruments, including mainly credit facilities and bonds. Debt outstanding under those instruments as at the reporting date was approximately PLN 2,434.8 million. The CCC Group companies also use reverse factoring in their settlements with suppliers, with debt outstanding under reverse factoring arrangements as at the reporting date of PLN 474.7 million. The aggregate of undrawn limits available under credit facility and guarantee facility agreements, and within the supplier finance programme, for the CCC Business Unit and Modivo Business Unit amounted to PLN 598.5 million and PLN 111.6 million, respectively.

This note presents important issues, including risks to the Group's ability to continue as a going concern for the foreseeable future, related to the burdens of the existing credit facility agreements and debt instruments of the CCC Business Unit (the CCC Group excluding the Modivo Group i.e. the Modivo Business Unit, in accordance with the terms of the agreement of 12 July 2024 executed by companies of the CCC Group), as well as the financing provided to the Modivo Business Unit.

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

Going concern assessment of the CCC Business Unit

On 12 July 2024, CCC S.A., CCC.eu Sp. z o.o. and HalfPrice Sp. z o.o. executed a financing agreement for up to PLN 1.8 billion with a syndicate of banks (the "New Syndicated Agreement") to refinance debt outstanding under the Credit Facility Agreement of 2 June 2021 and to ensure continued financing for the CCC Business Unit. Under the New Syndicated Agreement, the available financing was increased to a total limit above the previous one of PLN 1.2 billion, specifically by increasing the limits on bank guarantees, letters of credit, and reverse factoring. For details of the agreement, see Note 4.2 'Debt'.

The New Syndicated Agreement has enhanced the flexibility of available financing, reduced its cost and extended its maturities, representing a significant risk mitigant in terms of the CCC Business Unit's ability to continue as a going concern.

The financing terms under the New Syndicated Agreement require the CCC Business Unit to maintain its Net Financial Exposure ratio – as at 31 October 2024 and for each subsequent quarter – at no more than 3.5, its Payments Coverage ratio, DSCR and cash – as at 31 January 2025 and for each subsequent quarter – at no less than 1.2, no less than 1.5, and no less than PLN 160 million, respectively, as well as its annual Capital Expenditure (for the ending year) at no more than PLN 275 million (or PLN 400 million if the Net Financial Exposure ratio falls below 2.0).

Based on the Annual Budget of the CCC Business Unit for 2024 and financial plans for subsequent periods prepared by the Management Board of CCC S.A., the Management Board expects – to the best of its knowledge – that the terms of the New Syndicated Agreement of 12 July 2024, as outlined above, will not be breached within the next 12 months.

Further delivery of the CCC Group's Annual Budget for 2024 and financial plans for future periods, including all initiatives, goals, plans and projections, is subject to future risks, including:

- 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.

The Annual Budget for 2024 was prepared based on estimates of certain macroeconomic variables including:

- an inflation rate of 6.6%, based on available market analyses and closely aligned with the inflation rate projected in the 2024 state budget, with the exception of costs that are subject to statutory adjustments. At the same time, the Group expects that the increase in costs driven by inflation will be offset by saving measures, including the annualised effect of cost-saving initiatives implemented in the second half of 2023 and reorganisations in the technology and expansion areas made in 2024;
- the key foreign exchange rates factored into the budget were the EUR/PLN and USD/PLN exchange rates, assumed to be 4.35 and 4.0, respectively;
- based on internal analyses, the average level of the key reference rate (1M WIBOR), which determines the borrowing cost for the CCC Group, was estimated to be 5.8%.

An in-depth sensitivity analysis of the Annual Budget for 2024 and plans for future periods covering the next 12 months conducted by the Management Board of CCC S.A. for the CCC Business Unit shows that, even with the individual variation in any of the following parameters, as compared with the assumptions in the Annual Budget (with all other factors remaining unchanged):

-
- the average annual PLN exchange rate weakens by PLN 0.20 relative to the main foreign currencies (EUR and USD);
- the gross margin falls by 2pp and sales decline by 15%, taking into account the proportional effect of a decrease in variable costs;
- the average annual 1M WIBOR rate increases by 2pp;

the financial ratios as at the successive testing dates over at least the next 12 months will be achieved as required by the financing agreements.

Going concern assessment of the Modivo Business Unit

Financing within the Modivo Business Unit comprises credit liabilities and bank guarantee limits, with maturity dates of 29 April 2025 (up to a limit of PLN 260 million with Bank Polska Kasa Opieki Bank Polski S.A.) and 21 November 2025 (up to a total limit of PLN 180 million with Bank Powszechna Kasa Oszczędności Bank Polski S.A.). Furthermore, reverse factoring limits amounting to PLN 170.0 million are due to mature in October 2024, but the Management Board of Modivo S.A. believes this will have no material effect on the company's and the Group's liquidity position given the payment terms negotiated with its suppliers.

The bulk of the debt financing is in the form of bonds convertible into shares of Modivo S.A., totalling PLN 822.9 million as at the reporting date, issued to SVF II Motion Subco (DE) LLC, a Softbank Group company. These bonds are redeemable on 5 April 2026 unless they are converted into shares upon an initial public offering (IPO) of Modivo S.A. shares or repaid before the redemption date. The bonds are classified as current liabilities in anticipation of the planned IPO, and should the IPO proceed, they will be mandatorily converted into shares.

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

- net debt/EBITDA, calculated by reference to the definitions provided in the financing agreements, at a level not exceeding 3.5, with the ratio tested on 31 January and 31 July each year during the term of the agreement (for agreements with SVF II Motion Subco (DE) LLC, the ratio must not exceed 5).

If this ratio is exceeded on the testing date, the financial institutions may terminate the agreements immediately.

As for the Modivo Business Unit, it has obtained a waiver from the requirement to test certain financial covenants, as discussed below:

- on 21 November 2023, the Management Board of the Modivo Business Unit signed an amendment to the agreement with PKO BP S.A. extending the availability period of the multi-purpose credit facility limit until 21 November 2025. The facility amount remained unchanged, with the sublimit of PLN 180.0 million on the overdraft facility and the sublimit of PLN 50 million on guarantees and letters of credit. The amendment introduced new financial covenants for the Modivo Business Unit: EBITDA as at 30 April 2024 and a quarterly DSCR of above 1.2 starting from 31 July 2024;
- on 26 and 27 March 2024, the Management Board of Modivo S.A. secured consent from Bank Powszechna Kasa Oszczędności Bank Polski S.A., Pekao Faktoring Sp. z o.o., and Bank Polska Kasa Opieki S.A. to waive the testing of the financial covenants as at both 30 April 2024 and 31 July 2024. Additionally, a one-time covenant was established for net debt (excluding bonds) not to exceed PLN 548.0 million as at 31 July 2024;
- on 2 April 2024, the Management Board of Modivo S.A. received consent from Softbank to waive the testing of the financial covenant as at 31 July 2024;
- on 20 September 2024, MODIVO S.A. received consent from PKO BP to change the Net Financial Debt/EBITDA covenant, to be tested on 31 January 2025, to a level not exceeding 5.5. On 20 September 2024, Bank PEKAO S.A. and PEKAO Faktoring Sp. z o.o. agreed to waive the testing of financial covenants as at 31 January 2025, and to introduce a one-off covenant requiring that net debt (excluding bonds) not exceed PLN 548 million as at 31 January 2025. The covenant ratio will be calculated semi-annually, starting with the data for the period ending 31 January 2025, based on the consolidated figures of the MODIVO Group. EBITDA will be calculated using the values from the last four quarters, and a negative ratio resulting from negative EBITDA will be considered a breach of the covenant.

Consequently, as at the reporting date and the date of these financial statements, there were no breaches of the applicable financial covenants under the financing agreements.

The upcoming testing dates for the net financial debt to EBITDA ratio are 31 January 2025, when the ratio must not exceed 5.0 for Softbank bonds and 5.5 for the credit facility agreement with PKO BP S.A., and 31 July 2025, when it must not exceed 3.5. For the bond covenant, a breach occurs if the covenant is not met twice.

EBITDA monitored for covenant ratio calculations by the Modivo Business Unit for the six months ended 31 July 2024 amounted to PLN 8.0 million (PLN 31.5 million for bond covenants). As at that date, net financial debt was PLN 1,247.9 million. In the second half of 2024, assuming the projected net financial debt level, the Modivo Business Unit must achieve an EBITDA of PLN 180.0 million for bank covenants (PLN 183.0 million for bond covenants), and in the next 12 months, that is by 31 July 2025, an EBITDA of PLN 9.3 million, in order to meet the financial covenants outlined above (taking into account, among other things, a potential reduction in bond debt if converted to shares during the initial public offering of Modivo S.A.). In the case of credit facilities maturing within 12 months, the Management Board plans to either extend their financing or, if repayment is required, considers such repayment feasible.

Based on analyses carried out by the Group's Management Board with respect to the Modivo Business Unit, the Management Board expects – to the best of its knowledge – that the financial covenants will be complied with as at the successive testing dates.

Significant improvements in the performance of the Modivo Business Unit are expected, driven by the implementation of the following margin-enhancing measures:

- increasing the share of CCC products with very high margins;
- securing more favourable contracts for the supply of merchandise;

- wholesale transactions with very high margins;

as well as ancillary activities, which often achieve 100% margins:

- more than doubling the margin in Marketplace operations;
- growing revenue (margins) from services provided to the CCC Business Unit;
- planned increases in Minimum Order Value (MOV), which will lower delivery costs;
- discontinuing the Reserve & Collect programme and replacing it with the Click and Collect (CC) model, which will offer higher margins.

On the cost side, initiatives are being implemented to significantly reduce the operating costs of the Modivo Business Unit.

A sensitivity analysis of the financial projections through 31 January 2025 conducted for the Modivo Business Unit indicates that, even with the maximum variation in any of the following parameters, as compared with current projections for the next six months (with all other factors remaining unchanged):

- revenue declines by 4%, taking into account the effect on variable costs and measures implemented to reduce other costs;
- gross margin falls by 1.8pp, taking into account measures implemented to reduce operating expenses;
- costs increase by 3.3pp;

the financial ratios as at 31 January 2025 will be achieved as required by the financing agreements.

The Management Board considered the risk of breaching the terms of financing agreements as at 31 July 2025, in light of the potential initial public offering of Modivo S.A., to be low for the Modivo Business Unit.

If actual performance comes in significantly below financial projections for both the CCC Business Unit and the Modivo Business Unit, but still meets the financial covenants required by lenders, the Management Board believes each of the business units can implement measures to improve the Group's financial performance in the short term, including the individual performance of both business units. Such measures include cost-saving initiatives beyond those planned in the Annual Budget, as well as further optimisation of the working capital and product portfolio towards high-margin goods. The available cost-saving measures for the CCC Business Unit include the effects of saving programmes implemented in the second half of 2023, reorganisations in the technology and expansion areas, further reduction of marketing expenses and savings from linking bonus schemes with financial performance. For the Modivo Business Unit, potential cost-saving measures include a review of its stores and zones (leading to the closures of unprofitable or poorly performing outlets), optimisation of employment, abandonment of low-return consumer schemes with high advertising costs, as well as a fixed cost reduction programme. Additionally, given the consents obtained historically, as described above, the Management Board believes that it will be able to secure necessary agreements with financing institutions.

Furthermore, the Management Board of CCC S.A. reaffirms the possibility of, and its commitment to, pursuing the initial public offering of Modivo S.A. as part of its debt reduction plan, within the timelines required to meet the stipulations of the credit facility agreements.

In conclusion, despite the abovementioned risks for both the CCC Business Unit and the Modivo Business Unit, the Management Board believes, based on the Annual Budget for 2024 and financial plans for future periods, along with the analyses performed and available remedial measures, that there is no significant uncertainty as to the Company's and the Group's ability to continue as going concerns in the foreseeable future.

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

1. Reorganisation of the CCC Group as its entire IT function was integrated at a newly established company – CCC TECH Sp. z o.o. Activities of the IT division did not constitute the principal business of CCC.EU Sp. z o.o. The transfer of the IT function to the separate company represents a further step towards streamlining the Group's business structure, organising the functions of individual entities within the Group, unifying and standardising the organisational structure, and reducing inter-company transactions. The event had a significant impact exclusively on the Group’s structure.
2. Acquisition of Rawaki Sp. z o.o., First Distribution s.r.o. and Boardriders s.r.o. For details of the acquisition of those companies, see Note 6.2.
3. Refinancing of the CCC Business Unit. For details of the changes and new financing structure, see the ‘Going concern’ section and Note 4.2.

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 5.2.

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 31 July 2024, the loss allowance for trade receivables was PLN 100.8 million (a PLN 0.1 million change relative to 31 January 2024). For further details, see Note 5.2.

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 collectability of the receivables disclosed in the statement of financial position as at 31 July 2024, 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 Group 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 5.2.

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

As at 31 July 2024, following an assessment of indications of impairment, impairment tests were conducted for cash-generating units (stores) or, at the higher level of aggregation, business lines, as well as impairment tests for goodwill and intangible assets with indefinite useful lives (trademarks). No additional impairment losses on these assets were recognised as at 31 July 2024. For more information, see Note 3.4.

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 under 'Covenants/financial ratios'. In the opinion of the Management Board, as at 31 July 2024, 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.

On 26 March 2024, the General Meeting of CCC S.A. passed a resolution to transfer an organised part of the enterprise of CCC.eu Sp. z o.o. engaged in IT operations to a new company – CCC TECH Sp. z o.o., with effect from 1 April 2024. As a result, CCC.eu Sp. z o.o. acquired shares in the company in exchange for the transferred non-cash contribution (the organised part of the enterprise). The transaction had no effect on the Group's consolidated financial statements.

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 1 February 2023−31 January 2024, except for the application of new or amended standards and interpretations effective for annual periods beginning on or after 1 February 2024.

New and amended accounting standards

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

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

The amendments to IAS 7 and IFRS 7 addressing the disclosure requirements for supplier finance arrangements will be applied by the Group in making disclosures on the extent to which it uses debt factoring arrangements, in addition to information previously disclosed in its consolidated financial statements, with the reservation that the resulting impact has been assessed as immaterial.

The other new and amended standards which apply for the first time in 2024 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.

The Group changed the presentation of receipts from lease incentives in the consolidated statement of cash flows. Since 1 February 2024, these receipts have been presented within financing activities. The Company believes that this change accurately represents the impact as a reduction in payments made to the lessor, resembling repayment of the financing extended. To ensure data comparability, the comparative data was restated accordingly. Proceeds from settlement of leasehold improvements with landlords, presented in the statement of cash flows as at 31 July 2023 under cash flows from investing activities, in an amount of PLN 13.7 million, were reclassified to other cash provided by financing activities.

IMPACT OF CLIMATE CHANGE ON THE BUSINESS OF THE GROUP

Climate-related risks are assessed in terms of both the impact of climate change on ongoing operations and the impact of the Group's business on climate change. The Management Board consistently analyses the impact of climate change, including new legal regulations related to climate issues, on the estimates and assumptions made in preparing the financial report, including for the period ended 31 July 2024. This assessment covers a broad range of potential impacts, including both physical and transition risks. Where applicable, the Group takes into account climate-related issues in its estimates and assumptions. In the opinion of the Management Board, climate-related issues do not currently, nor are they expected to in the short term, materially affect the Group's operations or the valuation of individual items in these financial statements. Significant assets of the Group consist of inventories, which the Group intends to sell in the course of its normal operating cycle, i.e. within 1 year, and the right to use stores (right-of-use assets) along with related investments in the stores (leasehold improvements), the typical useful life of which is up to 15 years. Conversely, for financial liabilities, the existing covenants related to climate or climate commitments do not entail the need to incur any substantial expenditures. As at the reporting date, the Group did not have any legal or customarily expected obligations related to climate issues that would necessitate the recording of a liability or a provision in the financial statement.

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

Specifically, concerning asset impairment, the Group considers there are no indications that non-financial assets could be impaired due to physical risks associated with climate change, given the Group's minimal direct exposure to significant climate-related risks in this context. Simultaneously, the Group has determined that climate-related issues did not have a significant impact on the key assumptions adopted for the purpose of conducting impairment tests on non-financial non-current assets in 2024.

While potential changes could impact the seasonality of the Group's sales, affecting the distribution and volume of revenue throughout the financial year – given that the primary business revolves around the sale of footwear and accessories, The Management Board expects that any lower-than-expected demand resulting from shifts in the sales of individual collections will be offset by increased sales in subsequent periods. Moreover, the Group mitigates the risk of weather affecting sales by primarily increasing the share of all-year offerings in its product portfolio, including sports footwear – both in the form of its own brands and well-recognised third-party brands, including under trademark use agreements, therefore this factor is not considered in its analyses.

Indirectly, the Group experiences the effects of climate change through its impact on stakeholders along the Group's supply chain. Moving forward, the Group anticipates incorporating climate considerations into the financing, insurance and hedging the Group applies in its activities.

Throughout the financial year, the Group gathered environmental and social data, and a comprehensive overview of the CCC Group Sustainability Strategy is provided in the CCC Group Sustainability Report 2023.

FACTORS WITH MATERIAL BEARING ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Statement of comprehensive income

Revenue

The 8.1% year-on-year increase in revenue posted by the Group for the six months to 31 July 2024 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 fell by 0.9% year on year in the six months to 31 July 2024, with revenue up by 8.1%, leading to a 4.5pp year-on-year increase in gross margin. This was due to the steadily expanded product portfolio, conservative pricing policy and lower level of discounting.

Costs of points of purchase and distribution

Costs of points of purchase and distribution remained comparable year on year (down by PLN 3.3 million, or 0.2%). Significant changes in this cost category included:

- PLN 31.9 million (7.0%) decrease in advertising expenses due to cost discipline at the Group;
- PLN 27.7 million (35.1%) decrease in raw material and consumables used, due to cost discipline at the Group, including a reduction in energy consumption achieved through the introduction of modern systems;
- PLN 28.2 million (5.8%) increase in salaries, wages and employee benefits expense, being a consequence of development of the sales channels, mainly the HalfPrice segment and e-commerce within omnichannel;
- PLN 24.8 million (13.6%) 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 19.6 million (11.0%) increase in other costs, including mainly costs of logistics and warehouse services, IT maintenance, and advisory services.

Administrative expenses

The PLN 29.5 million (15.2%) year-on-year decrease in administrative expenses was largely attributable to a PLN 31.0 million (35.2%) decrease in salaries, wages and employee benefits.

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

Net other income (related to continuing operations) was PLN 34.4 million, down by PLN 16.2 million compared with the same period of the year before. This was mainly attributable to a PLN 32.3 million decrease in foreign exchange differences on items other than debt: in the six months to 31 July 2024, foreign exchange losses on items other than debt were PLN 0.5 million, relative to foreign exchange gains of PLN 31.8 million recorded in the comparative period of the year before. The elimination of foreign exchange expense had a mitigating effect on the gain on disposal of property, plant and equipment, of PLN 15.6 million year on year. Another item whose change by PLN 9.8 million contributed to the net result was a reversal of loss allowances for trade and other receivables – in the reporting period the amount of loss allowances was PLN 2.5 million, while in the corresponding period of the previous year there were loss allowances for trade receivables of PLN 7.3 million. Net other income was further impacted by lease contract settlements, with a loss of PLN 3.4 million reported for the six months ended 31 July 2024 compared with a gain of PLN 5.8 million posted for the same period last year (a change of PLN 9.2 million). In the six months ended 31 July 2024, a gain of PLN 8.0 million was recognised on the bargain purchase of Rawaki Sp. z o.o., FirstDistribution s.r.o. and Boardriders s.r.o. For details, see Note 6.2.

As a consequence, the operating result for the six months ended 31 July 2024 was PLN 413.1 million, up by PLN 400.8 million year on year.

Finance income and costs

In the reporting period, finance income went down by PLN 70.8 million year on year, to PLN 2.4 million, as a result of:

- PLN 35.2 million year-on-year decrease in foreign exchange gains, to PLN 0.4 million;
- measurement of the liability under the option to purchase non-controlling interests in DeeZee Sp. z o.o., which generated an income of PLN 20.7 million last year, compared to a cost of PLN 12.9 million this year, as discussed below;
- valuation of the derivative financial instrument embedded in bonds convertible into Modivo shares (voluntary conversion option), which generated an income of PLN 9.1 million in the last six months, and is currently recorded under finance costs, as discussed below.

Finance costs amounted to PLN 243.9 million, up by PLN 30.3 million year on year, with the change attributable mainly to:

- interest on leases, which went up by PLN 15.3 million year on year, to PLN 49.1 million;
- valuation of the options to purchase non-controlling interests, which increased by PLN 15.2 million, reflecting mainly the effect of the valuation of the subsidiary DeeZee Sp. z o.o.;
- valuation of the derivative financial instruments convertible into Modivo shares of PLN 4.4 million, versus PLN 9.1 million recorded under income in the same period of the previous year;
- last year's modification of the liability under bonds issued to PFR of PLN 8.2 million.

Net of income tax of PLN 133.4 million, the CCC Group's net profit from continuing operations for the six months ended 31 July 2024 was PLN 305.0 million, up by PLN 442.1 million versus the net loss incurred in the comparative period.

Statement of financial position

As at 31 July 2024, the CCC Group had total assets of PLN 8,350.0 million, up by PLN 1,004.0 million on 31 January 2024.

Non-current assets

As at 31 July 2024, non-current assets amounted to PLN 3,940.7 million, up by PLN 200.2 million on the end of the previous year. The change was caused by:

- PLN 25.1 million increase in intangible assets;
- PLN 161.9 million increase in deferred tax assets;
- PLN 19.8 million increase in long-term receivables;
- PLN 3.7 million increase in long-term lease receivables;
- PLN 0.8 million increase in goodwill;
- PLN 10.9 million decrease in property, plant and equipment; and
- PLN 0.2 million decrease in right-of-use assets.

As at the reporting date, intangible assets amounted to PLN 456.6 million and were PLN 25.1 million higher compared with 31 January 2024. The change was mainly attributable to expenditure of PLN 18.3 million on software supporting the e-commerce sales channel, and expenditure of PLN 32.1 million on intangible assets under development, which was incurred chiefly on the implementation of new technological solutions related to the eobuwie and Modivo applications. The increase was offset by accrued amortisation of PLN 24.1 million.

As at the reporting date, goodwill amounted to PLN 200.5 million and was PLN 0.8 million higher compared with 31 January 2024, with the change attributable to the effect of foreign exchange differences and the recognition of goodwill from the acquisition of Boardriders s.r.o. of Slovakia.

Property, plant and equipment – leasehold improvements as at 31 July 2024 amounted to PLN 763.9 million, up by PLN 50.8 million on 31 January 2024. The change was caused by:

- capital expenditure of PLN 104.1 million incurred in connection with the expansion of the retail business and development of the omnichannel model at the Group;
- depreciation of PLN 57.5 million;
- foreign exchange losses of PLN 4.2 million;
- increase resulting from the acquisition of subsidiaries First distribution s.r.o., Boardriders s.r.o. and Rawaki Sp. z o.o. of PLN 1.4 million;
- PLN 0.6 million reversal of impairment losses;
- derecognised or sold leasehold improvements of PLN 7.4 million; and
- other additions of PLN 13.8 million.

Property, plant and equipment – distribution as at 31 July 2024 amounted to PLN 620.0 million, down by PLN 70.5 million on 31 January 2024. The change was caused by:

- depreciation of PLN 32.0 million;
- expenditure of PLN 9.4 million related mainly to the extension of the K2 and K3 warehouse in Zielona Góra;
- transfer of property, plant and equipment between groups resulting in a PLN 26.8 million decrease (including from Distribution to Other in connection with the transfer of the organised part of the enterprise to CCC TECH Sp. z o.o. in the amount of PLN 21.5 million);
- derecognised or sold assets of PLN 9.2 million;
- PLN 1.9 million of impairment losses recognised on assets sold as at the reporting date; and
- reclassification to assets held for sale of 10.0 million of assets sold, as discussed below.

Property, plant and equipment – other as at 31 July 2024 amounted to PLN 50.7 million, a slight increase of PLN 8.8 million on 31 January 2024. The change was caused by:

- transfer of property, plant and equipment between groups from Distribution to Other in connection with the transfer of the organised part of the enterprise to CCC TECH Sp. z o.o. resulting in a PLN 21.5 million increase in assets (with a concurrent PLN 8.4 million decrease in assets transferred from Distribution and their transfer to Leasehold improvements);
- depreciation of PLN 5.4 million;
- derecognised or sold assets of PLN 3.3 million;
- other changes – a decrease of PLN 0.6 million; and
- expenditure incurred of PLN 5.0 million.

On 30 April 2024, CCC S.A. changed the presentation of its property in Słupsk as an asset available for sale in accordance with IFRS 5. The asset was available for immediate sale in its present condition. The carrying amount of the property was PLN 11.9 million, while its recoverable amount was PLN 10.0 million. As a result, an impairment loss of PLN 1.9 million was recognised under other expenses as at 30 April 2024. On 4 June 2024, the property was sold for PLN 10.0 million.

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

As at 31 July 2024, the right-of-use assets were PLN 1,399.9 million, down by PLN 0.2 million on 31 January 2024. The change was attributable to:

- depreciation of PLN 165.9 million;
- execution of new lease contracts for PLN 107.9 million;
- PLN 102.2 million increase on contract modifications;
- foreign exchange losses of PLN 17.5 million; and
- PLN 26.9 million decrease on termination and change of the scope of lease contracts.

As at 31 July 2024, deferred tax assets amounted to PLN 410.6 million, up by PLN 161.9 million on 31 January 2024. This increase was mainly due to the recognition of an asset from tax losses and temporary differences in CCC.eu Sp. z o.o., resulting from the profits generated and budgeted by the company.

Long-term receivables increased to PLN 19.8 million, due to the long-term portion of commission fees on credit facilities and trademark use fees incurred in relation to future periods.

Current assets

Current assets rose by PLN 828.4 million relative to 31 January 2024, to PLN 4,409.3 million. The change was mainly attributable to:

- PLN 665.4 million increase in inventories, which was attributable to the stocking up for the autumn-winter 2024/Back to School collection and portfolio additions of licensed goods. In the six months to 31 July 2024, inventory write-downs decreased by PLN 9.0 million;
- PLN 106.5 million increase in trade and other receivables due to growing sales volumes and prepaid deliveries of merchandise;
- PLN 76.9 million increase in cash, as described in more detail in the section on the statement of cash flows;
- PLN 23.4 million decrease in income tax receivable.

Inventories comprise merchandise (PLN 3,542.1 million), materials (PLN 33.5 million), and returns assets received back from customers in connection with their right to return unused goods (PLN 70.0 million). Write-downs on inventories amounted to PLN 53.6 million. For details of the write-downs, see Note 5.2.

Short-term trade and other receivables amounted to PLN 483.6 million, up by PLN 106.5 million on 31 January 2024. Trade receivables amounted to PLN 252.1 million, up by PLN 58.0 million, due mainly to higher sales volumes. Net impairment losses on trade receivables were PLN 100.8 million. For details of the write-downs, see Note 5.2.

Other receivables amounted to PLN 231.5 million, up by PLN 48.5 million. Other receivables comprised:

- prepayments for deliveries of PLN 55.8 million (31 January 2024: PLN 57.5 million, made in preparation for the autumn-winter 2024 season;
- taxes receivable of PLN 27.9 million (31 January 2024: PLN 26.5 million);
- prepaid expenses of PLN 77.1 million (31 January 2024: PLN 58.8 million);
- receivables from sale of property, plant and equipment of PLN 32.5 million (31 January 2024: (PLN 2.4 million), and
- other receivables of PLN 38.2 million (31 January 2024: PLN 37.8 million).

Liabilities

Non-current liabilities rose by PLN 608.2 million relative to 31 January 2024, to PLN 2,567.5 million as at the reporting date.

As at 31 July 2024, non-current liabilities under bank borrowings and bonds amounted to PLN 1,270.8 million, having increased by PLN 594.2 million year on year, mainly as a result of debt refinancing (for details, see Note 4.2.).

As at the reporting date, other non-current liabilities, standing at PLN 3.0 million, related to security deposits.

As at 31 July 2024, other non-current financial liabilities totalled PLN 6.1 million, and are entirely related to the valuation of the derivative financial instrument embedded in bonds issued to PFR – Equity Kicker (for details, see Note 6.1).

Non-current and current lease liabilities went up by PLN 4.5 million relative to 31 January 2024. The change was attributable to ongoing payments made under lease contracts (PLN 242.7 million), interest accrued (PLN 49.1 million), increase related to contract modifications (PLN 108.9 million), and execution of new contracts (PLN 107.9 million). The decrease was attributable to foreign exchange differences of PLN 18.7 million.

Current liabilities increased by PLN 106.3 million, to PLN 4,539.5 million as at the reporting date, and comprised mainly:

- trade and other payables, which rose by PLN 305.7 million relative to 31 January 2024 and amounted to PLN 2,125.9 million as at the reporting date. The change is attributable to the seasonal stocking-up effect at the Group;
- current liabilities under borrowings and bonds of PLN 1,164.0 million, which decreased by PLN 254.8 million year on year (PLN 1,418.8 million as at 31 January 2024), due mainly to debt refinancing (for details, see Note 4.2);

- other current liabilities of PLN 473.5 million, which rose by PLN 10.8 million year on year. The change was due mainly to a PLN 31.6 million increase in indirect taxes, customs duties and other payables (as at 31 July 2024: PLN 163.6 million), as well as the accounting for provisions for future costs of PLN 26.7 million (as at 31 July 2024: PLN 131.1 million), liabilities under contracts with customers of PLN 4.1 million (as at the reporting date: PLN 27.8 million) and other liabilities of PLN 1.5 million, with concurrent decreases in amounts due to employees by PLN 22.2 million (as at 31 July 2024: PLN 77.3 million) and returns liabilities by PLN 30.9 million (as at 31 July 2024: PLN 67.8 million);
- liabilities arising from the obligation to purchase non-controlling interests as at 31 July 2024 were PLN 214.4 million (for details, see Note 6.1).

Liabilities arising from the obligation to purchase non-controlling interests in DeeZee Sp. z o.o. increased by PLN 12.8 million relative to 31 January 2024, to PLN 23.9 million. The instrument is measured in accordance with the provisions of the investment agreement as the obligation has been triggered. For details, see Note 6.1. The item also includes liabilities arising from the obligation to purchase 4.99% of Modivo shares, of PLN 190.5 million. The liability was recognised at nominal amount on account of its due date.

The derivative financial instrument embedded in bonds convertible into Modivo shares (voluntary conversion option) is measured at fair value. As at 31 July 2024, the instrument was measured at PLN 7.8 million and was presented as a current liability due to its expected exercise date. For details, see Note 6.1.

Equity

As at 31 July 2024, equity stood at PLN 1,243.0 million, having increased by PLN 289.5 million on 31 January 2024 as a result of net profit of PLN 305.0 million recorded for the six months to 31 July 2024. Additionally, the effect of the valuation of the Modivo incentive scheme of PLN 9.6 million (non-controlling interests) was taken to equity. For details of the Modivo incentive scheme, see Note 6.4.

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.

(all amounts in PLN million unless stated otherwise)

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 Sp. z o.o., which distributes merchandise to and outside the Group.
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.
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.
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.
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 online 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 a segment's profit or loss is 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 defined measure under IFRS, and therefore, the method of calculating EBITDA may vary among 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.

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

1 Feb 2024–31 Jul 2024 unaudited, reviewed	CCC	HalfPrice	eobuwie	MODIVO	DeeZee	Total	Consolidation adjustments	Consolidated financial statements
Revenue from sales to external customers	2,061.3	782.9	1,511.6	456.3	38.4	4,850.5	–	4,850.5
Gross profit	**1,236.1**	**398.0**	**604.1**	**183.8**	**23.1**	**2,445.1**	**–**	**2,445.1**
Gross margin (gross profit on sales/revenue from sales to external customers)	*60%*	*51%*	*40%*	*40%*	*60%*	*50%*		*50%*
Costs of points of purchase and distribution	-809.7	-300.4	-595.4	-176.0	-20.7	-1,902.2	–	-1,902.2
Administrative expenses	-120.4	-13.0	-23.7	-4.9	-2.2	-164.2	–	-164.2
Other income and expenses, and (recognition) / reversal of loss allowances	9.5	0.3	24.6	–	–	34.4	–	34.4
Operating profit (loss)	**315.5**	**84.9**	**9.6**	**2.9**	**0.2**	**413.1**	**–**	**413.1**
Depreciation/amortisation	-172.2	-67.2	-44.1	-10.4	-0.4	-294.3	–	-294.3
SEGMENT PROFIT (EBITDA)	**487.7**	**152.1**	**53.7**	**13.3**	**0.6**	**707.4**	**–**	**707.4**
Finance income								2.4
Other finance costs								-243.9
Profit (loss) before tax								**171.6**

Segment assets:	**31 Jul 2024**							
Inventories	**1,702.3**	**782.5**	**821.7**	**247.9**	**22.6**	**3,577.0**	**–**	**3,577.0**
in stores	663.9	293.6	79.6	2.3	–	1,039.4		
in the central warehouse	1,038.4	488.9	742.1	245.6	22.6	2,537.6		

(all amounts in PLN million unless stated otherwise)

1 Feb 2023–31 Jul 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
Operating profit (loss)	**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:				**31 Jan 2024**				
Inventories	**1,181.8**	**659.0**	**810.7**	**239.8**	**20.3**	**2,911.6**	**–**	**2,911.6**
in stores	566.2	285.9	85.9	5.1	–	943.1		
in the central warehouse	615.6	373.1	724.8	234.7	20.3	1,968.5		

1 May 2024–31 Jul 2024 unaudited, unreviewed	CCC	HalfPrice	eobuwie	MODIVO	DeeZee	Total	Consolidation adjustments	Consolidated financial statements
Revenue from sales to external customers	1,110.6	412.1	808.5	236.3	21.7	2,589.2	–	2,589.2
Gross profit	**661.1**	**209.8**	**306.6**	**91.9**	**12.9**	**1,282.3**	**–**	**1,282.3**
Gross margin (gross profit on sales/revenue from sales to external customers)	*60%*	*51%*	*38%*	*39%*	*59%*	*50%*		*50%*
Costs of points of purchase and distribution	-407.9	-152.0	-310.1	-86.1	-11.4	-967.5	–	-967.5
Administrative expenses	-59.1	-6.1	-5.1	0.3	-1.0	-71.0	–	-71.0
Other income and expenses, and (recognition) / reversal of loss allowances	12.9	-0.2	6.1	–	-0.1	18.7	–	18.7
Operating profit (loss)	**207.0**	**51.5**	**-2.5**	**6.1**	**0.4**	**262.5**	**–**	**262.5**
Depreciation/amortisation	-84.7	-31.5	-22.7	-5.3	-0.2	-144.4	–	-144.4
SEGMENT PROFIT (EBITDA)	**291.7**	**83.0**	**20.2**	**11.4**	**0.6**	**406.9**	**–**	**406.9**
Finance income								-2.4
Other finance costs								-135.3
Profit (loss) before tax								**124.8**

(all amounts in PLN million unless stated otherwise)

1 May 2023–31 Jul 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
Operating profit (loss)	**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**

NON-CURRENT ASSETS (NET OF OTHER FINANCIAL ASSETS AND DEFERRED TAX)	31 Jul 2024 unaudited, reviewed	31 Jan 2024 audited
Poland	2,157.0	2,110.9
Czech Republic	315.1	317.4
Hungary	152.0	164.4
Romania	339.1	329.9
Slovakia	109.9	107.1
Other	445.8	450.9
Total non-current assets (excluding other financial assets and deferred tax)	**3,518.9**	**3,480.6**

Revenue by geographical segment and by country:

Revenue		1 Feb 2024–31 Jul 2024						1 Feb 2023–31 Jul 2023					
		CCC	HalfPrice	eobuwie	MODIVO	DeeZee	Total	CCC	HalfPrice	eobuwie	MODIVO	DeeZee	Total
Poland	**Poland**	**1,375.0**	**576.0**	**661.0**	**152.2**	**38.4**	**2,802.6**	**1,217.5**	**454.0**	**562.7**	**154.3**	**43.6**	**2,432.1**
Central and Eastern Europe	Czech Republic	146.2	55.0	99.7	26.5	–	**327.4**	150.8	32.7	103.1	37.7	–	**324.3**
	Slovakia	94.1	24.0	48.5	15.8	–	**182.4**	90.2	18.9	45.4	18.2	–	**172.7**
	Hungary	121.9	18.8	62.6	13.1	–	**216.4**	136.5	21.9	85.5	21.2	–	**265.1**
	Romania	162.0	37.3	139.9	54.2	–	**393.4**	136.9	4.3	161.0	67.6	–	**369.7**
	Bulgaria	37.8	–	75.0	30.0	–	**142.8**	31.5	–	81.2	42.6	–	**155.3**
	Slovenia	21.7	12.1	12.2	3.3	–	**49.3**	24.1	12.4	14.3	4.0	–	**54.8**
	Croatia	47.9	4.2	40.0	10.4	–	**102.5**	46.1	5.0	39.9	11.8	–	**102.8**
	Lithuania	5.7	6.8	29.9	7.7	–	**50.1**	2.8	–	40.7	11.5	–	**55.0**
	Latvia	7.2	11.4	11.5	2.3	–	**32.4**	7.9	6.5	11.1	2.3	–	**27.7**
	Estonia	5.9	–	–	1.5	–	**7.4**	6.6	–	–	–	–	**6.6**
	Serbia	18.5	–	–	–	–	**18.5**	17.0	–	–	–	–	**17.0**
	Ukraine	17.4	6.9	19.0	52.7	–	**96.0**	21.1	–	21.7	36.9	–	**79.6**
	Total	**686.3**	**176.5**	**538.3**	**217.5**	**–**	**1,618.6**	**671.5**	**101.7**	**603.8**	**253.7**	**–**	**1,630.7**
Western Europe	Austria	–	30.4	8.9	2.1	–	**41.4**	0.1	33.3	6.2	1.8	–	**41.4**
	Switzerland	–	–	22.8	–	–	**22.8**	–	–	24.2	–	–	**24.2**
	Germany	–	–	98.3	20.9	–	**119.2**	–	–	73.6	26.6	–	**100.2**
	France	–	–	15.9	4.9	–	**20.8**	–	–	15.6	5.5	–	**21.1**
	Spain	–	–	9.8	–	–	**9.8**	–	–	6.8	–	–	**6.8**
	Italy	–	–	51.6	14.5	–	**66.1**	–	–	57.3	14.9	–	**72.2**
	Sweden	–	–	14.0	–	–	**14.0**	–	–	8.9	–	–	**8.9**
	Greece	–	–	91.0	44.2	–	**135.2**	–	–	110.5	40.4	–	**151.0**
	Total	**–**	**30.4**	**312.3**	**86.6**	**–**	**429.3**	**0.1**	**33.3**	**303.1**	**89.3**	**–**	**425.8**
CCC Group	**Total**	**2,061.3**	**782.9**	**1,511.6**	**456.3**	**38.4**	**4,850.5**	**1,889.1**	**589.0**	**1,469.6**	**497.3**	**43.6**	**4,488.6**

(all amounts in PLN million unless stated otherwise)

Revenue		1 May 2024–31 Jul 2024						1 May 2023–31 Jul 2023					
		CCC	HalfPrice	eobuwie	MODIVO	DeeZee	Total	CCC	HalfPrice	eobuwie	MODIVO	DeeZee	Total
Poland	**Poland**	**717.1**	**302.1**	**351.3**	**78.6**	**21.7**	**1,470.8**	**650.2**	**256.6**	**295.7**	**80.4**	**21.3**	**1,304.2**
Central and Eastern Europe	Czech Republic	82.7	29.2	54.2	13.9	–	**180.0**	90.2	20.3	53.7	20.0	–	**184.2**
	Slovakia	54.2	13.0	25.1	8.1	–	**100.4**	50.9	13.3	24.0	9.2	–	**97.4**
	Hungary	68.2	9.3	31.2	7.2	–	**115.9**	77.8	11.5	42.7	10.7	–	**142.7**
	Romania	93.7	20.6	77.4	27.2	–	**218.9**	78.4	2.9	81.4	35.2	–	**197.8**
	Bulgaria	22.0	–	40.1	16.2	–	**78.3**	18.6	–	41.3	21.6	–	**81.5**
	Slovenia	12.4	6.2	6.8	1.8	–	**27.2**	14.1	6.7	8.0	2.4	–	**31.2**
	Croatia	29.1	2.2	23.0	5.6	–	**59.9**	28.2	2.4	22.8	6.6	–	**60.0**
	Lithuania	3.4	4.0	13.9	3.9	–	**25.2**	1.5	–	20.2	5.4	–	**27.1**
	Latvia	4.1	6.8	6.1	1.2	–	**18.2**	4.6	5.8	6.0	1.3	–	**17.6**
	Estonia	3.6	–	–	0.8	–	**4.4**	3.8	–	–	–	–	**3.8**
	Serbia	10.8	–	–	–	–	**10.8**	10.0	–	–	–	–	**10.0**
	Ukraine	9.3	2.7	8.2	23.1	–	**43.3**	12.4	–	9.2	18.0	–	**39.5**
	Total	**393.5**	**94.0**	**286.0**	**109.0**	**–**	**882.5**	**390.5**	**62.9**	**309.2**	**130.3**	**–**	**892.9**
Western Europe	Austria	–	16.0	4.9	1.0	–	**21.9**	–	18.0	3.7	0.9	–	**22.6**
	Switzerland	–	–	11.7	–	–	**11.7**	–	–	12.9	–	–	**12.9**
	Germany	–	–	51.1	10.8	–	**61.9**	–	–	37.9	13.2	–	**51.1**
	France	–	–	10.2	2.8	–	**13.0**	–	–	8.3	3.1	–	**11.4**
	Spain	–	–	5.8	–	–	**5.8**	–	–	3.4	–	–	**3.4**
	Italy	–	–	29.2	8.7	–	**37.9**	–	–	32.0	8.5	–	**40.5**
	Sweden	–	–	6.7	–	–	**6.7**	–	–	5.1	–	–	**5.1**
	Greece	–	–	51.6	25.4	–	**77.0**	–	–	60.4	19.9	–	**80.4**
	Total	**–**	**16.0**	**171.2**	**48.7**	**–**	**235.9**	**–**	**18.0**	**163.7**	**45.7**	**–**	**227.4**
CCC Group	**Total**	**1,110.6**	**412.1**	**808.5**	**236.3**	**21.7**	**2,589.2**	**1,040.7**	**337.5**	**768.6**	**256.4**	**21.3**	**2,424.5**

The above information on revenue is derived from data related to the store location for offline sales and from the country to which the purchased goods are shipped for 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.

unaudited, reviewed	1 Feb 2024–31 Jul 2024						1 Feb 2023–31 Jul 2023					
	CCC	HalfPrice	eobuwie	MODIVO	DeeZee	Total	CCC	HalfPrice	eobuwie	MODIVO	DeeZee	Total
Revenue												
Footwear	1,757.8	148.1	1,306.9	143.8	11.6	**3,368.2**	1,655.7	140.6	1,240.9	147.9	21.4	**3,206.5**
Bags	168.1	44.6	90.9	30.2	0.8	**334.6**	110.9	27.2	96.0	34.9	0.9	**269.9**
Clothing	3.6	452.7	26.3	254.2	–	**736.8**	0.2	301.6	43.7	281.0	-0.1	**626.4**
Other [1]	103.0	137.5	30.2	12.4	26.0	**309.1**	96.5	119.6	56.2	21.2	21.4	**314.9**
Total omnichannel sales	**2,032.5**	**782.9**	**1,454.3**	**440.6**	**38.4**	**4,748.7**	**1,863.3**	**589.0**	**1,436.8**	**485.0**	**43.6**	**4,417.7**
Wholesale	28.8	–	57.3	15.7	–	**101.8**	25.8	–	32.8	12.3	–	**70.9**
Total	**2,061.3**	**782.9**	**1,511.6**	**456.3**	**38.4**	**4,850.5**	**1,889.1**	**589.0**	**1,469.6**	**497.3**	**43.6**	**4,488.6**

unaudited, reviewed	1 May 2024–31 Jul 2024						1 May 2023–31 Jul 2023					
	CCC	HalfPrice	eobuwie	MODIVO	DeeZee	Total	CCC	HalfPrice	eobuwie	MODIVO	DeeZee	Total
Revenue												
Footwear	936.0	72.4	689.9	76.9	6.2	**1,781.4**	928.7	76.0	651.3	82.6	20.3	**1,758.9**
Bags	97.2	24.7	51.0	15.8	0.4	**189.1**	65.3	20.2	52.6	19.5	0.7	**158.3**
Clothing	3.6	225.6	14.2	129.2	0.1	**372.7**	0.0	177.8	26.3	144.3	0.0	**348.4**
Other [1]	56.0	89.4	17.0	7.1	15.0	**184.5**	46.2	63.5	15.2	6.1	0.3	**131.3**
Total omnichannel sales	**1,092.8**	**412.1**	**772.1**	**229.0**	**21.7**	**2,527.7**	**1,040.2**	**337.5**	**745.4**	**252.5**	**21.3**	**2,396.9**
Wholesale	17.8	–	36.4	7.3	–	**61.5**	0.4	–	20.0	7.2	–	**27.6**
Total	**1,110.6**	**412.1**	**808.5**	**236.3**	**21.7**	**2,589.2**	**1,040.6**	**337.5**	**765.4**	**259.7**	**21.3**	**2,424.5**

[1] 'Other' includes primarily (by value): shoe care products, insoles, belts, wallets, socks, jewellery and accessories, homewares 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 following a change in liabilities under contracts with customers, i.e. gift cards, of PLN 20.7 million (in the corresponding period of the previous year, revenue was reduced by PLN 3.6 million).

3.2. COSTS BY NATURE OF EXPENSE

1 Feb 2024–31 Jul 2024 unaudited, reviewed	COST OF SALES	COSTS OF POINTS OF PURCHASE AND DISTRIBUTION	ADMINISTRATIVE EXPENSES	TOTAL
Cost of merchandise sold	-2,414.5	–	–	-2,414.5
Raw material and consumables used	–	-51.2	-15.9	-67.1
Inventory write-downs	9.1	–	–	9.1
Salaries, wages and employee benefits	–	-514.1	-57.1	-571.2
Transport services	–	-223.6	-0.3	-223.9
Other rental costs – utilities and other variable costs	–	-206.7	-9.1	-215.8
Advertising	–	-421.3	-0.2	-421.5
Depreciation/amortisation	–	-263.2	-31.1	-294.3
Taxes and charges	–	-24.5	-3.6	-28.1
Other costs	–	-197.6	-46.9	-244.5
Total	**-2,405.4**	**-1,902.2**	**-164.2**	**-4,471.8**

(all amounts in PLN million unless stated otherwise)

1 Feb 2023–31 Jul 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**

1 May 2024–31 Jul 2024 unaudited, unreviewed	COST OF SALES	COSTS OF POINTS OF PURCHASE AND DISTRIBUTION	ADMINISTRATIVE EXPENSES	TOTAL
Cost of merchandise sold	-1,326.1	–	–	-1,326.1
Raw material and consumables used	–	-22.5	-8.9	-31.4
Inventory write-downs	19.2	–	–	19.2
Salaries, wages and employee benefits	–	-260.5	-20.1	-280.6
Transport services	–	-116.7	-0.2	-116.9
Other rental costs – utilities and other variable costs	–	-97.6	-3.2	-100.8
Advertising	–	-220.5	-0.2	-220.7
Depreciation/amortisation	–	-128.4	-16.0	-144.4
Taxes and charges	–	-12.0	-1.7	-13.7
Other costs	–	-109.3	-20.7	-130.0
Total	**-1,306.9**	**-967.5**	**-71.0**	**-2,345.4**

1 May 2023–31 Jul 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)

3.3. OTHER INCOME AND EXPENSES, FINANCE INCOME AND COSTS

	1 Feb 2024– 31 Jul 2024	1 Feb 2023– 31 Jul 2023	1 May 2024– 31 Jul 2024	1 May 2023– 31 Jul 2023
	unaudited, reviewed	unaudited, reviewed	unaudited, unreviewed	unaudited, unreviewed
Other income				
Gain on disposal of property, plant and equipment	15.8	0.2	3.4	-0.9
Foreign exchange gains on items other than debt	–	31.8	–	16.7
Compensation	1.2	5.0	0.5	0.9
PFRON wage subsidies	1.1	0.1	0.6	–
Gain on settlement of leasehold improvements with landlords	5.0	8.5	1.9	7.3
Gain on settlement of lease contracts	–	5.8	–	3.4
Reversal of CCC Germany provisions	0.1	9.1	0.1	6.6
Grants	–	0.2	-0.1	0.1
Gain on bargain purchase	8.0	–	8.0	–
Other	16.7	6.7	10.0	4.4
Total other income	**47.9**	**67.4**	**24.4**	**38.5**

	1 Feb 2024– 31 Jul 2024	1 Feb 2023– 31 Jul 2023	1 May 2024– 31 Jul 2024	1 May 2023– 31 Jul 2023
	unaudited, reviewed	unaudited, reviewed	unaudited, unreviewed	unaudited, unreviewed
Other expenses				
Impairment losses on property, plant and equipment, intangible assets, right-of-use assets and goodwill	-1.9	–	–	11.6
Interest and penalties	-1.9	-1.8	-0.6	-0.7
Loss on settlement of lease contracts	-3.4	–	-2.7	–
Other	-8.3	-7.7	-2.7	-3.0
Foreign exchange losses on items other than debt	-0.5	–	1.3	–
Total other expenses	**-16.0**	**-9.5**	**-4.7**	**7.9**

	1 Feb 2024– 31 Jul 2024	1 Feb 2023– 31 Jul 2023	1 May 2024– 31 Jul 2024	1 May 2023– 31 Jul 2023
	unaudited, reviewed	unaudited, reviewed	unaudited, unreviewed	unaudited, unreviewed
(Recognition) / Reversal of loss allowances (trade receivables)				
Impairment losses on trade receivables	2.5	-7.3	-1.0	-9.3
(Recognition) / Reversal of loss allowances (trade receivables), total	**2.5**	**-7.3**	**-1.0**	**-9.3**

	1 Feb 2024– 31 Jul 2024	1 Feb 2023– 31 Jul 2023	1 May 2024– 31 Jul 2024	1 May 2023– 31 Jul 2023
	unaudited, reviewed	unaudited, reviewed	unaudited, unreviewed	unaudited, unreviewed
Finance income				
Interest income on cash in current account and loans, and other interest income	0.4	1.9	0.3	1.4
Foreign exchange gains (losses)	0.4	35.6	-1.4	14.0
Derivative financial instruments embedded in bonds convertible into Modivo shares − voluntary conversion option	–	9.1	–	9.1
Gain on modification of credit facility agreement	–	–	-1.7	–
Other finance income	1.1	4.4	-0.1	2.7
Derivative financial instruments embedded in bonds issued to PFR − Equity Kicker	0.5	1.5	0.5	1.3
Valuation of options to purchase non-controlling interests	–	20.7	–	20.7
Total	**2.4**	**73.2**	**-2.4**	**49.2**

(all amounts in PLN million unless stated otherwise)

	1 Feb 2024–31 Jul 2024	1 Feb 2023–31 Jul 2023	1 May 2024–31 Jul 2024	1 May 2023–31 Jul 2023
	unaudited, reviewed	unaudited, reviewed	unaudited, unreviewed	unaudited, unreviewed
Finance costs				
Interest on borrowings and bonds	-153.5	-153.0	-78.3	-68.9
Gain (loss) on modification of financial liability	-0.8	-9.0	–	-9.0
Interest on leases	-49.1	-33.8	-25.6	-18.6
Commission fees	-6.1	-7.5	-3.8	-4.0
Valuation of options to purchase non-controlling interests	-21.8	-6.6	-17.1	-2.0
Derivative financial instruments embedded in bonds convertible into Modivo shares – voluntary conversion option	-4.4	–	-4.4	2.2
Other finance costs	-8.2	-3.7	-6.1	-2.2
Total	**-243.9**	**-213.6**	**-135.3**	**-102.5**

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.

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

As at 31 July 2024, 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)
DeeZee segment (including goodwill and trademark)	X		
Eobuwie segment (including goodwill and trademark)	X		
MODIVO segment	X		
Stores (cash-generating units) for which indications of impairment were identified			X

Key underlying assumptions for impairment tests

The recoverable amount for each cash-generating unit or groups thereof, to which assets were allocated, was ascertained based on their value in use. This was calculated from a cash flow projection obtained from the assumptions underlying the Annual Budget for 2024 and financial plans for future years. Consideration was given to restrictions imposed by IAS 36 requirements, excluding any new investments or store openings. The assumptions used in preparing the Annual Budget for 2024 are detailed further in the 'Going concern' note. These assumptions include, in addition to the elements discussed below, the level of inflation and the exchange rates for 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 31 July 2024, 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 2023 and 2024. Each store is a separate cash-generating unit and was tested for impairment separately. The number of stores tested for impairment in the current year was 27, compared with 40 in the previous financial year.

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.

The projections for revenue growth and gross margin levels in 2024 were based on the budgets for individual stores, consistent with the Group's Annual Budget for 2024, as subsequently updated. Revenue projections for the subsequent years, specifically 2025-2028, were established based on anticipated changes in key parameters compared to the baseline year of 2024, under the assumption that the Group will execute its growth plans in line with its primary strategic directions.

Changes in individual cost items were estimated based on the Budget for 2024, as subsequently amended. For the following years, estimates were made based on the projected inflation rates for each respective country as outlined in the Strategy. The estimated changes in cost items were then adjusted to account for the expected benefits resulting from programmes aimed at improving store profitability.

In estimating the recoverable amount, the Management Board believes that no change within a reasonable range of possibilities for any of the key assumptions mentioned above would cause the carrying amount of the asset to significantly exceed its recoverable amount.

The tests revealed no need to recognise additional impairment losses on store assets in the six months ended 31 July 2024.

As at 31 July 2024, the carrying amount of impairment losses on stores (primarily relating to leasehold improvements and right-of-use assets) totalled PLN 20.0 million, compared with PLN 22.7 million as at 31 January 2024. The change resulted from the use of impairment losses existing at the beginning of the period.

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 DeeZee segment and 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.

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

- DeeZee segment;
- MODIVO segment;
- eobuwie segment.

Impairment tests were specifically conducted for the MODIVO, eobuwie, and DeeZee business lines because these areas fell short of their budget targets due to broader macroeconomic conditions. The tests covered non-current assets allocated to each operating segment together with net working capital allocated to that segment. The recoverable amount was determined based on the value in use calculated using a cash flow projection related to sales of products through the respective business line (operating segment). The cash flow projection covered the years 2024 and 2025–2028.

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 foreign exchange rates and product offering;
- individual cost amounts, taking into account the impact of inflation and changes in key economic variables, in particular the increase in wages (including minimum wages).

The sales growth rate assumptions for the Modivo business line are based on a low comparative base (sales for the financial year ended 31 January 2024 amounted to PLN 1,108.0 million). This growth rate also takes into account the expansion of the loyalty programme and an anticipated rise in user sessions. These improvements will be driven by enhancements in the quality of collections while preserving advantageous pricing. Moreover, the efficiency of performance marketing investments is expected to improve through the use of artificial intelligence technologies in selecting channels for customer communication. Simultaneously, margins are anticipated to improve through the optimisation of inventory structure and a reduction in customer acquisition cost, driven by an increase in brand recognition.

For eobuwie, the tests assume a return to a growth trajectory in sales, mainly due to optimisation of the inventory structure throughout 2023 and in 2024, which resulted in a decrease in core profitability, and in turn led to a year-on-year decline in gross margin. This trend will be supported by the observed improvement in macroeconomic indicators, including consumer confidence and disposable income. We anticipate a return to profitability driven by continuous improvements in purchasing processes and operational efficiencies, including implementation of cost-saving programmes.

(all amounts in PLN million unless stated otherwise)

Factors affecting the recoverable amount are detailed in the section 'Key underlying assumptions for impairment tests' and apply uniformly across all the tests conducted. They are based on current performance trends with respect to the existing sales channels and expected demand for products sold by the Group, but will also take into account the effect of business decisions, including the cost base revision relative to 2024 and optimised inventory structure. In estimating the recoverable amount, including the growth rates and components affecting the discount rate, certain market- or industry-specific indicators were also used.

Key parameters based on the adopted assumptions were as follows:

31 Jul 2024	DeeZee	Modivo	eobuwie
Discount rate	10.5%	11.0%	11.0%
Average EBITDA margin	6.5%	9.7%	9.9%
Expected sales CAGR during the forecast period (five years)	2.0%	24.4%	14.3%
Residual growth rate	2.0%	2.0%	2.0%

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

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

31 Jul 2024	DeeZee	MODIVO	eobuwie
Increase in discount rate resulting in impairment loss	2.4pp	36.8pp	25.4pp
Decrease in average EBITDA margin resulting in impairment loss	1.0pp	6.7pp	5.9pp
Decrease in expected sales CAGR during the forecast period (5 years) resulting in impairment loss	0.3pp	2.7pp	2.2pp

As at the reporting date 31 January 2024, 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 2024 and 2025–2028.

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 2024 and 2025–2028.

Impairment tests were specifically conducted for the MODIVO, eobuwie, and DeeZee business lines because these areas fell short of their budget targets due to broader macroeconomic conditions. The tests covered non-current assets allocated to each operating segment together with net working capital allocated to that segment. The recoverable amount was determined based on the value in use calculated using a cash flow projection related to sales of products through the respective business line (operating segment). The cash flow projection covered the years 2024 and 2025–2028.

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, product offering, individual cost amounts, taking into account the impact of inflation and changes in key economic variables, in particular the increase in wages (including minimum wages).

The projected results for the CCC business line, as required for the impairment tests, reflect the accelerated revenue growth compared with the growth in the financial year ended 31 January 2023, as detailed in Note 2. This expected growth is attributed to the enhancement of the appeal of the product range, the inclusion of a newly implemented portfolio of licensed and complementary products, and a favourable macroeconomic environment. Factors contributing to this favourable environment include improved consumer confidence, increased social benefits flows (notably the upward adjustment of the 500+ programme), and rising wages (such as the increment in the statutory minimum wage). The estimated financial results also reflect an improvement in the EBITDA margin (17.3% in 2023) driven by an improved gross margin of 55.5% (increased share of current collections, resulting in lower discounting expense on promotions and sales, and the strengthening of the zloty that reduced unit product costs). We also expect to maintain strict cost discipline (cost reduction in 2023 was PLN 234.1 million relative to the previous financial year) by continuing to enhance the efficiency of in-store processes and preserving a fixed staff number for central functions.

(all amounts in PLN million unless stated otherwise)

The test for the DeeZee business line assumes further growth by expanding the available product offering and developing the e-commerce sales channel, including by changing the geographical coverage.

The assumptions for the Modivo business line's sales growth rate are based on a low comparative base (sales for the financial year ended on 31 January 2023 were PLN 1,091 million). This growth rate also takes into account the expansion of the loyalty programme and an anticipated rise in user sessions, attributable to enhancements in the quality of collections while preserving advantageous pricing. Moreover, the efficiency of performance marketing investments is expected to improve through the use of artificial intelligence technologies in selecting channels for customer communication. Simultaneously, margins are anticipated to improve through the optimisation of inventory structure and a reduction in customer acquisition cost, driven by an increase in brand recognition.

For eobuwie, the tests assume a return to a growth trajectory in sales (in the financial year ended 31 January 2023, sales fell by 7.8% year on year), mainly due to optimisation of the inventory structure throughout 2023, which resulted in a decrease in core profitability, and in turn led to a year-on-year decline in gross margin by 2.5 percentage points. This trend will be supported by the observed improvement in macroeconomic indicators, including consumer confidence and disposable income. We anticipate a return to profitability driven by continuous improvements in purchasing processes and operational efficiencies, including implementation of cost-saving programmes (in 2023, the EBITDA margin was -1.6%).

Factors affecting the recoverable amount are detailed in the section 'Key underlying assumptions for impairment tests' and apply uniformly across all the tests conducted. They are based on current performance trends with respect to the existing sales channels and expected demand for products sold by the Group, but will also take into account the effect of business decisions, including the cost base revision relative to 2023 and optimised inventory structure. In estimating the recoverable amount, including the growth rates and components affecting the discount rate, certain market- or industry-specific indicators were also used.

Key parameters based on the adopted assumptions were as follows:

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

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

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

The 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:

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

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 (understood as interest-bearing liabilities less cash) 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 3.0, 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 covenants and the dividend policy, see the interim condensed consolidated Directors' Report on the operations of the CCC Group. 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, among other metrics. 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. For detailed information on these metrics, refer to the 'Management of financial resources and liquidity' section in the interim condensed consolidated Directors' Report on the operations of the CCC Group.

Earnings (loss) per share

In the six months ended 31 July 2024, basic and diluted earnings per share were PLN 4.82. In the six months ended 31 July 2023, basic and diluted loss per share on continuing and discontinued operations was PLN 1.69.

4.2. BANK BORROWINGS AND BONDS

As agreed with the institutions providing financing for the CCC Business Unit, the Group reduced the CCC Business Unit's debt by a total of PLN 320.0 million (PLN 50.0 million in 2022 and PLN 270.0 million in 2023). For details, see the consolidated financial statements of the CCC Group for the 12 months from 1 February 2023 to 31 January 2024. The last reduction of credit facility and factoring limits took place on 30 November 2023 (as announced in Current Report No. 60/2023 of 30 November 2023), followed on 21 March 2024 by early pari passu redemption of 20,565 Series 1/2018 bonds of CCC S.A. with a nominal value of PLN 20.6 million.

On 24 April 2024, Modivo S.A. signed a credit facility agreement with Bank Polska Kasa Opieki S.A. whereby the availability period of the multi-purpose credit facility up to a total amount of PLN 260.0 million contracted on 26 October 2017 was extended for the next 12 months, i.e. until 29 April 2025, its other terms and conditions unchanged (see Current Report No. 14/2024).

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

The borrowers CCC S.A., HalfPrice Sp. z o.o. and CCC.eu Sp. z o.o. have been granted:

1. a term credit facility of PLN 600.0 million amortised over a period of five years (to be disbursed in two tranches of PLN 450.0 million in July 2024 and PLN 150.0 million in December 2024);
2. a working capital facility in the form of a revolving facility, overdraft facility, and limits on reverse factoring, guarantees and letters of credit, up to a total amount of PLN 1.2 billion, available for a period of two years, to be optionally extended up to five years.

The facilities have been utilised to repay existing debt towards banks financing the operations of the CCC Business Unit, while the tranche scheduled for disbursement by 31 December 2024 will be used by CCC S.A. to redeem its Series 1/2018 bonds issued pursuant to the 'Terms and Conditions of the Bonds' dated 21 June 2018. However, the bonds are presented as non-current liabilities in these financial statements as they formally mature on 29 June 2026.

In addition, the CCC Business Unit has at its disposal a term credit facility of up to PLN 360.0 million for the redemption of bonds issued to PFR and financing of a new logistics warehouse of HalfPrice Sp. z o.o., which the banks may grant subject to consent of the majority lenders.

Companies standing surety for the borrowers' liabilities are CCC.eu Sp. z o.o., HalfPrice Sp. z o.o., CCC Shoes & Bags Sp. z o.o., CCC Tech Sp. z o.o., CCC Czech, s.r.o., CCC Hungary Shoes Kft. and Shoe Express S.A.

As intended, the execution of the new financing agreement has significantly enhanced the structure of the CCC Business Unit's bank debt. The new financing structure offers greater flexibility to the CCC Business Unit, including through increased limits on bank guarantees, letters of credit, and reverse factoring. It also reduces financing costs and raises the limits on available capital expenditures.

As part of the refinancing process, on 31 July 2024 proceeds of the new financing agreement were used by CCC.eu Sp. z o.o. to repay debt outstanding at CCC S.A. under a PLN 250.0 million short-term credit facility with a surety from BGK. As a consequence, CCC S.A. offset the resulting liability related to the debt settlement by CCC.eu Sp. z o.o. against its receivables under a loan in the same amount advanced to CCC.eu Sp. z o.o.

The remaining debt under the previous financing agreement pertained to CCC.eu Sp. z o.o. and was fully settled by the Facility Agent and ESG Agent as part of settlements between banks forming the syndicate. As part of the new refinancing arrangement, PLN 542.6 million (including PLN 79.6 million in an overdraft facility) was settled, and PLN 801.4 million (including PLN 133.4 million in an overdraft facility) was received.

(all amounts in PLN million unless stated otherwise)

The Group views this refinancing as the settlement of the original credit facility (resulting in the extinguishment of the liability) and the establishment of a new credit facility. This view is supported by the following factors:

- material qualitative changes to the credit facility agreement (including adjustments to the margin, parties involved, limits and restrictions, ESG-linked provisions, and the obligations of each party);
- the purpose of the refinancing (which is to secure new funding to meet day-to-day business needs, general corporate needs, and capital expenditures, rather than to restructure debt due to financial distress);
- the term of the new credit facility agreement (which is at least as long as the original facility);
- repayment of the original credit facility shortly before its maturity;
- transaction costs that are clearly incremental relative to the issuance of new debt.

The previous credit facility agreement allowed the Company to prepay without incurring additional costs.

The interest rate on the facilities is based on WIBOR plus a margin whose level depends on the Net Exposure to EBITDA ratio.

The syndicated credit facilities are secured by a common security package, which includes:

- KUKE guarantees of up to PLN 750.0 million;
- registered pledges over sets of assets and rights forming an organised whole with variable composition, comprised in a business, as well as selected assets, trademarks and inventories of CCC S.A. and the surety providers;
- registered and financial pledges over shares in CCC's subsidiaries that are the surety providers and over shares in Modivo S.A.;
- registered and financial pledges over bank accounts maintained for CCC S.A. and the surety providers (including powers of attorney over such accounts);
- assignments by way of security of the rights of CCC S.A. and the surety providers under selected insurance contracts;
- mortgages over property of CCC S.A. and CCC.eu Sp. z o.o.; and
- notarised consent to enforcement submitted by CCC S.A. and the surety providers.

As at 31 July 2024, the financing of the Modivo Business Unit was secured by blank promissory notes of PLN 884.0 million, registered pledges of PLN 1,632.0 million, security mortgages on real estate of PLN 380.0 million, and sureties of PLN 780.0 million.

The available limits under the new financing agreement are presented in the table below.

Bank	Tranche A (term facility)	Tranche B (overdraft facility)	Tranche B (revolving facility)	Tranche B (reverse factoring)	Tranche B (bank guarantee facility)	Tranche C (refinancing of bonds issued to PFR)	Total
BNP Paribas /BNP Faktoring	17.3	42.0	41.0	125.0	42.0	–	267.3
*Citibank**	34.7	–	82.0	–	–	–	116.7
EBRD	225.0	–	–	–	–	–	225.0
mBank/mFaktoring	30.0	25.0	15.0	90.0	30.0	–	190.0
Pekao S.A.	35.2	50.0	18.0	122.0	28.0	–	253.2
PKO BP/PKO Faktoring	70.3	30.0	42.0	133.0	40.0	–	315.3
Santander/Santander Factoring	37.5	35.0	20.0	130.0	60.0	–	282.5
Total limit	**450.0**	**182.0**	**218.0**	**600.0**	**200.0**	**–**	**1,650.0**
Additional disbursement in December 2024	150.0	–	–	–	–	–	150.0
Total available limit	**600.0**	**182.0**	**218.0**	**600.0**	**200.0**	**–**	**1,800.0**
Additional disbursement subject to consent of the banks	–	–	–	–	–	360.0	360.0
Total potential limit under the new syndicated agreement	**600.0**	**182.0**	**218.0**	**600.0**	**200.0**	**360.0**	**2,160.0**

(all amounts in PLN million unless stated otherwise)

The following note presents data on bank borrowings contracted and bonds issued in the period 1 February 2024 – 31 July 2024.

unaudited, reviewed	FINANCING OF THE CCC BUSINESS UNIT		FINANCING OF THE MODIVO BUSINESS UNIT		TOTAL
	BANK BORROWINGS	BONDS	BANK BORROWINGS	BONDS	
As at 1 Feb 2024	**529.2**	**541.2**	**285.7**	**739.3**	**2,095.4**
short-term	**390.2**	**3.6**	**285.7**	**739.3**	**1,418.8**
long-term	**139.0**	**537.6**	**–**	**–**	**676.6**
Proceeds from debt contracted					
- financing received - proceeds	191.2	–	–	–	191.2
- new non-cash refinancing received through settlements among syndicate members	668.0	–	–	–	668.0
- transaction cost/modification of agreement terms	–	0.8	–	–	0.8
Interest accrued	26.5	33.9	10.9	83.5	154.8
Debt-related payments					
- principal payments	-7.4	-20.6	–	–	-28.0
- non-cash settlement of principal payments through new refinancing among consortium members	-713.0	–	–	–	-713.0
- interest paid	-29.7	-32.6	-10.4	–	-72.7
Increase due to change in overdraft facility amount (including new refinancing)	138.1	–	0.7	–	138.8
Other non-cash changes	–	-0.5	–	–	-0.5
As at 31 Jul 2024	**802.9**	**522.2**	**286.9**	**822.8**	**2,434.8**
short-term	**41.2**	**13.1**	**286.9**	**822.8**	**1,164.0**
Tranche A	*36.0*	–	–	–	*36.0*
Other (other credit facilities; credit cards)	*5.2*	–	*286.9*	–	*292.1*
Bonds issued to PFR	–	*11.5*	–	–	*11.5*
Bonds issued to Softbank	–	–	–	*822.8*	*822.8*
CCC0626 bonds	–	*1.6*	–	–	*1.6*
long-term	**761.7**	**509.1**	**–**	**–**	**1,270.8**
Tranche A	*410.4*	–	–	–	*410.4*
Tranche B	*351.3*	–	–	–	*351.3*
Bonds issued to PFR	–	*340.7*	–	–	*340.7*
CCC0626 bonds	–	*168.4*	–	–	*168.4*

(all amounts in PLN million unless stated otherwise)

The following note presents data on bank borrowings contracted and bonds issued in the period 1 February 2023 – 31 January 2024.

audited	FINANCING OF THE CCC BUSINESS UNIT		FINANCING OF THE MODIVO BUSINESS UNIT		TOTAL
	BORROWINGS	BONDS	BANK BORROWINGS	BONDS	
As at 1 Feb 2023	**1,084.8**	**581.5**	**230.1**	**629.8**	**2,526.2**
short-term	**272.4**	**23.4**	**230.1**	**629.8**	**1,155.7**
long-term	**812.4**	**558.1**	**–**	**–**	**1,370.5**
Proceeds from debt contracted					
- financing received	44.2	–	–	–	44.2
Interest accrued	73.2	94.2	20.2	142.8	330.4
Modification of agreement terms	–	-6.0	–	-33.3	-39.3
Debt-related payments					
- principal payments	-458.1	-20.6	–	–	-478.7
- interest paid	-74.0	-107.9	-20.2	–	-202.1
Increase due to change in overdraft facility amount	–	–	55.6	–	55.6
Decrease due to change in overdraft facility amount	-121.4	–	–	–	-121.4
Other non-cash changes	*-19.5*	–	–	–	-19.5
As at 31 Jan 2024	**529.2**	**541.2**	**285.7**	**739.3**	**2,095.4**
short-term	**390.2**	**3.6**	**285.7**	**739.3**	**1,418.8**
Tranche A	*140.0*	–	–	–	140.0
Credit facilities with surety from BGK	*249.7*	–	–	–	249.7
Other (other credit facilities; credit cards)	*0.5*	–	*285.7*	–	286.2
Bonds issued to PFR	–	*1.8*	–	–	1.8
Bonds issued to Softbank	–	–	–	*739.3*	739.3
CCC0626 bonds	–	*1.8*	–	–	1.8
long-term	**139.0**	**537.6**	**–**	**–**	**676.6**
Tranche A	*139.0*	–	–	–	139.0
Bonds issued to PFR	–	*348.9*	–	–	348.9
CCC0626 bonds	–	*188.7*	–	–	188.7

4.3. CONTRACTUAL MATURITIES OF FINANCIAL LIABILITIES

31 Jul 2024	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	301.9	65.2	596.5	250.2	–	1,213.8	1,089.8
Bonds	10.0	644.7	237.7	504.7	–	1,397.1	1,345.0
Trade payables	1,188.3	462.9	–	–	–	1,651.2	1,651.2
Factoring liabilities	310.6	164.1	–	–	–	474.7	474.7
Returns liabilities	67.8	–	–	–	–	67.8	67.8
Liabilities arising from obligation to purchase non-controlling interests	214.4	–	–	–	–	214.4	214.4
Derivative financial instruments embedded in bonds issued to PFR – Equity Kicker	–	–	–	6.1	–	6.1	6.1
Lease liabilities	193.1	390.1	806.5	403.3	318.9	2,111.9	1,736.7
Total financial liabilities	**2,286.1**	**1,727.0**	**1,640.7**	**1,164.3**	**318.9**	**7,137.0**	**6,585.7**

(all amounts in PLN million unless stated otherwise)

31 Jan 2024	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	304.6	408.2	143.6	–	–	856.4	814.9
Bonds	1.8	0.2	901.8	576.0	–	1,479.8	1,280.5
Trade payables	1,225.2	129.0	–	–	–	1,354.2	1,354.1
Factoring liabilities	310.7	155.4	–	–	–	466.1	466.1
Returns liabilities	98.7	–	–	–	–	98.7	98.7
Liabilities arising from obligation to purchase non-controlling interests	181.5	11.1	–	–	–	192.6	192.6
Derivative financial instruments embedded in bonds issued to PFR − Equity Kicker	–	–	–	6.6	–	6.6	6.6
Lease liabilities	172.0	359.1	785.9	392.9	295.9	2,005.8	1,732.2
Total financial liabilities	**2,294.5**	**1,063.0**	**1,831.3**	**975.5**	**295.9**	**6,460.2**	**5,945.7**

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

unaudited, reviewed	TRADE AND OTHER RECEIVABLES	TRADE AND OTHER PAYABLES AND OTHER LIABILITIES
Change recognised in statement of cash flows		
As at 1 Feb 2024	377.1	2,282.9
As at 31 Jul 2024	483.6	2,599.4
Change in statement of financial position	**-106.5**	**316.5**
Difference due to:		
Changes in investment liabilities/receivables	4.2	8.5
Acquisition of subsidiaries	16.3	-6.2
Other	-3.6	-1.2
Change recognised in statement of cash flows	**-89.6**	**317.6**

unaudited, reviewed	TRADE AND OTHER RECEIVABLES	TRADE AND OTHER PAYABLES AND OTHER LIABILITIES
Change recognised in statement of cash flows		
As at 1 Feb 2023	322.5	1,859.9
As at 31 Jul 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**

(all amounts in PLN million unless stated otherwise)

	1 Feb 2024– 31 Jul 2024	1 Feb 2023– 31 Jul 2023
	unaudited, reviewed	unaudited, reviewed
Other adjustments to profit before tax:		
Accrued interest and exchange differences	-0.6	-3.5
Change in provisions	19.2	-0.9
Measurement of employee option plan	-9.6	5.1
Valuation of options to purchase non-controlling interests in eobuwie.pl and DeeZee	21.8	-14.0
Measurement of derivative instruments	-1.4	-2.0
Refinancing: non-cash changes	0.3	–
Changes in right-of-use asset and lease liability	15.3	-84.5
Other	-13.6	-2.8
Total	**31.4**	**-102.6**

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

5.1. PROVISIONS

unaudited, reviewed	PROVISION FOR JUBILEE AND RETIREMENT BENEFITS	PROVISION FOR RETURNS AND COMPLAINTS	PROVISION FOR LITIGATION	OTHER PROVISIONS	TOTAL
As at 1 Feb 2024	**16.5**	**4.8**	**0.2**	**0.6**	**22.1**
short-term	3.7	4.8	0.2	0.6	9.3
long-term	12.8	–	–	–	12.8
As at 1 Feb 2024	**16.5**	**4.8**	**0.2**	**0.6**	**22.1**
Recognised	1.2	79.1	–	-0.1	80.2
Used	-0.7	-59.8	–	–	-60.5
Reversed	–	-1.5	–	–	-1.5
Increase due to acquisition of subsidiaries	–	–	–	1.0	1.0
As at 31 Jul 2024	**17.0**	**22.6**	**0.2**	**1.5**	**41.3**
short-term	4.0	22.6	0.2	1.5	28.3
long-term	13.0	–	–	–	13.0

audited	PROVISION FOR JUBILEE AND RETIREMENT BENEFITS	PROVISION FOR RETURNS AND COMPLAINTS	PROVISION FOR LITIGATION	OTHER PROVISIONS	TOTAL
As at 1 Feb 2023	**16.7**	**8.7**	**1.5**	**0.6**	**27.5**
Short-term	3.7	8.7	1.5	0.6	14.5
Long-term	13.0	–	–	–	13.0
As at 1 Feb 2023	**16.7**	**8.7**	**1.5**	**0.6**	**27.5**
Recognised	3.7	1.8	–	46.1	51.6
Used	-3.0	-5.5	–	–	-8.5
Reversed	-0.9	-0.2	-1.3	-46.1	-48.5
As at 31 Jan 2024	**16.5**	**4.8**	**0.2**	**0.6**	**22.1**
Short-term	3.7	4.8	0.2	0.6	9.3
Long-term	12.8	–	–	–	12.8

(all amounts in PLN million unless stated otherwise)

5.2. CHANGE IN IMPAIRMENT LOSSES/WRITE-DOWNS ON ASSETS AND IN LOSS ALLOWANCES

unaudited, reviewed	PROPERTY, PLANT AND EQUIPMENT – LEASEHOLD IMPROVEMENTS	RIGHT-OF-USE ASSETS	GOODWILL	INVENTORIES	TRADE RECEIVABLES	OTHER RECEIVABLES	LOANS
As at 1 Feb 2024	**6.6**	**16.1**	**21.8**	**62.6**	**100.9**	**0.7**	**130.2**
Increase	–	–	–	12.7	0.9	–	–
Used	–	–	–	0.1	–	–	–
Reversed	-0.6	-1.7	–	-21.8	-3.4	–	–
Other	–	-0.4	–	–	2.4	–	–
As at 31 Jul 2024	**6.0**	**14.0**	**21.8**	**53.6**	**100.8**	**0.7**	**130.2**

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 1 Feb 2023	**0.1**	**5.3**	**19.8**	**21.8**	**70.4**	**100.8**	**0.9**	**130.2**
Increase	–	3.4	0.6	–	38.7	10.4	–	–
Used	–	-1.6	-0.7	–	-8.4	-5.0	–	–
Reversed	–	-0.2	-2.2	–	-38.1	-6.3	-0.2	–
Other	-0.1	-0.3	-1.4	–	–	1.0	–	–
As at 31 Jan 2024	**–**	**6.6**	**16.1**	**21.8**	**62.6**	**100.9**	**0.7**	**130.2**

5.3. TAXATION

TAX RATES APPLIED AND RECONCILIATION OF INCOME TAX EXPENSE

The table below shows the countries in which the Group earns highest taxable income, with tax rates applicable in each jurisdiction.

	1 Feb 2024–31 Jul 2024	1 Feb 2023–31 Jul 2023
	unaudited, reviewed	unaudited, reviewed
Poland	19%	19%
Czech Republic	19%	19%
Hungary	10%	10%
Slovakia	22%	22%
Other countries	8.47%–25%	8.47%– 25%
Weighted average income tax rate	**19%**	**19%**

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

	1 Feb 2024–31 Jul 2024	1 Feb 2023–31 Jul 2023
	unaudited, reviewed	unaudited, reviewed
Profit (loss) before tax	**171.6**	**-128.1**
Weighted average tax rate	19%	19%
Tax calculated at weighted average tax rate	-32.6	24.3
Tax effects of the following items:		
non-taxable income	4.5	6.8
other non-deductible expenses (permanent differences)	-27.5	-19.3
tax relating to previous year	-3.0	-8.7
recognition of deferred tax asset on tax loss brought forward	140.8	28.4
utilisation of previously unrecognised tax losses	42.9	-
tax losses with respect to which no deferred tax assets were recognised	-7.3	-13.5
recognition of deferred tax asset on temporary differences brought forward	17.1	-27.2
other adjustments	-1.5	0.2
Income tax expense	**133.4**	**-9.0**

(all amounts in PLN million unless stated otherwise)

BALANCES OF AND CHANGES IN DEFERRED TAX

Changes in deferred tax assets and liabilities during the year are presented below.

unaudited, reviewed	31 Jul 2024	RECOGNISED / (CHARGED) ON PROFIT OR LOSS	1 Feb 2024
Assets			
Inventories – adjustment of margin on intra-group sales	12.3	2.5	9.8
Impairment losses/write-downs on assets: inventories and receivables	8.1	0.5	7.6
Impairment of property, plant and equipment (leasehold improvements), rights-of-use assets and intangible assets	0.8	0.8	–
Provisions for liabilities	56.2	39.4	16.8
Special economic zone relief	42.1	-3.1	45.2
Other	50.3	-4.0	54.3
Tax losses	208.8	132.2	76.6
Measurement of lease contracts	331.8	-0.8	332.6
Total before offset	**710.4**	**167.5**	**542.9**
Liabilities			
Accelerated tax depreciation of property, plant and equipment	14.8	13.0	1.8
Other	12.2	0.9	11.3
Purchase of intangible assets disclosed on acquisition of subsidiaries	30.7	0.1	30.6
Measurement of lease contracts	282.7	0.8	281.9
Total before offset	**340.4**	**14.8**	**325.6**
Offset	299.8	5.6	294.2
Deferred tax balances as disclosed in statement of financial position			
Assets	410.6	161.9	248.7
Liabilities	40.6	9.2	31.4

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

SIGNIFICANT ESTIMATES REGARDING RECOGNITION OF 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.

As at 31 January 2024, recognised deferred tax assets on tax losses brought forward were PLN 45.6 million for CCC S.A. and PLN 20.8 million for Modivo S.A. In the current year, the Management Board of CCC S.A. re-estimated the recoverable amount of deferred tax assets for 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. Therefore, as at 31 July 2024, an additional tax loss asset was recognised for CCC.eu Sp. z o.o., amounting to PLN 140.8 million, while Modivo S.A. utilised an asset of PLN 8.4 million.

As at the reporting date, deferred tax assets on tax losses brought forward were PLN 45.6 million for CCC S.A., PLN 22.4 million for Modivo S.A. and PLN 140.8 million for CCC.eu Sp. z o.o.

Based on the conducted recoverability analysis, the table below outlines the periods when tax loss assets are expected to be fully utilised

	H2 2024	2025	2026	2027	2028	Total
Estimated value of tax loss utilisation	188.5	451.6	353.6	106.9	0.0	1,100.5
Tax loss asset	35.5	85.8	67.2	20.3	0.0	208.8

for CCC S.A., CCC.eu and Modivo S.A.:

In the previous year, CCC.eu Sp. z o.o. did not recognise any assets on tax losses incurred on operating activities in 2020 (an asset of PLN 94.9 million), 2021 (an asset of PLN 48.1 million) and 2022 (an asset of PLN 40.6 million), totalling PLN 183.6 million. This year, the Management Board resolved to recognise a deferred tax asset given a significant improvement in financial performance, positive taxable results from the previous year and budgeted profits for the upcoming years. As at 31 July 2024, CCC.eu Sp. z o.o. had utilised PLN 42.9 million of the total PLN 71.6 million in tax losses planned for utilisation in 2024. The Management Board is of the opinion that this provides a reasonable basis for recognising the balance of the asset of PLN 140.8 million as at 31 July 2024.

The Management Board's analysis of the planned full-year taxable results, the timing and the likelihood of utilising the asset on tax losses of CCC.eu sp. z o.o. (based on estimated taxable results) is presented in the table below.

	2024	2025	2026	2027
Estimated taxable profit of CCC.eu Sp. z o.o. for the financial year	378.3	364.7	357.9	362.4
Estimated income tax for the financial year	71.9	69.3	68.0	68.8
Recoverable tax loss	71.6	47.5	44.4	20.3

CCC S.A. recognised a tax loss asset of PLN 45.6 million in previous years, relating to the equity basket in the income tax calculation of the tax group. The asset relates to capital losses incurred in previous years: 2021 (PLN 3.3 million), 2022 (PLN 29.0 million) and 2023 (PLN 13.3 million). The Management Board expects that capital gains sufficient to offset the recognised tax loss will be generated within the tax group.

As at 31 January 2024, Modivo S.A. recognised a tax loss asset pertaining to a loss of PLN 163.1 million incurred in 2023 resulting in a deferred tax asset of PLN 31 million. As at 31 July 2024, the company had utilised PLN 8.4 million of that asset to offset tax on taxable profit generated in the first half of 2024. The Management Board expects that half of the tax losses from previous years to be utilised in the current tax year (approximately PLN 7.0 million is planned to be utilised in the second half of the current year), with the remaining half to be used in the following year.

As at the reporting date, the unrecognised deferred tax asset stood at PLN 57.4 million and related to tax losses incurred in prior years by CCC Shoes & Bags d.o.o. Beograd, with the asset amounting to PLN 4.6 million, tax losses incurred in the current period by CCC Tech Sp. z o.o., with the asset amounting to PLN 2.7 million, and debt financing costs incurred by CCC.eu Sp. z o.o. and CCC S.A., with their effect on deferred tax amounting to PLN 38.8 million and PLN 11.4 million, respectively, which were excluded from the tax base in previous years due to the debt financing cost limit calculated in accordance with Art. 15c of the Corporate Income Tax Act. Under current regulations, the period when the tax losses of the said companies and the debt financing costs limited in previous periods can be utilised is five years. Given the uncertainty regarding the extent to which these temporary differences will be utilised, the Management Board decided not to recognise a deferred tax asset for these items in the current period.

(all amounts in PLN million unless stated otherwise)

MINIMUM TAX – PILLAR TWO MODEL RULES

The Group is subject to Pillar Two regime. Pillar Two rules have been implemented in Austria, Bulgaria, Croatia, the Czech Republic, Germany, Hungary, Italy, Romania, Slovakia, Slovenia, and Switzerland, entering into force for fiscal years beginning on or after 31 December 2023.

The Group applies the exception concerning the recognition and disclosure of information about deferred tax assets and liabilities related to minimum global tax (Pillar Two), as per the amendments to IAS 12 issued in May 2023.

Pursuant to local Pillar Two regulations, the Group is liable to pay a top-up tax equal to the difference between the jurisdictional GloBE effective tax rate (ETR) and the 15% minimum rate.

The Group is currently evaluating its exposure to Pillar Two regulations in the jurisdictions where it has subsidiaries. Based on preliminary tests under the Pillar Two safe harbour rules, the Group expects that the jurisdictions (excluding Poland) where it has subsidiaries may benefit from safe harbour provisions, meaning that they will not be liable to pay top-up taxes in any of these jurisdictions. The tests were conducted using accounting data for the six months ended 31 July 2024, as we believe this data provides the most accurate reflection of the companies' financial position and enables reliable and meaningful testing. It is anticipated that the results for the second half of 2024 will not significantly affect the conclusions.

As for the Group companies operating in Poland, given that the top-up tax regulations come into effect only in 2025 and the Group has no intention of applying these regulations retroactively (to the 2024 financial year), the Polish companies will not be subject to the top-up taxation in 2024.

The Group will keep track of the Pillar Two legislative process in each of the relevant jurisdictions (the legislative process in Poland is still ongoing) and the analysis will be updated accordingly.

6. OTHER NOTES

6.1. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

	31 Jul 2024		31 Jan 2024	
	unaudited, reviewed		audited	
	FINANCIAL ASSETS	FINANCIAL LIABILITIES	FINANCIAL ASSETS	FINANCIAL LIABILITIES
Financial assets at amortised cost	**633.3**	**–**	**463.0**	**–**
Loans	–	–	–	–
Trade receivables	252.1	–	194.1	–
Lease receivables	5.3	–	–	–
Receivables from sale of property, plant and equipment	32.5	–	2.4	–
Cash and cash equivalents	343.4	–	266.5	–
Financial assets measured at fair value through profit or loss	**13.1**	**–**	**11.7**	**–**
Other financial assets (shares)	11.2	–	11.2	–
Other financial assets (derivative financial instruments – forwards)	1.9	–	0.5	–
Financial liabilities at amortised cost	**–**	**6,555.7**	**–**	**5,928.0**
Financing liabilities	–	2,434.8	–	2,095.4
Trade and other payables	–	2,125.9	–	1,820.2
Returns liabilities	–	67.8	–	98.7
Lease liabilities	–	1,736.7	–	1,732.2
Liabilities arising from obligation to purchase non-controlling interests	–	190.5	–	181.5
Financial liabilities measured at fair value through profit or loss	**–**	**37.8**	**–**	**21.1**
Liabilities arising from obligation to purchase non-controlling interests	–	23.9	–	11.1
Derivative financial instruments embedded in bonds issued to PFR − Equity Kicker	–	6.1	–	6.6
Derivative financial instruments embedded in bonds convertible into Modivo shares − voluntary conversion option	–	7.8	–	3.4

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.

(all amounts in PLN million unless stated otherwise)

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:

Liabilities arising from obligation to purchase non-controlling interests – DeeZee option	1 Feb 2024–31 Jul 2024	1 Feb 2023–31 Jan 2024
	unaudited, reviewed	audited
At beginning of period	**11.1**	**31.1**
Remeasurement	12.8	-20.0
At end of period	**23.9**	**11.1**
Exercise date (possibility to exercise option on the initial date)	1 Jul 2024	1 Jul 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 the option to purchase non-controlling interests in DeeZee Sp. z o.o. is the 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 liability. Following a review of the financial results received from that company, which are used as the main parameter affecting the measurement of financial instruments under the option to purchase shares, the value of the financial instrument from option measurement was remeasured and recognised in the statement of comprehensive income under finance costs in the amount of PLN 12.8 million. The liability was measured at the amount due as at the reporting date (with a discount rate of 11.1% applied for the comparative period). Given that the obligation has been triggered, the liability is presented under current liabilities.

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 6.1 million as at the reporting date. The change in its measurement in the reporting period was PLN 0.5 million, recognised under finance income.

Derivative financial instruments embedded in bonds issued to PFR – Equity Kicker	1 Feb 2024–31 Jul 2024	1 Feb 2023–31 Jan 2024
	unaudited, reviewed	audited
At beginning of period	**6.6**	**6.5**
Remeasurement	-0.5	0.1
At end of period	**6.1**	**6.6**

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 – 22 September 2028
- risk-free rate – 5.13%
- expected volatility – 46.0%
- maximum duration of the option – 7 years
- base rate (3M WIBOR) for the first interest period – 0.24%

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 2023. 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 7.8 million. The difference between the carrying amount of the embedded instrument as at 31 July 2024 and its amount as at 31 January 2024 was PLN 4.4 million, 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:

- risk-free rate – 4.24%
- expected volatility – 46.4%
- maximum duration of the option – 4.5 years
- base rate (3M WIBOR) for the first interest period – 0.24%
- payment of contractual interest at a fixed rate of 6.99% per annum until 5 October 2024, and then at 10.99% – payment at settlement

Derivative financial instruments embedded in bonds convertible into Modivo S.A. shares – voluntary conversion option	1 Feb 2024–31 Jul 2024	1 Feb 2023–31 Jan 2024
	unaudited, reviewed	audited
At beginning of period	**3.4**	**15.8**
Remeasurement	4.4	-12.4
At end of period	**7.8**	**3.4**

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 170.0 million (carrying amount: PLN 170.0 million).

6.2. ACQUISITION OF SUBSIDIARIES AND ASSOCIATES

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

On 4 June 2024, following the fulfilment of conditions under the preliminary share purchase agreement, the CCC Group acquired control of those companies. Once the transaction was settled, CCC S.A. acquired 100% of shares (conferring the same voting power) in Rawaki Sp. z o.o. and 90% of shares in First Distribution s.r.o., while CCC Shoes and Bags Sp. z o.o. acquired 10% of shares in First Distribution s.r.o. Boardriders s.r.o. is wholly owned by First Distribution s.r.o. The transaction was a cash purchase.

The table below shows the companies' balance-sheet data as at the acquisition date, i.e. 4 June 2024, translated at the exchange rate effective for 4 June 2024 (CZK 1 – PLN 0.1714, EUR 1 – PLN 4.2923).

As at 31 July 2024, the Group provisionally accounted for the acquisition of the companies. The final accounting in accordance with the acquisition method will be made by 31 January 2025. Based on the provisional accounting, the Group recognised a gain on the bargain purchase of Rawaki Sp. z o.o. and First Distribution s.r.o. (PLN 3.6 million and PLN 4.4 million, respectively), primarily attributable to the fair value measurement of the acquired non-current assets (the purchase price mechanism was predominantly based on a working capital adjustment). The goodwill arising from the acquisition of Boardriders s.r.o. is estimated at PLN 1.3 million.

Revenues of Rawaki Sp. z o.o., First Distribution s.r.o. and Boardriders s.r.o. recognised in the consolidated statement of comprehensive income as of 4 June 2024 were, respectively: PLN 2.8 million, PLN 2.1 million and PLN 0.6 million. The companies' net losses for the same period were: PLN 1.0 million, PLN 0.3 million and PLN 0.1 million.

Recognised amounts of identifiable acquired assets and liabilities (PLN million) as at 4 June 2024	Rawaki Sp. z o.o.	First Distribution s.r.o.	Boardriders s.r.o.
Non-current assets			
Property, plant and equipment – leasehold improvements	0.7	0.6	0.1
Right-of-use assets	2.3	1.2	0.2
Deferred tax assets	1.5	–	–
Long-term investments	–	1.0	–
Total non-current assets	**4.5**	**2.8**	**0.3**
Current assets			
Inventories	1.6	1.2	0.5
Trade receivables	9.0	3.7	1.0
Other receivables	0.1	2.0	0.6
Cash and cash equivalents	5.8	4.7	0.3
Total current assets	**16.5**	**11.6**	**2.4**
Total assets	**21.0**	**14.4**	**2.7**
Non-current liabilities			
Lease liabilities	0.6	0.2	0.0
Total non-current liabilities	**0.6**	**0.2**	**0.0**

(all amounts in PLN million unless stated otherwise)

Current liabilities			
Trade payables	0.2	0.2	1.5
Other liabilities	2.0	–	2.4
Income tax liabilities	–	0.3	–
Provisions	–	0.5	–
Lease liabilities	1.7	0.9	0.1
Total current liabilities	**3.9**	**1.9**	**4.0**
Total liabilities	**4.5**	**2.1**	**4.0**
Net assets	**16.5**	**12.3**	**-1.3**
Net assets attributable to the acquired interests	16.5	12.3	-1.3
Consideration for acquisition	12.9	7.9	–
Goodwill determined	–	–	**1.3**
Gain on bargain purchase	**3.6**	**4.4**	–
Cash expenditure on acquisition	**12.9**	**7.9**	–
Paid in cash	12.9	7.9	0.0
Exchange rate as at acquisition date	1.0000	0.1740	4.2923

6.3. RELATED-PARTY TRANSACTIONS

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

	Liabilities to related parties (including financing liabilities)	Receivables from related parties (including loans)	Liabilities to related parties (including financing liabilities)	Receivables from related parties (including loans)
	31 Jul 2024	31 Jul 2024	31 Jan 2024	31 Jan 2024
	unaudited, reviewed	unaudited, reviewed	audited	audited
ASSOCIATES	2.8	–	2.0	–
ENTITIES RELATED TO KEY MANAGEMENT PERSONNEL	0.1	14.2	1.1	13.1
Total	**2.9**	**14.2**	**3.1**	**13.1**

	Proceeds from related-party transactions	Purchases from related parties	Proceeds from related-party transactions	Purchases from related parties
	1 Feb 2024–31 Jul 2024	1 Feb 2024–31 Jul 2024	1 Feb 2023–31 Jul 2023	1 Feb 2023–31 Jul 2023
	unaudited, reviewed	unaudited, reviewed	unaudited, reviewed	unaudited, reviewed
ASSOCIATES	0.1	4.5	–	3.2
ENTITIES RELATED TO KEY MANAGEMENT PERSONNEL	–	3.0	-0.9	10.1
Total	**0.1**	**7.5**	**-0.9**	**13.3**

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). In the reporting period, companies of the CCC Group engaged with Giro in purchase transactions totalling PLN 42.3 million and in sale transactions totalling PLN 0.6 million (PLN 67.4 million and PLN 3.8 million, respectively, in the period 1 February – 31 July 2023).

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 31 January 2024, 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 1 August 2021 to 31 July 2024, which also ended in the current financial year.

The long-term bonus for the second period was determined in accordance with the scheme rules, based on the difference between the average price of CCC S.A. shares for the three months prior to 31 July 2024, of PLN 124.4, and the incentive scheme price of PLN 118.5. The number of rights to benefit from share appreciation (number of options) used in the valuation was 100,000, with 22 June 2021 – 31 July 2024 as the vesting period.

The statement of financial position includes a cost of PLN 0.6 million recognised on the valuation of the incentive scheme under administrative expenses. As at 31 January 2024, a provision of PLN 0.02 million was recognised on that account under other current liabilities.

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 31 January 2024, 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 14 January 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 7 February 2022 (grant date) and the fair value of the equity instruments granted was determined as at that date.

The scheme was to remain in effect until 31 August 2024 or until Modivo S.A.'s majority shareholder sold, in a single transaction or a series of transactions, no less than 50% of Modivo S.A. shares or lost the majority of voting rights 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 S.A. or any Modivo Group company until the settlement date, and on the company's market value reaching at least PLN 8.0 billion. 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 27 June 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 8 billion to PLN 6 billion;
- allocation of significantly more rights to the first valuation threshold for 100% of Modivo's equity, i.e. PLN 6 billion; 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 31 December 2025 (originally 31 August 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).

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. 27 June 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 27 June 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 (7 February 2022 and 31 July 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 27 June 2023 was 392,673.

The adjustment to the cost of the scheme in the period covered by these financial statements was PLN 9.6 million, reducing administrative expenses, relative to PLN 2.9 million in the comparative period (recognised under salaries, wages and employee benefits, in correspondence with non-controlling interests). The recognition of income relative to cost in 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 S.A.). The cumulative cost of the scheme recognised until 31 July 2024 was PLN 20.7 million.

6.5. EVENTS AFTER REPORTING DATE

As announced in Current Report No. 30/2024, CCC Shoes & Bags Sp. z o.o. will purchase from MKK3 250,500 Modivo shares, i.e. approximately 2.5% of the company's share capital, for approximately PLN 100.0 million. As part of the arrangement, on 19 August 2024 MKK3 submitted relevant statements and, in accordance with the option agreement, the purchase of the shares by CCC Shoes & Bags Sp. z o.o. will take place by 19 November 2024. Pursuant to the option agreement, the option exercise period with respect to the remaining 2.5% of Modivo shares expires on 30 June 2026. The transaction is a step in pursuance of the CCC Group's objective to consolidate the Modivo shareholding. Additionally, in the second half of 2024, a transaction to purchase DeeZee Sp. z o.o. shares will also take place. The acquisition of Modivo shares and DeeZee Sp. z o.o. shares will be financed with CCC S.A.'s own funds. Once acquired, the shares will be pledged in favour of institutions financing CCC's operations.

On 23 September 2024, HALFPRICE ESPAÑA, S.L. of Madrid, Spain, established its Articles of Association, with CCC S.A. acquiring 100% of the shares in the new company. As at the issue date of these financial statements, the company was not yet operational. It was established to conduct retail operations under the HalfPrice brand in Spain.

On 16 September 2024, the Supervisory Board of Modivo S.A. removed Marcin Czyczerski from his position of President of the Management Board, effective from the end of the day on 16 September 2024. At the same time, the Supervisory Board appointed Dariusz Miłek as President of the Management Board, effective 17 September 2024. Consequently, Dariusz Miłek resigned from the Company's Supervisory Board, effective upon his appointment as President of the Management Board. These changes are intended to drive deeper integration and more fully capitalise on synergies between CCC Group companies, in order to meet current needs and set strategic growth directions.

INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS FOR THE SIX MONTHS

from 1 February 2024
to 31 July 2024

INTERIM CONDENSED SEPARATE STATEMENT OF COMPREHENSIVE INCOME

	1 Feb 2024–31 Jul 2024 unaudited, reviewed	1 Feb 2023–31 Jul 2023 unaudited, reviewed	1 May 2024–31 Jul 2024 unaudited, unreviewed	1 May 2023–31 Jul 2023 unaudited, unreviewed
Continuing operations				
Revenue	1,356.6	1,289.8	698.6	698.5
Cost of sales	-931.0	-923.5	-490.4	-521.2
Gross profit	**425.6**	**366.3**	**208.2**	**177.3**
Costs of points of purchase and distribution	-345.9	-314.5	-169.6	-154.3
Administrative expenses	-43.0	-38.9	-25.6	-19.6
Other income	8.4	20.7	4.8	14.4
Other expenses	-11.3	-2.5	-0.5	-0.9
(Recognition) / Reversal of loss allowances (impairment losses on receivables)	-0.2	-10.1	-0.1	-10.4
Operating profit (loss)	**33.6**	**21.0**	**17.2**	**6.5**
Finance income	44.2	140.0	22.1	117.6
(Recognition) / Reversal of expected credit loss allowances (loans and sureties provided)	15.8	45.4	15.8	45.4
Impairment losses on shares	–	-9.2	–	5.4
Finance costs	-58.3	-62.6	-29.8	-33.9
Profit (loss) before tax	**35.3**	**134.6**	**25.3**	**141.0**
Income tax	-5.8	17.3	-3.7	14.8
Net profit (loss)	**29.5**	**151.9**	**21.6**	**155.8**
Total comprehensive income	**29.5**	**151.9**	**21.6**	**155.8**
Weighted average number of ordinary shares (million)	**68.9**	**63.0**	**68.9**	**68.2**
Basic earnings (loss) per share (PLN)	**0.43**	**2.41**	**0.31**	**2.28**
Diluted earnings (loss) per share (PLN)	**0.43**	**2.41**	**0.31**	**2.28**

(all amounts in PLN million unless stated otherwise)

INTERIM CONDENSED SEPARATE STATEMENT OF FINANCIAL POSITION

	31 Jul 2024	31 Jan 2024
	unaudited, reviewed	audited
Intangible assets	2.7	3.2
Goodwill	48.8	48.8
Property, plant and equipment – leasehold improvements	282.9	266.2
Property, plant and equipment – distribution	–	5.6
Property, plant and equipment – other	16.6	36.4
Right-of-use assets	382.3	378.0
Deferred tax assets	61.2	60.9
Loans	632.2	869.1
Long-term investments	1,310.1	1,290.1
Long-term receivables	2.0	0.1
Lease receivables	76.3	86.2
Non-current assets	**2,815.1**	**3,044.6**
Inventories	414.6	351.3
Trade receivables	30.9	67.2
Loans	57.3	52.3
Other receivables	52.6	46.7
Cash and cash equivalents	69.6	33.4
Lease receivables	30.9	29.8
Current assets	**655.9**	**580.7**
TOTAL ASSETS	**3,471.0**	**3,625.3**
Liabilities under borrowings and bonds	509.1	537.6
Provisions	3.9	3.6
Lease liabilities	401.3	404.9
Oher non-current liabilities	1.1	1.3
Other non-current financial liabilities	6.1	6.6
Non-current liabilities	**921.5**	**954.0**
Liabilities under borrowings and bonds	14.8	253.5
Trade and other payables	240.4	164.0
Other liabilities	97.5	101.5
Income tax liabilities	1.6	0.9
Provisions	27.3	12.2
Lease liabilities	190.9	191.7
Current liabilities	**572.5**	**723.8**
TOTAL LIABILITIES	**1,494.0**	**1,677.8**
NET ASSETS	**1,977.0**	**1,947.5**
Equity		
Share capital	6.9	6.9
Share premium	1,648.2	1,648.2
Retained earnings	321.9	292.4
TOTAL EQUITY	**1,977.0**	**1,947.5**
TOTAL EQUITY AND LIABILITIES	**3,471.0**	**3,625.3**

(all amounts in PLN million unless stated otherwise)

INTERIM CONDENSED SEPARATE STATEMENT OF CASH FLOWS

	1 Feb 2024–31 Jul 2024	1 Feb 2023–31 Jul 2023	1 May 2024–31 Jul 2024	1 May 2023–31 Jul 2023
	unaudited, reviewed	unaudited, reviewed	unaudited, unreviewed	unaudited, unreviewed
Profit (loss) before tax	**35.3**	**134.6**	**25.3**	**141.0**
Depreciation/amortisation	77.8	72.1	37.0	32.0
Impairment of property, plant and equipment, rights-of-use assets, and intangible assets	10.8	–	–	–
(Gain) loss from investing activities	-0.8	9.8	0.2	-5.0
Borrowing costs	54.0	59.1	29.1	31.7
Other adjustments to profit before tax	-40.0	-174.3	-33.6	-115.4
Income tax paid	-5.5	-5.8	-1.9	-3.2
Cash flow before changes in working capital	**131.6**	**95.5**	**56.1**	**81.1**
Changes in working capital				
Change in inventories and inventory write-downs	-63.3	21.4	15.3	41.5
Change in receivables	44.8	-3.1	24.8	-13.2
Change in current liabilities, net of borrowings and bonds	71.4	126.0	-5.7	93.1
Net cash flows from operating activities	**184.5**	**239.8**	**90.5**	**202.5**
Proceeds from sale of property, plant and equipment	22.5	0.1	10.0	0.1
Repayment of loans and payment of interest	34.0	9.5	10.2	1.1
Purchase of intangible assets and property, plant and equipment	-45.9	-27.9	-30.3	-11.0
Loans	-0.7	-500.9	–	-328.0
Acquisition of subsidiaries	-20.0	–	-20.0	–
Other cash provided by investing activities	16.8	15.5	8.9	8.1
Net cash flows from investing activities	**6.7**	**-503.7**	**-21.2**	**-329.7**
Proceeds from borrowings	–	–	–	-0.1
Share issue	–	501.6	–	212.3
Other cash provided by financing activities	2.6	9.4	1.0	3.8
Lease payments	-64.6	-72.4	-40.2	-36.4
Interest paid	-56.2	-94.0	-45.6	-84.1
Repayment of borrowings	-20.6	-0.3	–	–
Payments for commission fees on credit facilities	-16.2	–	-16.2	–
Net cash flows from financing activities	**-155.0**	**344.3**	**-101.0**	**95.5**
TOTAL CASH FLOWS	**36.2**	**80.4**	**-31.7**	**-31.7**
Net increase/decrease in cash and cash equivalents	36.2	80.4	-31.7	-31.7
Cash and cash equivalents at beginning of period	**33.4**	**38.0**	**101.3**	**150.1**
Cash and cash equivalents at end of period	**69.6**	**118.4**	**69.6**	**118.4**

(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 1 Feb 2024	**6.9**	**1,648.2**	**292.4**	**1,947.5**
Net profit (loss) for period	–	–	29.5	29.5
Total comprehensive income	**–**	**–**	**29.5**	**29.5**
As at 31 Jul 2024	**6.9**	**1,648.2**	**321.9**	**1,977.0**

unaudited, reviewed	SHARE CAPITAL	SHARE PREMIUM	RETAINED EARNINGS	TOTAL EQUITY
As at 1 Feb 2023	**5.5**	**1,148.0**	**71.6**	**1,225.1**
Net profit (loss) for period	–	–	151.9	151.9
Total comprehensive income	**–**	**–**	**151.9**	**151.9**
Share issue	1.4	500.2	–	501.6
Total transactions with owners	**1.4**	**500.2**	**–**	**501.6**
As at 31 Jul 2023	**6.9**	**1,648.2**	**223.5**	**1,878.6**

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).**	
Composition of the Management Board as at the reporting date:	**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.

The Company is the parent of the CCC Group (the "CCC Group", the "Group").

These interim condensed separate financial statements of the Company cover the six months ended 31 July 2024 and contain comparative data for the six months ended 31 July 2023 and as at 31 January 2024. The statement of comprehensive income and notes to the statement of comprehensive income contain data for the three months ended 31 July 2024 and comparative data for the three months ended 31 July 2023, which has not been audited or reviewed by an auditor.

The Company has also prepared interim condensed consolidated financial statements for the six months ended 31 July 2024, which were authorised for issue by the Management Board on 24 September 2024. The interim condensed consolidated financial statements of the CCC Group have been prepared in accordance with IFRS. The statements can be accessed on 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).

On 23 July 2024, Igor Matus resigned as Vice President and Member of the Company's Management Board, with effect from 16 September 2024.

As at the reporting date and the date of issue of these condensed financial statements, the Supervisory Board was composed of: Wiesław Oleś as Chairman, with Zofia Dzik, Filip Gorczyca, Mariusz Gnych, Marcin Stańko, and Piotr Kamiński serving as Members of the Supervisory Board.

The Company has an unlimited duration.

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 31 January 2024, authorised for issue on 5 April 2024.

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 interim condensed financial statements have been prepared under the going concern assumption, indicating that the Company and the CCC Group (the "Group") are expected to continue their operations for the foreseeable future, specifically for a period of at least 12 months from the reporting date.

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

- CCC Business Unit (the CCC Group excluding the Modivo Business Unit); and separately for
- 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.

As at 31 July 2024, CCC S.A.'s current assets exceeded its current liabilities by PLN 83.4 million.

This note presents important issues, including risks to the Group's ability to continue as a going concern for the foreseeable future, related to the burdens of the existing credit facility agreements and debt instruments of the CCC Business Unit (the CCC Group excluding the Modivo Group i.e. the Modivo Business Unit, in accordance with the terms of the agreement of 12 July 2024 executed by companies of the CCC Group), as well as the financing provided to the Modivo Business Unit.

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

<u>Going concern assessment of the CCC Business Unit</u>

On 12 July 2024, CCC S.A., CCC.eu Sp. z o.o. and HalfPrice Sp. z o.o. executed a financing agreement for up to PLN 1.8 billion with a syndicate of banks (the "New Syndicated Agreement") to refinance debt outstanding under the Credit Facility Agreement of 2 June 2021 and to ensure continued financing for the CCC Business Unit. Under the New Syndicated Agreement, the available financing was increased to a total limit above the previous one of PLN 1.2 billion, specifically by increasing the limits on bank guarantees, letters of credit, and reverse factoring. For details of the agreement, see Note 4.2 'Debt'.

The New Syndicated Agreement has enhanced the flexibility of available financing, reduced its cost and extended its maturities, representing a significant risk mitigant in terms of the CCC Business Unit's ability to continue as a going concern.

The financing terms under the New Syndicated Agreement require the CCC Business Unit to maintain its Net Financial Exposure ratio – as at 31 October 2024 and for each subsequent quarter – at no more than 3.5, its Payments Coverage ratio, DSCR and cash – as at 31 January 2025 and for each subsequent quarter – at no less than 1.2, no less than 1.5, and no less than PLN 160 million, respectively, as well as its annual Capital Expenditure (for the ending year) at no more than PLN 275 million (or PLN 400 million if the Net Financial Exposure ratio falls below 2.0).

Based on the Annual Budget of the CCC Business Unit for 2024 and financial plans for subsequent periods prepared by the Management Board of CCC S.A., the Management Board expects – to the best of its knowledge – that the terms of the New Syndicated Agreement of 12 July 2024, as outlined above, will not be breached within the next 12 months.

Further delivery of the CCC Group's Annual Budget for 2024 and financial plans for future periods, including all initiatives, goals, plans and projections, is subject to future risks, including:

- 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.

The Annual Budget for 2024 was prepared based on estimates of certain macroeconomic variables including:

- an inflation rate of 6.6%, based on available market analyses and closely aligned with the inflation rate projected in the 2024 state budget, with the exception of costs that are subject to statutory adjustments. At the same time, the Group expects that the increase in costs driven by inflation will be offset by saving measures, including the annualised effect of cost-saving initiatives implemented in the second half of 2023 and reorganisations in the technology and expansion areas made in 2024;

- the key foreign exchange rates factored into the budget were the EUR/PLN and USD/PLN exchange rates, assumed to be 4.35 and 4.0, respectively;
- based on internal analyses, the average level of the key reference rate (1M WIBOR), which determines the borrowing cost for the CCC Group, was estimated to be 5.8%.

An in-depth sensitivity analysis of the Annual Budget for 2024 and plans for future periods covering the next 12 months conducted by the Management Board of CCC S.A. for the CCC Business Unit shows that, even with the individual variation in any of the following parameters, as compared with the assumptions in the Annual Budget (with all other factors remaining unchanged):

- the average annual PLN exchange rate weakens by PLN 0.20 relative to the main foreign currencies (EUR and USD);
- the gross margin falls by 2pp and sales decline by 15%, taking into account the proportional effect of a decrease in variable costs;
- the average annual 1M WIBOR rate increases by 2pp;

then the financial covenants as at the successive testing dates over at least the next 12 months will be achieved as required by the financing agreements.

Going concern assessment of the Modivo Business Unit

Financing within the Modivo Business Unit comprises credit liabilities and bank guarantee limits, with maturity dates of 29 April 2025 (up to a limit of PLN 260 million with Bank Polska Kasa Opieki Bank Polski S.A.) and 21 November 2025 (up to a total limit of PLN 180 million with Bank Powszechna Kasa Oszczędności Bank Polski S.A.). Furthermore, reverse factoring limits amounting to PLN 170.0 million are due to mature in October 2024, but the Management Board of Modivo S.A. believes this will have no material effect on the company's and the Group's liquidity position given the payment terms negotiated with its suppliers.

The bulk of the debt financing is in the form of bonds convertible into shares of Modivo S.A., totalling PLN 822.9 million as at the reporting date, issued to SVF II Motion Subco (DE) LLC, a Softbank Group company. These bonds are redeemable on 5 April 2026 unless they are converted into shares upon an initial public offering (IPO) of Modivo S.A. shares or repaid before the redemption date. The bonds are classified as current liabilities in anticipation of the planned IPO, and should the IPO proceed, they will be mandatorily converted into shares.

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

- net debt/EBITDA, calculated by reference to the definitions provided in the financing agreements, at a level not exceeding 3.5, with the ratio tested on 31 January and 31 July each year during the term of the agreement (for agreements with SVF II Motion Subco (DE) LLC, the ratio must not exceed 5).

If this ratio is exceeded on the testing date, the financial institutions may terminate the agreements immediately.

As for the Modivo Business Unit, it has obtained a waiver from the requirement to test certain financial covenants, as discussed below:

- on 21 November 2023, the Management Board of the Modivo Business Unit signed an amendment to the agreement with PKO BP S.A. extending the availability period of the multi-purpose credit facility limit until 21 November 2025. The facility amount remained unchanged, with the sublimit of PLN 180.0 million on the overdraft facility and the sublimit of PLN 50 million on guarantees and letters of credit. The amendment introduced new financial covenants for the Modivo Business Unit: EBITDA as at 30 April 2024 and a quarterly DSCR of above 1.2 starting from 31 July 2024;
- on 26 and 27 March 2024, the Management Board of Modivo S.A. secured consent from Bank Powszechna Kasa Oszczędności Bank Polski S.A., Pekao Faktoring Sp. z o.o., and Bank Polska Kasa Opieki S.A. to waive the testing of the financial covenants as at both 30 April 2024 and 31 July 2024. Additionally, a one-time covenant was established for net debt (excluding bonds) not to exceed PLN 548.0 million as at 31 July 2024;
- on 2 April 2024, the Management Board of Modivo S.A. received consent from Softbank to waive the testing of the financial covenant as at 31 July 2024;
- on 20 September 2024, MODIVO S.A. received consent from PKO BP to change the Net Financial Debt/EBITDA covenant, to be tested on 31 January 2025, to a level not exceeding 5.5. On 20 September 2024, Bank PEKAO S.A. and PEKAO Faktoring Sp. z o.o. agreed to waive the testing of financial covenants as at 31 January 2025, and to introduce a one-off covenant requiring that net debt (excluding bonds) not exceed PLN 548 million as at 31 January 2025. The covenant ratio will be calculated semi-annually, starting with the data for the period ending 31 January 2025, based on the consolidated figures of the MODIVO Group. EBITDA will be calculated using the values from the last four quarters, and a negative ratio resulting from negative EBITDA will be considered a breach of the covenant.

Consequently, as at the reporting date and the date of these financial statements, there were no breaches of the applicable financial covenants under the financing agreements.

The upcoming testing dates for the net financial debt to EBITDA ratio are 31 January 2025, when the ratio must not exceed 5.0 for Softbank bonds and 5.5 for the credit facility agreement with PKO BP S.A., and 31 July 2025, when it must not exceed 3.5. For the bond covenant, a breach occurs if the covenant is not met twice.

EBITDA monitored for covenant ratio calculations by the Modivo Business Unit for the six months ended 31 July 2024 amounted to PLN 8.0 million (PLN 31.5 million for bond covenants). As at that date, net financial debt was PLN 1,247.9 million. In the second half of 2024, assuming the projected net financial debt level, the Modivo Business Unit must achieve an EBITDA of PLN 180.0 million for bank covenants (PLN 183.0 million for bond covenants), and in the next 12 months, that is by 31 July 2025, an EBITDA of PLN 9.3 million, in order to meet the financial covenants outlined above (taking into account, among other things, a potential reduction in bond debt if converted to shares during the initial public offering of Modivo S.A.). In the case of credit facilities maturing within 12 months, the Management Board plans to either extend their financing or, if repayment is required, considers such repayment feasible.

Based on analyses carried out by the Group's Management Board with respect to the Modivo Business Unit, the Management Board expects – to the best of its knowledge – that the financial covenants will be complied with as at the successive testing dates.

Significant improvements in the performance of the Modivo Business Unit are expected, driven by the implementation of the following margin-enhancing measures:

- increasing the share of CCC products with very high margins;
- securing more favourable contracts for the supply of merchandise;
- wholesale transactions with very high margins;

as well as ancillary activities, which often achieve 100% margins:

- more than doubling the margin in Marketplace operations;
- growing revenue (margins) from services provided to the CCC Business Unit;
- planned increases in Minimum Order Value (MOV), which will lower delivery costs;
- discontinuing the Reserve & Collect programme and replacing it with the Click and Collect (CC) model, which will offer higher margins.

On the cost side, initiatives are being implemented to significantly reduce the operating costs of the Modivo Business Unit.

A sensitivity analysis of the financial projections through 31 January 2025 conducted for the Modivo Business Unit indicates that, even if any the following parameters deviate from current projections for the next six months (with all other factors remaining unchanged), namely:

- revenue declines by 4%, taking into account the effect on variable costs and measures implemented to reduce other costs;
- gross margin falls by 1.8pp, taking into account measures implemented to reduce operating expenses;
- average annual inflation rate increases by 3.3pp;

the financial covenants as at 31 January 2025 will be complied with as required by the financing agreements.

The Management Board considered the risk of breaching the terms of financing agreements as at 31 July 2025, in light of the potential initial public offering of Modivo S.A., to be low for the Modivo Business Unit.

If the actual performance comes in significantly below financial projections, for both the CCC Business Unit and the Modivo Business Unit, but still allows them to meet the financial covenants required by lenders, the Management Board believes each Business Unit may take a number of measures to improve the Group's financial performance in the short term, including the individual performance of the CCC and Modivo Business Units. Such measures include cost-saving initiatives beyond those planned in the Annual Budget, as well as further optimisation of the working capital and product portfolio towards high-margin goods. The available cost-saving measures for the CCC Business Unit include the effects of saving programmes implemented in the second half of 2023, reorganisations in the technology and expansion areas, further reduction of marketing expenses and savings from linking bonus schemes with financial performance. For the Modivo Business Unit, potential cost-saving measures include a review of its stores and zones (leading to the closures of unprofitable or poorly performing outlets), optimisation of employment, abandonment of low-return consumer schemes with high advertising costs, as well as a fixed cost reduction programme. Additionally, given the consents obtained historically, as described above, the Management Board believes that it will be able to secure necessary agreements with financing institutions.

Furthermore, the Management Board of CCC S.A. reaffirms the possibility of, and its commitment to, pursuing the initial public offering of Modivo S.A. as part of its debt reduction plan, within the timelines required to meet the stipulations of the credit facility agreements.

In conclusion, despite the risks mentioned above for both the CCC Business Unit and the Modivo Business Unit, the Management Board believes – based on the Annual Budget for 2024 and financial plans for future periods, including the analyses performed and available remedial measures – that there is no significant uncertainty as to the Company's and the Group's ability to continue as a going concern for the foreseeable future.

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 11.2.

Impairment losses on shares

As at 31 July 2024, no indications of impairment of shares in subsidiaries and associates were identified. As at 31 July 2024, the impairment loss on shares stood at PLN 9.2 million.

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.

The Company has not observed any material deterioration in repayment rates or an increase in the number of bankruptcies or reorganisations among its customers. Accordingly, the Company expects that the collectability of the trade and other receivables disclosed in the statement of financial position as at 31 July 2024, maturing in the coming months, will remain substantially unchanged.

The impairment loss on trade receivables did not change materially relative to 31 January 2024 as the prevailing market conditions were substantially the same and there was no significant change in credit risk.

For loans and credit sureties provided, the Company measures expected credit loss allowances in amounts 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 significant increase in credit risk from initial recognition with respect to any of the loans. In the reporting period, loans totalling PLN 284.0 million were repaid, the probability of default (PD) was reduced, and the companies' ratings improved, resulting in a decrease of expected credit losses on loans by PLN 14.4 million.

For detailed information on impairment losses recognised on trade receivables, lease receivables, other receivables, loans, sureties and guarantees, see Note 11.2.

The provision for sureties provided was reduced by PLN 1.4 million on account of a decrease in PD (probability of default) with a concurrent increase in the CCC Group's debt covered by the sureties.

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

As at 31 July 2024, 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. For information on impairment of the aforementioned assets, see Note 11.2.

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 31 July 2024, 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 planned equity transactions.

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 1 February 2023 – 31 January 2024, except for the application of new or amended standards and interpretations effective for annual periods beginning on or after 1 February 2024.

New and amended accounting standards

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

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

The other new and amended standards which apply for the first time in 2024 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.

The Company changed the presentation of receipts from lease incentives in the consolidated statement of cash flows. Since 1 February 2024, these receipts have been presented within financing activities. The Company believes that this change accurately represents the impact as a reduction in payments made to the lessor, resembling repayment of the financing extended. To ensure data comparability, the comparative data was restated accordingly. Proceeds from settlement of leasehold improvements with landlords, presented in the statement of cash flows as at 31 July 2023 under cash flows from investing activities, in an amount of PLN 9.4 million, were reclassified to other cash provided by financing activities.

FACTORS WITH MATERIAL BEARING ON THE INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS

Statement of comprehensive income

Revenue

The 5% year-on-year increase in revenue (by PLN 66.8 million) was driven by continued roll-out of the omnichannel model and expansion of the available product range.

Cost of sales

Cost of sales rose by 1% relative to the same period of the previous year. Gross margin in the six months ended 31 July 2024 reached 31.4% of revenue, relative to 28.4% in the comparative period. Its change was attributable to lower discounting.

Costs of points of purchase and distribution

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

- PLN 21.0 million increase in salaries, wages and employee benefits expense, attributable to a rise in minimum wage,
- PLN 8.2 million increase in other rental costs (mainly variable costs: utilities, electricity, etc.);
- PLN 5.5 million increase in depreciation charges on buildings and structures due to an increase in leasehold improvements.

Administrative expenses

The 11% year-on-year rise in administrative expenses was due to a PLN 6.5 million increase in other costs by nature of expense led by higher expenses on advisory services, combined with a decrease in salaries and wages (down by PLN 1.9 million).

Other income and expenses

Other income fell by PLN 59% year on year, to PLN 8.4 million. The decline resulted mainly from reversal in the comparative period of the provision for guarantees related to CCC Germany, amounting to PLN 9.1 million.

Other expenses rose by PLN 8.8 million year on year, to PLN 11.3 million. Their increase was attributable to the recognition of impairment losses on the property in Słupsk, transferred to assets held for sale as at 30 April 2024. As at the transfer date, the carrying amount of the asset exceeded its potential market price, leading to the recognition of an impairment loss of PLN 10.8 million as at 30 April 2024. On 4 June 2024, the property was sold for PLN 10.0 million.

The allowance for expected credit losses on trade receivables, other receivables and lease receivables was PLN 0.2 million. For more information, see Note 11.2.

Consequently, the operating result for the six months ended 31 July 2024 was PLN 33.6 million, up by PLN 12.6 million year on year.

Finance costs and income

In the reporting period, finance income was PLN 44.2 million, comprising mainly interest income of PLN 37.5 million and foreign exchange gains of PLN 3.6 million. It also included PLN 0.5 million from valuation of the derivative financial instrument (Equity Kicker) embedded in bonds issued to PFR. For more information, see Note 11.2.

In the six months ended 31 July 2024, expected credit loss allowances were reversed in connection with sureties provided and impairment losses on loans in a total amount of PLN 15.8 million.

Finance costs amounted to PLN 58.3 million and included mainly interest expense on borrowings and bonds of PLN 44.3 million and interest expense on leases of PLN 10.2 million.

Income tax amounted to PLN 5.8 million, reducing profit before tax.

Net profit booked by CCC S.A. for the six months ended 31 July 2024 was PLN 29.5 million, down by PLN 122.4 million year on year.

Statement of financial position

As at 31 July 2024, CCC S.A.'s total assets amounted to PLN 3,471.0 million, down by PLN 154.3 million on 31 January 2024.

Assets

As at 31 July 2024, non-current assets amounted to PLN 2,815.1 million, down by PLN 229.5 million on the end of the previous year.

On 4 June 2024, the Company purchased 100% of shares in Rawaki Sp. z o.o. of Warsaw for PLN 12.9 million and 90% of shares in First Distribution s.r.o. of Prague for PLN 7.1 million.

Property, plant and equipment – leasehold improvements as at 31 July 2024 amounted to PLN 282.9 million, up by PLN 16.7 million on 31 January 2024. The change includes depreciation of PLN 22.4 million and expenditure on stores of PLN 45.0 million. The net value of leasehold improvements derecognised in the reporting period was PLN 4.0 million, while transfers of assets between groups – decreases amounted to PLN 1.9 million. Property, plant and equipment – distribution fell mainly as a result of derecognition of assets with a net carrying amount of PLN 2.8 million and transfers between groups of PLN 3.0 million. Property, plant and equipment – other decreased as a result of derecognition of assets with a net carrying amount of PLN 3.2 million, transfers between groups of PLN 15.9 million and depreciation charges of PLN 0.7 million.

As at the reporting date, the right-of-use assets were PLN 382.3 million, up by PLN 4.3 million on 31 January 2024. The most significant changes were due to lease modifications extending the contract terms of PLN 57.1 million, rent adjustments, etc. (increase in the value of assets).As at 31 July 2024, depreciation of right-of-use assets stood at PLN 55.8 million. The reporting period saw the execution of new lease contracts (an increase of PLN 3.0 million due to new store openings).

As at the reporting date, long-term and short-term loans amounted to PLN 689.5 million, down by PLN 231.9 million on the end of the previous year. The decrease resulted mainly from offsetting a loan of PLN 250.0 million advanced to CCC.eu Sp. z o.o. (please refer to Note 10.2 for details). In the six months ended 31 July 2024, new loans of PLN 0.7 million were advanced (under the existing terms and conditions), interest accrued and paid totalled PLN 37.5 million and PLN 34.0 million, respectively, while foreign exchange losses on loans amounted to PLN 0.5 million. The change in allowances for expected credit losses on loans was a decrease of PLN 14.4 million. For a summary of movements in impairment losses on assets, see Note 11.2.

Long-term and short-term lease receivables amounted to PLN 107.2 million, down by PLN 8.8 million on 31 January 2024. The decrease resulted primarily from payment of receivables (PLN 16.8 million), contract modifications (PLN 2.1 million) and foreign exchange losses (PLN 1.4 million), with the addition of new contracts (PLN 8.3 million) and interest accrued (PLN 3.2 million).

Current assets rose by PLN 75.2 million relative to 31 January 2024. The change in the balance of current assets was largely attributable to an increase in inventories and cash of PLN 63.3 million and PLN 36.2 million, respectively, with trade receivables down by PLN 36.3 million (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 414.6 million, up by 18% on 31 January 2024. The balance of inventories comprised merchandise, which grew by PLN 60.8 million to PLN 411.6 million, and returns assets of PLN 5.1 million. Returns assets are related to customers' right to return unused goods. For detailed information on inventory write-downs (as at 31 July 2024: PLN 2.1 million), see Note 11.2.

Trade receivables fell by PLN 36.3 million year on year due to the seasonal nature of the business. Other receivables included prepayments for deliveries of PLN 0.7 million, prepaid expenses of PLN 10.1 million, receivables related to sale of property, plant and equipment of PLN 3.4 million, tax receivables other than under income tax of PLN 0.5 million, financial receivables of PLN 15.5 million reflecting recharged commission fees for the provision of guarantees and credit facilities to CCC.eu Sp. z o.o., and other receivables of PLN 22.4 million (security deposits and recharge of utility costs for subleased premises to Modivo Sp. z o.o.).

(all amounts in PLN million unless stated otherwise)

Equity and liabilities

Other non-current financial liabilities of PLN 6.1 million are related to the fair value measurement of the derivative instrument containing a potential obligation under the 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 10.

Current and non-current lease liabilities amounted to PLN 592.2 million, down by PLN 4.4 million on 31 January 2024. The change in the six months to 31 July 2024 resulted from the addition of new contracts (an increase of PLN 3.0 million), modification and amendment to the scope of contracts, which led to an increase in the liabilities by PLN 63.2 million, with interest accrued of PLN 12.9 million. Payments of liabilities over the period amounted to PLN 77.6 million, exchange differences on contracts denominated in foreign currencies were positive, reducing the liability by PLN 5.9 million. In the six months ended 31 July 2024, interest paid on leases was PLN 13.0 million.

Trade and other payables rose by PLN 76.4 million on 31 January 2024, which was attributable to the Company's stocking up on merchandise.

As at 31 July 2024, other liabilities amounted to PLN 97.5 million, having decreased by 4% relative to 31 January 2024. The balance of liabilities comprised:

- accruals and deferred income of PLN 35.1 million, 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 20.1 million;
- amounts due to employees of PLN 17.6 million;
- liabilities under contracts with customers of PLN 22.8 million reflecting the amount of unredeemed gift cards and liabilities under the CCC Club loyalty scheme; and
- other liabilities of PLN 1.9 million.

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 11.1.

As at 31 July 2024, equity stood at PLN 1,977.0 million, having increased by PLN 29.5 million on 31 January 2024 as a result of net profit of PLN 29.5 million recorded for the six months to 31 July 2024.

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.

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

9.1. REVENUE

Revenue from contracts with customers by category is presented below.

	1 Feb 2024–31 Jul 2024	1 Feb 2023–31 Jul 2023	1 May 2024–31 Jul 2024	1 May 2023–31 Jul 2023
	unaudited, reviewed	unaudited, reviewed	unaudited, unreviewed	unaudited, unreviewed
Revenue				
Footwear	1,177.6	1,075.7	606.0	586.2
Bags	97.6	56.9	55.0	33.6
Other [1]	68.5	59.3	35.8	29.2
Total revenue from sales of merchandise	**1,343.7**	**1,191.9**	**696.8**	**649.0**
Services	12.9	97.9	1.8	49.5
Total revenue	**1,356.6**	**1,289.8**	**698.6**	**698.5**

[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.

(all amounts in PLN million unless stated otherwise)

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. In connection with the Programme, the Company adjusted its revenue to reflect a change of the liability under contracts with customers. As at 31 July 2024, the liability amounted to PLN 8.8 million, compared with PLN 6.8 million as at 31 January 2024. As at 31 July 2024, the liability under gift cards amounted to PLN 14.0 million (31 January 2024: PLN 25.3 million).

9.2. COSTS BY NATURE OF EXPENSE

1 Feb 2024–31 Jul 2024 unaudited, reviewed	COST OF SALES	COSTS OF POINTS OF PURCHASE AND DISTRIBUTION	ADMINISTRATIVE EXPENSES	TOTAL
Cost of merchandise sold	-932.8	–	–	-932.8
Raw material and consumables used	–	-8.3	-1.6	-9.9
Inventory write-downs	1.8	–	–	1.8
Salaries, wages and employee benefits	–	-136.0	-7.2	-143.2
Transport services	–	-17.8	-0.1	-17.9
Rental costs – utilities and other variable costs	–	-82.4	-7.0	-89.4
Depreciation/amortisation	–	-71.9	-5.9	-77.8
Taxes and charges	–	-9.0	-0.5	-9.5
Other general expenses	–	-20.5	-20.7	-41.2
Total	**-931.0**	**-345.9**	**-43.0**	**-1,319.9**

1 Feb 2023–31 Jul 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 general expenses	–	-20.2	-14.2	-34.4
Total	**-923.5**	**-314.5**	**-38.9**	**-1,276.9**

1 May 2024–31 Jul 2024 unaudited, unreviewed	COST OF SALES	COSTS OF POINTS OF PURCHASE AND DISTRIBUTION	ADMINISTRATIVE EXPENSES	TOTAL
Cost of merchandise sold	-492.0	–	–	-492.0
Raw material and consumables used	–	-3.4	-0.6	-4.0
Inventory write-downs	1.6	–	–	1.6
Salaries, wages and employee benefits	–	-69.3	-3.3	-72.6
Transport services	–	-10.3	-0.1	-10.4
Rental costs – utilities and other variable costs	–	-37.6	-3.1	-40.7
Depreciation/amortisation	–	-34.2	-2.8	-37.0
Taxes and charges	–	-4.2	-0.1	-4.3
Other general expenses	–	-10.6	-15.6	-26.2
Total	**-490.4**	**-169.6**	**-25.6**	**-685.6**

(all amounts in PLN million unless stated otherwise)

1 May 2023–31 Jul 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 general expenses	–	-13.0	-7.8	-20.8
Total	**-521.2**	**-154.3**	**-19.6**	**-695.1**

9.3. OTHER INCOME AND EXPENSES, FINANCE INCOME AND COSTS

	1 Feb 2024–31 Jul 2024 unaudited, reviewed	1 Feb 2023–31 Jul 2023 unaudited, reviewed	1 May 2024–31 Jul 2024 unaudited, unreviewed	1 May 2023–31 Jul 2023 unaudited, unreviewed
Other income				
Gain on disposal of property, plant and equipment	0.8	–	-0.2	-1.4
Compensation	0.2	0.6	0.1	0.2
PFRON wage subsidies	1.1	–	0.6	–
Grants	–	0.2	–	0.1
Gain on settlement of contracts with landlords	2.8	5.9	1.4	5.2
Gain on settlement of lease contracts	1.3	2.3	1.0	1.4
Other	2.2	11.7	1.9	8.9
Total	**8.4**	**20.7**	**4.8**	**14.4**

	1 Feb 2024–31 Jul 2024 unaudited, reviewed	1 Feb 2023–31 Jul 2023 unaudited, reviewed	1 May 2024–31 Jul 2024 unaudited, unreviewed	1 May 2023–31 Jul 2023 unaudited, unreviewed
Other expenses				
Loss on disposal of property, plant and equipment	–	-0.5	–	-0.3
Measurement of assets held for sale at fair value	-10.8	–	–	–
Other	-0.5	-1.8	-0.5	-0.4
Foreign exchange losses on items other than debt	–	-0.2	–	-0.2
Total	**-11.3**	**-2.5**	**-0.5**	**-0.9**

	1 Feb 2024–31 Jul 2024 unaudited, reviewed	1 Feb 2023–31 Jul 2023 unaudited, reviewed	1 May 2024–31 Jul 2024 unaudited, unreviewed	1 May 2023–31 Jul 2023 unaudited, unreviewed
(Recognition)/Reversal of loss allowances (impairment losses on receivables)				
(Recognition)/Reversal of impairment losses on trade receivables	-0.2	-11.1	-0.1	-11.4
(Recognition)/Reversal of impairment losses on lease receivables	–	1.0	–	1.0
Total	**-0.2**	**-10.1**	**-0.1**	**-10.4**

(all amounts in PLN million unless stated otherwise)

	1 Feb 2024–31 Jul 2024	1 Feb 2023–31 Jul 2023	1 May 2024–31 Jul 2024	1 May 2023–31 Jul 2023
	unaudited, reviewed	unaudited, reviewed	unaudited, unreviewed	unaudited, unreviewed
Finance income				
Interest income on cash in current account and loans	37.5	47.7	18.9	37.2
Foreign exchange gains (losses)	3.6	26.0	1.7	15.1
Income on liquidation of CCC Austria	–	62.7	–	62.7
Derivative financial instruments embedded in bonds issued to PFR − Equity Kicker	0.5	1.5	0.5	1.3
Other finance income	1.3	0.2	0.1	0.2
Guarantees and sureties provided	1.3	1.9	0.9	1.1
Total	**44.2**	**140.0**	**22.1**	**117.6**

	1 Feb 2024–31 Jul 2024	1 Feb 2023–31 Jul 2023	1 May 2024–31 Jul 2024	1 May 2023–31 Jul 2023
	unaudited, reviewed	unaudited, reviewed	unaudited, unreviewed	unaudited, unreviewed
Finance costs				
Interest on borrowings and bonds	-44.3	-41.7	-22.4	-18.9
Gain (loss) on modification of financial liability	-0.8	-9.0	–	-9.0
Interest on leases	-10.2	-9.8	-5.7	-4.9
Commission fees paid	-1.7	-0.4	-1.0	-0.2
Guarantees received	-1.3	-1.7	-0.7	-0.9
Total	**-58.3**	**-62.6**	**-29.8**	**-33.9**

	1 Feb 2024–31 Jul 2024	1 Feb 2023–31 Jul 2023	1 May 2024–31 Jul 2024	1 May 2023–31 Jul 2023
	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	1.4	35.1	1.4	35.1
(Recognition) / reversal of impairment losses on loans and other financial receivables	14.4	10.3	14.4	10.3
Total	**15.8**	**45.4**	**15.8**	**45.4**

	1 Feb 2024–31 Jul 2024	1 Feb 2023–31 Jul 2023	1 May 2024–31 Jul 2024	1 May 2023–31 Jul 2023
	unaudited, reviewed	unaudited, reviewed	unaudited, unreviewed	unaudited, unreviewed
Impairment losses on shares	–	-9.2	–	5.4
Total	**–**	**-9.2**	**–**	**5.4**

10. DEBT; CAPITAL AND LIQUIDITY MANAGEMENT

10.1. 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 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. 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 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 3.0, 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 covenants, see the interim condensed consolidated Directors' Report on the operations of the CCC Group. 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 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 31 July 2024, basic and diluted earnings per share were PLN 0.43. In the six months ended 31 July 2023, basic and diluted earnings per share were PLN 2.41.

10.2. LIABILITIES UNDER BORROWINGS AND BONDS

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

The borrowers CCC S.A., HalfPrice Sp. z o.o. and CCC.eu Sp. z o.o. have been granted:

1. A term credit facility of PLN 600 million amortised over a period of five years (to be disbursed in two tranches of PLN 450 million in July 2024 and PLN 150 million in December 2024);
2. A working capital facility in the form of a revolving facility, overdraft facility, and limits on reverse factoring, guarantees and letters of credit, up to a total amount of PLN 1.2 billion, available for a period of two years, to be optionally extended up to five years.

The facilities have been utilised to repay existing debt towards banks financing the operations of the CCC Business Unit, while the tranche scheduled for disbursement by 31 December 2024 CCC S.A. will redeem its Series 1/2018 bonds issued pursuant to the 'Terms and Conditions of the Bonds' dated 21 June 2018. However, the bonds are presented as non-current liabilities in these financial statements as they formally mature on 29 June 2026.

In addition, the CCC Business Unit has at its disposal a term credit facility of up to PLN 360.0 million for the redemption of bonds issued to PFR and financing of a new logistics warehouse of HalfPrice Sp. z o.o., which the banks may grant subject to consent of the majority lenders.

Companies standing surety for the borrowers' liabilities are CCC.eu Sp. z o.o., HalfPrice Sp. z o.o., CCC Shoes & Bags Sp. z o.o., CCC Tech Sp. z o.o., CCC Czech, s.r.o., CCC Hungary Shoes Kft. and Shoe Express S.A.

As intended, the execution of the new financing agreement has significantly enhanced the structure of the CCC Business Unit's bank debt. The new financing structure offers greater flexibility to the Business Unit, including through increased limits on bank guarantees, letters of credit, and reverse factoring. It also reduces financing costs and raises the limits on available capital expenditures.

As part of the refinancing process, on 31 July 2024 proceeds of the new financing agreement were used by CCC.eu Sp. z o.o. to repay debt outstanding at CCC S.A. under a PLN 250 million short-term credit facility with a surety from BGK. As a consequence, CCC S.A. offset the resulting liability related to the debt settlement by CCC.eu Sp. z o.o. against its receivables under a loan in the same amount advanced to CCC.eu Sp. z o.o.

The remaining debt under the previous financing agreement pertained to CCC.eu Sp. z o.o. and was fully settled by the Facility Agent and ESG Agent as part of settlements between banks forming the syndicate.

The interest rate on the facilities is based on WIBOR plus a margin whose level depends on the Net Exposure to EBITDA ratio.

The Group plans to redeem the CCC0626 bonds using a tranche to be disbursed by 31 December 2024 under the syndicated agreement. However, the bonds are presented as non-current liabilities because their formal maturity date is 29 June 2026.

(all amounts in PLN million unless stated otherwise)

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 1 Feb 2024	**249.9**	**350.7**	**190.5**	**791.1**
short-term	249.9	1.8	1.8	253.5
long-term	–	348.9	188.7	537.6
As at 1 Feb 2024	**249.9**	**350.7**	**190.5**	**791.1**
Proceeds from debt contracted				
Interest accrued	10.7	24.3	9.7	44.7
Modification of agreement terms	–	0.7	0.1	0.8
Debt-related payments				
- principal payments	–	–	-20.6	-20.6
- interest paid	-10.4	-23.6	-9.2	-43.2
Other non-cash changes	-250.0	1.6	-0.5	-248.9
As at 31 Jul 2024	**0.2**	**353.7**	**170.0**	**523.9**
Short-term	**0.2**	**13.0**	**1.6**	**14.8**
CCC0626 bond	–	–	*1.6*	*1.6*
Borrowings from subsidiaries	–	*13.0*	–	*13.0*
Other	*0.2*	–	–	*0.2*
Long-term	**–**	**340.7**	**168.4**	**509.1**
CCC0626 bond	–	–	*168.4*	*168.4*
Borrowings from subsidiaries	–	*340.7*	–	*340.7*

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

10.3. OTHER NON-CURRENT FINANCIAL LIABILITIES

Derivative financial instruments embedded in bonds issued to PFR – Equity Kicker	1 Feb 2024–31 Jul 2024	1 Feb 2023–31 Jan 2024
	unaudited, reviewed	audited
At beginning of period	**6.6**	**6.5**
Effect of measurement at fair value	-0.5	0.1
At end of period	**6.1**	**6.6**

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).

(all amounts in PLN million unless stated otherwise)

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 6.1 million as at the reporting date. The change in its measurement in the reporting period was PLN 0.5 million, 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 – 22 September 2028
- risk-free rate – 5.13%
- expected volatility – 46.0%
- 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.

10.4. 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 31 Jul 2024	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	0.2	–	–	–	–	0.2	0.2
Other borrowings	10.0	31.4	35.0	504.7	–	581.1	353.7
Bonds	–	17.5	186.2	–	–	203.7	170.0
Derivative financial instruments embedded in bonds issued to PFR – Equity Kicker	–	–	–	6.1	–	6.1	6.1
Trade and other payables	237.6	2.8	–	–	–	240.4	240.4
Sureties provided for credit facilities	1,008.0	–	–	–	–	1,008.0	–
Lease liabilities	72.5	122.4	267.6	133.8	77.6	673.9	592.2
Total financial liabilities	**1,328.3**	**174.1**	**488.8**	**644.6**	**77.6**	**2,713.4**	**1,362.6**

As at 31 Jan 2024	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	5.1	260.2	–	–	–	265.3	249.9
Other borrowings	4.6	17.8	37.3	576.0	–	635.7	350.7
Bonds	1.8	19.6	218.5	–	–	239.9	190.5
Derivative financial instruments embedded in bonds issued to PFR – Equity Kicker	–	–	–	6.6	–	6.6	6.6
Trade and other payables	161.5	2.5	–	–	–	164.0	164.0
Credit sureties provided	520.3	–	–	–	–	520.3	–
Returns liabilities	13.2	–	–	–	–	13.2	13.2
Lease liabilities	66.5	128.2	271.1	135.5	59.1	660.4	596.6
Total financial liabilities	**773.0**	**428.3**	**526.9**	**718.1**	**59.1**	**2,505.4**	**1,571.5**

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 11.2.

(all amounts in PLN million unless stated otherwise)

10.5. 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 1 Feb 2024	113.9	265.5
As at 31 Jul 2024	83.5	337.9
Change in statement of financial position	**30.4**	**72.4**
Difference due to:		
Changes in investment liabilities/receivables	1.4	0.9
Other	13.0	-1.9
Change recognised in statement of cash flows	**44.8**	**71.4**

unaudited, reviewed	Trade receivables, other receivables	Trade and other payables and other liabilities
As at 1 Feb 2023	117.4	292.8
As at 31 Jul 2023	87.6	368.4
Change in statement of financial position	**29.8**	**75.6**
Difference due to:		
Changes due to sureties provided/received	-0.3	0.5
Changes in investment liabilities/receivables	-3.7	7.0
Netting of receivables against Gino Rossi loan	-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**

	1 Feb 2024–31 Jul 2024	1 Feb 2023–31 Jul 2023
	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)	15.4	-47.9
Derivative financial instruments embedded in bonds issued to PFR – Equity Kicker	-0.5	-1.5
Liquidation of CCC Austria Ges.m.b.H	–	-62.7
Exchange differences on measurement of lease liabilities and gain on settlement of lease contracts	-5.7	-34.9
Interest accrued on loans	-37.5	-35.2
Other	-11.7	7.9
Total	**-40.0**	**-174.3**

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

11.1. PROVISIONS

	PROVISION FOR JUBILEE AND RETIREMENT BENEFITS	PROVISION FOR RETURNS AND COMPLAINTS	PROVISION FOR EXPECTED CREDIT LOSSES	TOTAL
As at 1 Feb 2024	**5.5**	**0.5**	**9.8**	**15.8**
short-term	1.9	0.5	9.8	12.2
long-term	3.6	–	–	3.6
As at 1 Feb 2024	**5.5**	**0.5**	**9.8**	**15.8**
Recognised	1.4	16.6	–	18.0
Used	-0.8	-0.5	–	-1.3
Reversed	–	–	-1.3	-1.3

(all amounts in PLN million unless stated otherwise)

As at 31 Jul 2024	**6.1**	**16.6**	**8.5**	**31.2**
short-term	2.2	16.6	8.5	27.3
long-term	3.9	–	–	3.9
	PROVISION FOR JUBILEE AND RETIREMENT BENEFITS	PROVISION FOR RETURNS AND COMPLAINTS	PROVISION FOR EXPECTED CREDIT LOSSES	TOTAL
As at 1 Jan 2023	**7.2**	**5.6**	**55.9**	**68.7**
short-term	2.1	5.6	55.9	63.6
long-term	5.1	–	–	5.1
As at 1 Feb 2023	**7.2**	**5.6**	**55.9**	**68.7**
Recognised	1.7	0.5	–	2.2
Used	-1.9	-5.6	–	-7.5
Reversed	-1.5	–	-46.1	-47.6
As at 31 Jan 2024	**5.5**	**0.5**	**9.8**	**15.8**
short-term	1.9	0.5	9.8	12.2
long-term	3.6	–	–	3.6

11.2. CHANGE IN IMPAIRMENT LOSSES/WRITE-DOWNS ON ASSETS AND IN LOSS ALLOWANCES

unaudited, reviewed	Inventories	Trade receivables	Lease receivables	Loans	Interests in subsidiaries	Loan sureties of subsidiaries
As at 1 Feb 2024	**3.9**	**13.2**	**1.3**	**150.6**	**9.2**	**9.8**
Increase	–	0.5	–	–	–	–
Reversed	-1.8	-0.2	–	-14.4	–	-1.4
As at 31 Jul 2024	**2.1**	**13.5**	**1.3**	**136.2**	**9.2**	**8.4**

audited	Inventories	Trade receivables	Lease receivables	Loans	Interests in subsidiaries	Loan sureties of subsidiaries
As at 1 Feb 2023	**7.3**	**1.9**	**0.9**	**196.6**	**74.1**	**55.9**
Increase	–	11.7	0.4	1.2	9.2	–
Used	-1.9	–	–	–	-74.1	–
Reversed	-1.5	-0.4	–	-47.2	–	46.1
As at 31 Jan 2024	**3.9**	**13.2**	**1.3**	**150.6**	**9.2**	**9.8**

11.3. DEFERRED TAX ASSETS AND LIABILITIES

BALANCES OF AND CHANGES IN DEFERRED TAX

Changes in deferred tax assets and liabilities during the year are presented below.

unaudited, reviewed	31 Jul 2024	RECOGNISED / (CHARGED) ON PROFIT OR LOSS	1 Feb 2024
Assets			
Impairment of assets	-0.9	-4.0	3.1
Provisions for liabilities	7.3	4.4	2.9
tax losses	45.6	–	45.6
Measurement of lease contracts	109.1	-2.4	111.5
Other	2.3	0.2	2.1
CCC Club and similar, and bank guarantees	3.6	1.1	2.5
Total before offset	**167.0**	**-0.7**	**167.7**
Liabilities			
Other	8.5	0.4	8.1
Settlement under contracts with landlord	3.6	–	3.6
Accelerated tax depreciation of property, plant and equipment	1.6	0.6	1.0
Measurement of lease contracts	92.1	-2.0	94.1
Total before offset	**105.8**	**-1.0**	**106.8**

(all amounts in PLN million unless stated otherwise)

Offset	-105.8	1.0	-106.8
Deferred tax balances as disclosed in statement of financial position			
Assets	61.2	0.3	60.9
audited	31 Jan 2024	RECOGNISED / (CHARGED) ON PROFIT OR LOSS	1 Feb 2023
Assets			
Impairment of assets	3.1	1.1	2.0
Provisions for liabilities	2.9	-14.0	16.9
Other	45.6	45.6	–
Measurement of lease contracts	111.5	-16.5	128.0
Other	2.1	-3.6	5.7
Depreciation of property, plant and equipment	–	-1.0	1.0
CCC Club and similar	2.5	3.9	-1.4
Total before offset	**167.7**	**15.5**	**152.2**
Liabilities			
Accelerated tax depreciation of property, plant and equipment	1.0	1.0	–
Settlement of contracts with landlords	3.6	-1.2	4.8
Other	8.1	4.7	3.4
Measurement of lease contracts	94.1	-10.0	104.1
Total before offset	**106.8**	**-5.5**	**112.3**
Offset	-106.8	5.5	-112.3
Deferred tax balances as disclosed in statement of financial position	**60.9**	**21.0**	**39.9**
Assets	60.9	21.0	39.9

The deferred tax asset recognised by CCC S.A., amounting to PLN 45.6 million, relates to the equity basket in the income tax calculation of the tax group. The asset relates to capital losses generated in previous years: 2021 (PLN 3.3 million), 2022 (PLN 29.0 million) and 2023 (PLN 13.3 million). The Management Board estimates that capital gains, sufficient to utilise the recognised loss tax, will be generated within the tax group.

12. OTHER NOTES

12.1. FINANCIAL INSTRUMENTS

	31 Jul 2024		31 Jan 2024	
	unaudited, reviewed		audited	
	FINANCIAL ASSETS	FINANCIAL LIABILITIES	FINANCIAL ASSETS	FINANCIAL LIABILITIES
Financial assets at amortised cost	**916.1**	**–**	**1,139.6**	**–**
Loans	689.5	–	921.4	–
Trade receivables	30.9	–	67.2	–
Other financial receivables	15.5	–	–	–
Receivables from sale of property, plant and equipment	3.4	–	1.6	–
Lease receivables	107.2	–	116.0	–
Cash and cash equivalents	69.6	–	33.4	–
Financial liabilities at amortised cost	**–**	**1,356.5**	**–**	**1,564.9**
Liabilities under borrowings and bonds	–	523.9	–	791.1
Trade and other payables	–	240.4	–	164.0
Returns liabilities	–	–	–	13.2
Lease liabilities	–	592.2	–	596.6
Financial liabilities measured at fair value through profit or loss	**–**	**6.1**	**–**	**6.6**
Derivative financial instruments embedded in bonds issued to PFR – Equity Kicker	–	6.1	–	6.6

For detailed information on the valuation of the derivative financial instrument embedded in bonds issued to PFR – Equity Kicker, see Note 10.3. 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 170.0 million (carrying amount: PLN 170.0 million).

(all amounts in PLN million unless stated otherwise)

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:

	31 Jul 2024		31 Jan 2024	
	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	547.8	726.9	465.1	1,020.5
ASSOCIATES	0.1	0.3	0.6	–
ENTITIES RELATED TO KEY MANAGEMENT PERSONNEL	1.1	–	0.5	–
Total	**549.0**	**727.2**	**466.2**	**1,020.5**

	1 Feb 2024–31 Jul 2024		1 Feb 2023–31 Jul 2023		1 May 2024–31 Jul 2024		1 May 2023–31 Jul 2023	
	unaudited, reviewed		unaudited, reviewed		unaudited, unreviewed		unaudited, unreviewed	
	Proceeds from related-party transactions	Purchases from related parties	Proceeds from related-party transactions	Purchases from related parties	Proceeds from related-party transactions	Purchases from related parties	Proceeds from related-party transactions	Purchases from related parties
SUBSIDIARIES	84.0	1,045.0	140.8	687.4	36.6	504.1	104.6	241.6
ASSOCIATES	0.2	0.1	0.2	0.2	-6.6	–	0.1	-0.2
ENTITIES RELATED TO KEY MANAGEMENT PERSONNEL	–	2.2	–	3.6	–	0.4	–	1.8
Total	**84.2**	**1,047.3**	**141.0**	**691.2**	**30.0**	**504.5**	**104.7**	**243.2**

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 31 January 2024, 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 1 August 2021 to 31 July 2024, which also ended as at the reporting date.

The long-term bonus for the second period was determined in accordance with the scheme rules, based on the difference between the average price of CCC S.A. shares for the three months prior to 31 July 2024, of PLN 124.4, and the incentive scheme price of PLN 118.5. The number of rights to benefit from share appreciation (number of options) used in the valuation was 100,000, with 22 June 2021 – 31 July 2024 as the vesting period.

The statement of financial position includes a cost of PLN 0.6 million recognised on the valuation of the incentive scheme under administrative expenses. As at 31 January 2024, a provision of PLN 0.02 million was recognised on that account under other current liabilities.

12.4. EVENTS AFTER REPORTING DATE

As announced in Current Report No. 30/2024, CCC Shoes & Bags Sp. z o.o. will purchase from MKK3 250,500 Modivo shares, i.e. approximately 2.5% of the company's share capital, for approximately PLN 100.0 million. As part of the arrangement, on 19 August 2024 MKK3 submitted relevant statements and, in accordance with the option agreement, the purchase of the shares by CCC Shoes & Bags Sp. z o.o. will take place by 19 November 2024. Pursuant to the option agreement, the option exercise period with respect to the remaining 2.5% of Modivo shares expires on 30 June 2026. The transaction is a step in pursuance of the CCC Group's objective to consolidate the Modivo shareholding. Additionally, in the second half of 2024, a transaction to purchase DeeZee Sp. z o.o. shares will also take place. The acquisition of Modivo shares and DeeZee Sp. z o.o. shares will be financed with CCC S.A.'s own funds. Once acquired, the shares will be pledged in favour of institutions financing CCC's operations.

On 23 September 2024, HALFPRICE ESPAÑA, S.L. of Madrid, Spain, established its Articles of Association, with CCC S.A. acquiring 100% of the shares in the new company. As at the issue date of this report, the company was not yet operational. It was established to conduct retail operations under the HalfPrice brand in Spain.

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

from 1 February
to 31 July 2024

(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 31 July 2024 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 registered proprietary brands available in CCC, eobuwie and HalfPrice stores.

The report covers the period from 1 February 2024 to 31 July 2024 and contains comparative data for the period from 1 February 2023 to 31 July 2023 and as at 31 January 2024. 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 accordance with the consolidated financial statements as well as current and periodic reports. This Directors' Report is consistent with Section 71.3 and Section 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 29 March 2018, and contains elements required under Section 68.5-6 applicable to issuers of securities in the manufacturing, construction, trade, and services sectors. Other applicable provisions include Art. 55.2.5 in conjunction with Art. 49.2, Art. 49.3 and Art. 63d. of the Accounting Act of 29 September 1994, as well as Section 29.1, 29.2, 29.3 and 29.5 of Rules of Procedure for the Warsaw Stock Exchange.

CCC IN NUMBERS

The data relate to changes in the period 1 February 2024 – 31 July 2024 relative to the corresponding period of the previous year. Data calculated based on a table representing revenue from continuing operations by key operating segments.

		1 Feb 2024–31 Jul 2024	yoy change
CCC GROUP	**Revenue**	**4,850.5**	***+8%***
	E-commerce contribution to sales	43%	*-9pp*
	Number of markets	23	*-8*
	Number of stores	1,002	*+15*
CCC	**Revenue**	**2,061.3**	***+9%***
	Contribution to the CCC Group's revenue	42%	-
	E-commerce contribution to sales	13%	*-13pp*
	Number of stores	797	*-19*
HalfPrice	**Revenue**	**782.9**	***+33%***
	Contribution to the CCC Group's revenue	16%	*+3pp*
	E-commerce contribution to sales	1%	*-3pp*
	Number of stores	131	*+23*
eobuwie	**Revenue**	**1,511.6**	***+3%***
	Contribution to the CCC Group's revenue	31%	*-2pp*
	E-commerce contribution to sales	88%	*-2pp*
	Number of stores	52	*+4*
Modivo	**Revenue**	**456.3**	***-8%***
	Contribution to the CCC Group's revenue	9%	*-2pp*
	E-commerce contribution to sales	94%	*-1pp*
	GMV	557.7	*-8%*

13. CCC GROUP'S BUSINESS

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 encompasses an extensive portfolio of 1,002 offline stores, featuring the CCC, HalfPrice, eobuwie, and Modivo banners, strategically positioned within premier shopping centres and malls. The Group also maintains a robust online presence through numerous e-commerce platforms, serving the Polish market as well as 22 additional territories across Europe and the Middle East.

CCC stores are recognised for their engaging, modern proprietary brands, with several, such as Lasocki, Gino Rossi, Jenny Fairy, Sprandi, and DeeZee, gaining iconic recognition. The stores also offer an extensive selection of licensed sports footwear and children's shoe brands. The CCC Group's portfolio is complemented by third-party brands offered through eobuwie, Modivo, and HalfPrice. The CCC Group offers an extensive and continuously expanding product range, curated to meet the needs of specific consumer segments targeted by its various brands.

14. 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 prime 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 complementary business lines: CCC, HalfPrice, eobuwie and MODIVO. 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 banner, which offers chiefly well-known proprietary brands (e.g. Lasocki, Jenny Fairy, Gino Rossi) and under the off-price concept called HalfPrice (launched in 2021). In the six months ended 31 July 2024, the Group's revenue generated through the offline channel accounted for 57% 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 43% 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, whose offering includes mainly third-party brands.

The main driver of the Group's revenue growth in the coming years will be strong expansion of the off-price segment.

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.

KEY EVENTS FROM 1 FEBRUARY TO 31 JULY 2024

Q1

- Addition of Hunter to the portfolio of high-margin licensed brands.

Q2

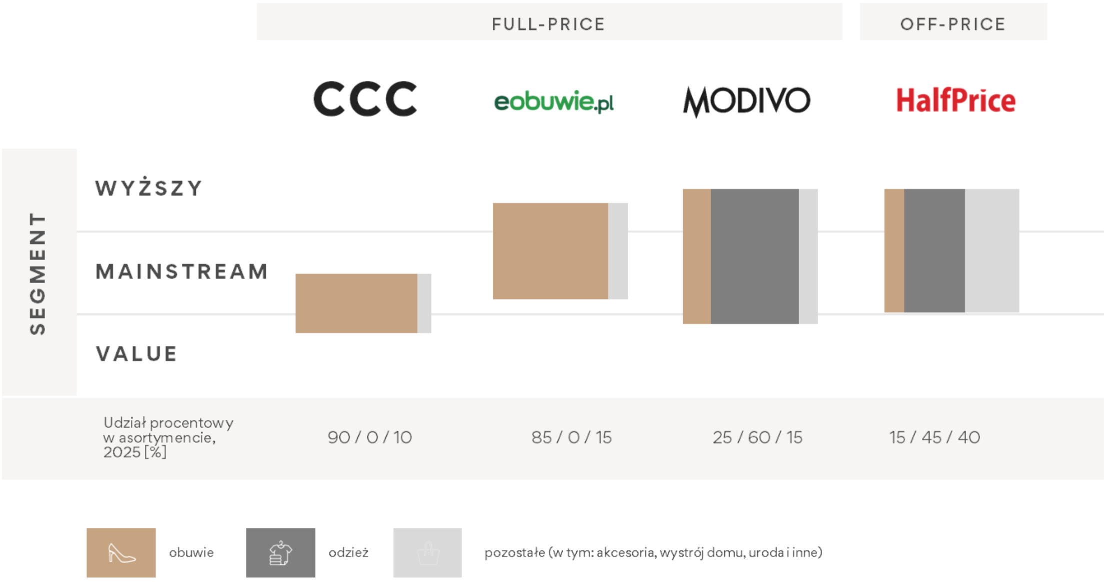
- Completion of refinancing process and securing new finance of PLN 1.8 billion.

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

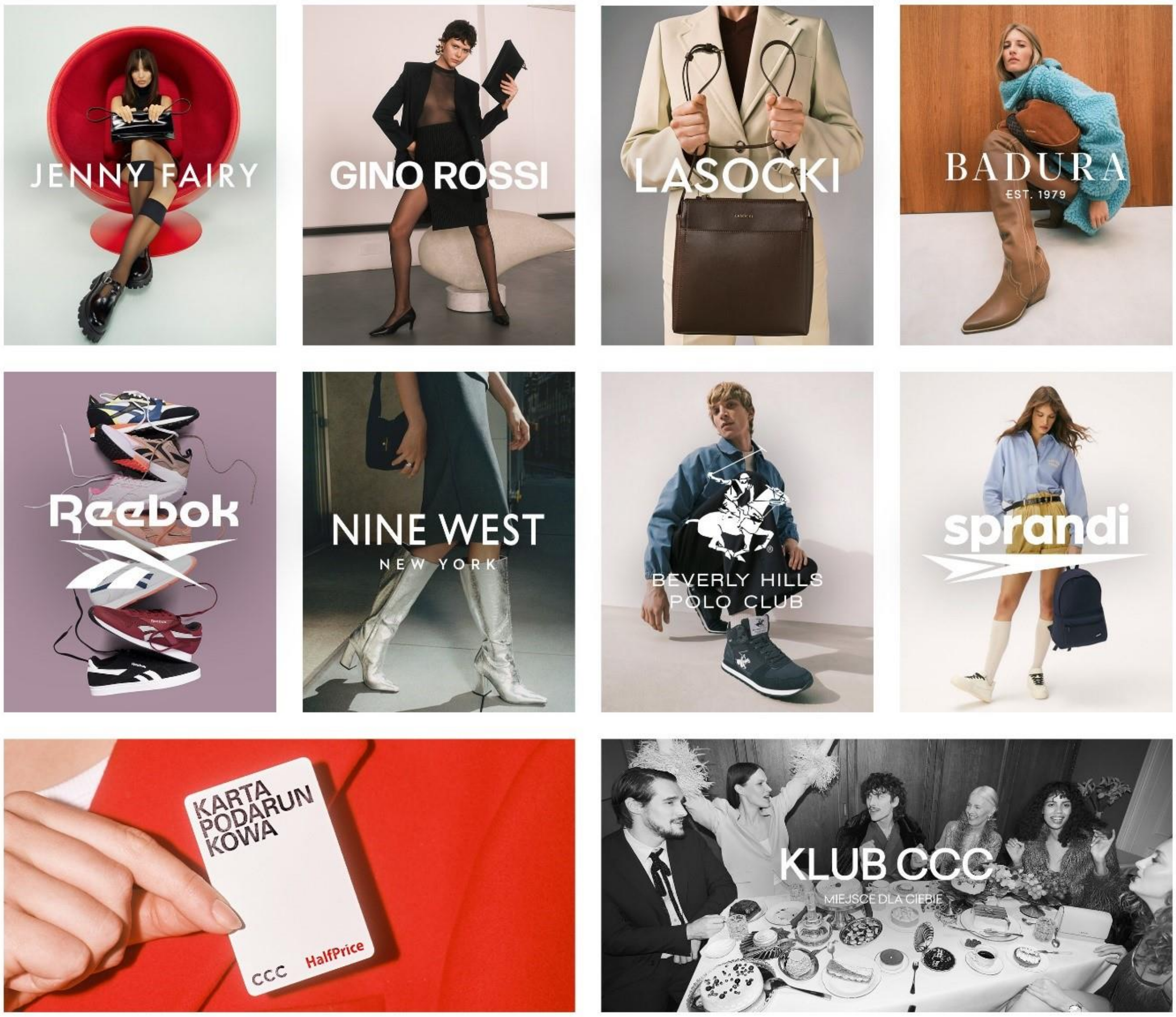
15. CCC GROUP'S PORTFOLIO

The CCC Group's product offerings cater to the needs of a broad customer base. The CCC business line is primarily focused on delivering high-quality, value-for-money products and mainstream proprietary brands. Meanwhile, eobuwie and Modivo serve their customers with clothing, footwear, and accessories from well-known premium, casual, sport, and street style brands. The portfolio is complemented by HalfPrice, which operates under an off-price model, providing clothing and footwear from renowned brands, along with other products, at attractive prices.

OUR BUSINESS LINES ADDRESS THE NEEDS OF VARIOUS CUSTOMER SEGMENTS



The product portfolio of the CCC chain features a mix of well-established proprietary brands (such as Lasocki, Jenny Fairy and Sprandi), widely recognised third-party brands (including Adidas, Puma and New Balance, with offerings for younger customers that feature footwear decorated with Disney characters), and products sold under a trademark-based model (including Reebok, Kappa, and Nine West). The portfolio has been designed to address the demands of various Customer segments, depending on fashion preferences, age, and disposable income. The CCC business line fulfils consumer shopping needs through a comprehensive offering of third-party sportswear, proprietary brands, synthetic and leather products, children's footwear, and men's footwear and accessories.



The CCC Group's range is complemented with eobuwie and Modivo products. Revenue generated by the two channels is mostly derived from sales of third-party brands, i.e. brands supplied by footwear and clothing manufacturers that are well recognised by consumers. The Modivo Group has partnered with over a thousand brands globally. Moreover, its portfolio is broadened by brands that it collaborates with under a 3P (marketplace) model. This approach allows the Group to expand its offering to include new product categories, such as health and beauty or homewares.

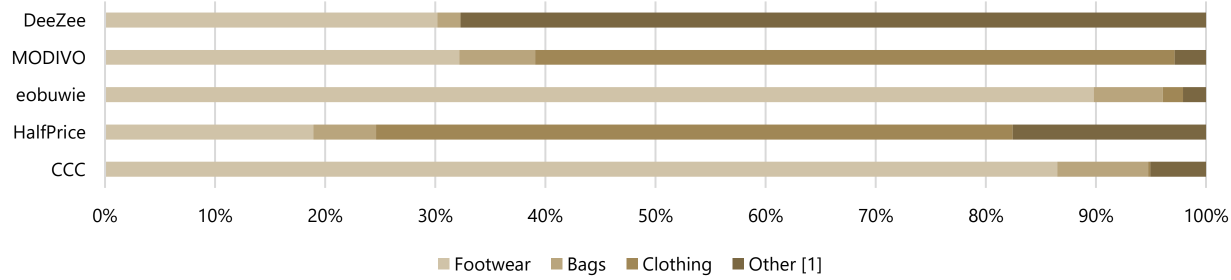
SELECTED BRANDS AVAILABLE FROM THE MODIVO GROUP

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 offline outlets 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, as well as home furnishings and decor.

In 2023, the CCC Group partnered with Authentic Brands Group, the world's leading apparel, sports and entertainment licensing company. In May 2023, the partners signed an agreement concerning the Reebok brand. This partnership has enabled the CCC Group to offer an extensive range of range of Reebok products through its sales channels (CCC, HalfPrice, eobuwie and Modivo) on 23 markets. Additionally, the Group now holds the rights to operate monobrand stores, shop-in-shop kiosks, and outlets for the Reebok brand. As a result, the CCC Group became part of a limited circle of organisations that have an agreement for the use of Reebok brand trademarks in Europe. Reinforcing and broadening its cooperation with Authentic Brands Group, the CCC Group has acquired a number of other licences for globally recognisable brands, including: Hunter, Nine West and G-Star Raw. These developments are a natural growth trajectory for the CCC Group, positively affecting its gross margin.

In 2023, the sales mix of the CCC Group as a whole and of its individual business lines remained largely unchanged from the previous year. However, in line with the Group's strategic focus on expanding the omnichannel platform and the HalfPrice business line, the 'Footwear' category's contribution to revenue decreased in favour of the 'Clothing' and 'Other' categories.

SALES MIX FROM 1 FEBRUARY TO 31 JULY 2024

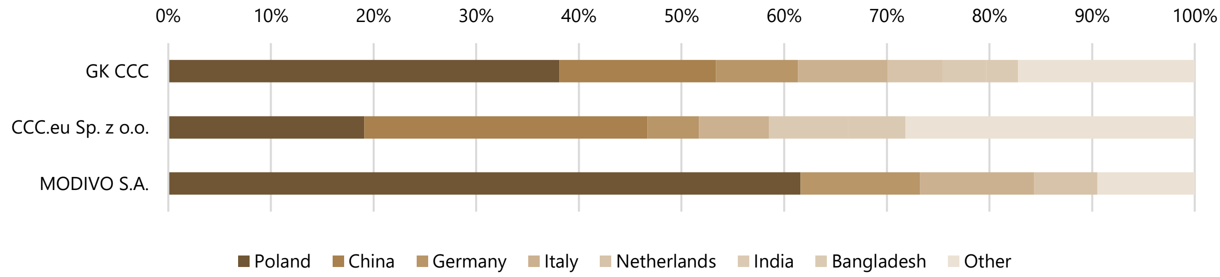


[1] 'Other' includes primarily (by value): shoe care products, insoles, belts, wallets, socks, jewellery and accessories, homewares and beauty products.

16. BUSINESS MODEL

SUPPLIERS
The CCC Group boasts a diversified supplier base. The CCC business line procures supplies primarily from Asia (China, India, Bangladesh), while the Modivo Group's suppliers are mostly based in Europe. A significant portion of supplies also comes from Poland.

BREAKDOWN OF CCC GROUP'S SUPPLIER BASE BY GEOGRAPHY



CCC.eu Sp. z o.o. is the supplier of goods for the CCC, HalfPrice and DeeZee chains. The company sources goods from domestic and foreign suppliers, with a significant fraction of this merchandise coming from Asia, in particular China (28%), India (8%), Bangladesh (6%), and Hong Kong (6%).

The Modivo Group procures merchandise for the eobuwie and Modivo online platforms and offline stores of the same names through its parent Modivo S.A. Purchases made by Modivo account for nearly 50% of the CCC Group's total procurement of merchandise. Supplies to the Modivo Group are almost exclusively European.

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 financial year 2023, which is available from https://corporate.ccc.eu/raporty-csr.

LOGISTICS
The CCC Group currently 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 CCC Group has a variety of overlapping distribution channels comprising a single well-integrated omnichannel model. It operates around 90 e-commerce platforms and 1,002 offline stores across 23 countries under the CCC, eobuwie, and Modivo banners. Additionally, it is expanding its presence in the off-price market through the HalfPrice store network.

The Group's operations by distribution channel are segmented into robust, mutually complementary business lines: CCC, HalfPrice, eobuwie, and Modivo, which collectively enhance the Group's reach by offering a broad spectrum of products, engaging consumers through multiple sales channels, and targeting a wide range of price points.

- **CCC**
- **HalfPrice**
- **eobuwie**
- **Modivo**

(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.

CHAIN	COUNTRY	31 Jul 2024		31 Jan 2024	
		m²	NUMBER	m²	NUMBER
CCC	Poland	286,209	452	279,641	442
	Czech Republic	45,099	74	47,311	77
	Romania	45,534	71	46,155	73
	Hungary	43,649	63	45,602	65
	Slovakia	29,559	46	30,584	46
	Croatia	18,125	24	18,125	24
	Bulgaria	12,509	19	13,528	21
	Ukraine	9,700	14	9,788	15
	Slovenia	9,697	14	9,697	14
	Serbia	7,004	8	7,004	8
	Latvia	3,582	5	4,192	6
	Estonia	2,948	3	2,948	3
	Lithuania	2,668	4	1,481	2
TOTAL		**516,283**	**797**	**516,056**	**796**
HalfPrice	Poland	181,916	100	169,433	95
	Czech Republic	19,321	8	17,741	7
	Romania	11,803	6	9,661	5
	Slovakia	9,346	5	9,346	5
	Austria	6,208	3	6,208	3
	Slovenia	4,752	3	4,752	3
	Hungary	4,135	2	4,135	2
	Croatia	1,955	1	1,955	1
	Ukraine	1,876	1	1,876	1
	Latvia	3,534	2	1,580	1
TOTAL		**244,846**	**131**	**226,687**	**123**
Modivo	Modivo	34,195	52	36,528	52
Boardriders	Boardriders	3,084	14	0	0
TOTAL OWN STORES		**798,408**	**994**	**779,271**	**971**

CHAIN	COUNTRY	31 Jul 2024		31 Jan 2024	
		m²	NUMBER	m²	NUMBER
CCC FRANCHISE	UAE*	3,347	3	3,347	3
	Kosovo	1,958	2	1,958	2
	Oman	1,223	1	1,223	1
	Saudi Arabia	826	1	826	1
	Moldova	740	1	740	1
TOTAL FRANCHISE		**8,094**	**8**	**8,094**	**8**
TOTAL CCC GROUP		**806,502**	**1,002**	**787,365**	**979**

* United Arab Emirates

17. FACTORS AND EVENTS WITH BEARING ON THE PERFORMANCE OF THE CCC GROUP

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.

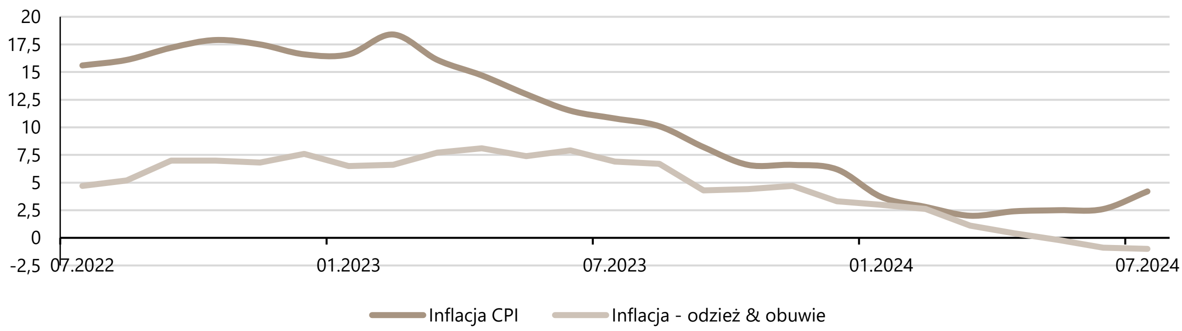
MACROECONOMIC DEVELOPMENTS IN POLAND AND CENTRAL AND EASTERN EUROPE
The CCC Group operates mainly on the markets of Central and Eastern Europe, with a clear dominance of the Polish market. As a result of the location of the Group's sales channels in this region, the condition of the CEE economies has a significant impact on its product sales.

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**

At the start of 2023, inflation peaked following a period of rapid growth in preceding months. Currently, we are witnessing a gradual disinflationary trend. However, it is important to note that inflation rose by 1.6pp month over month in July, reaching 4.2%.

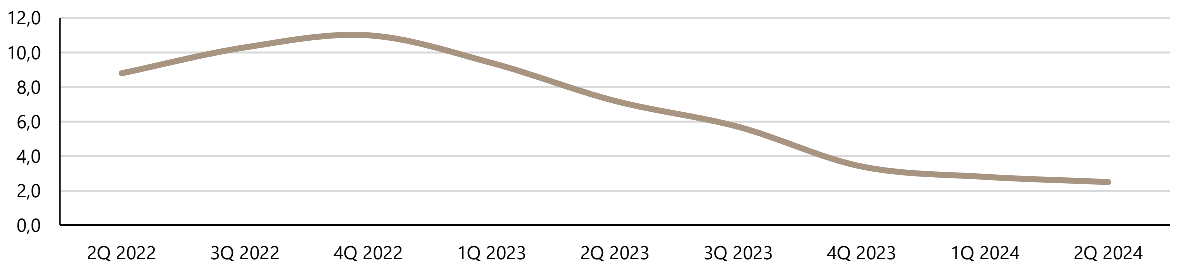
Inflation in Poland [%]



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) [%]



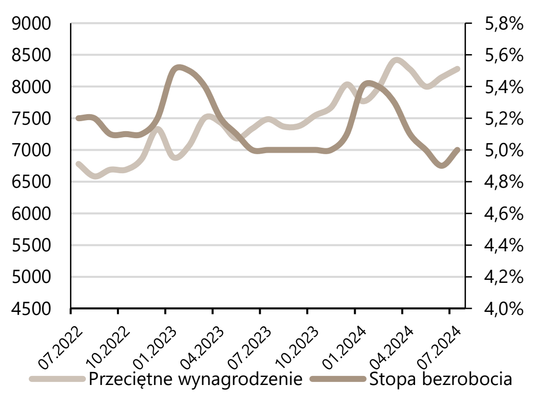
Source: EC

Although inflation has already passed its peak across the European Union, it remains at an elevated level. According to the European Commission's data, the HICP inflation rate was approximately 2.5% for all member states in the second quarter of 2024.

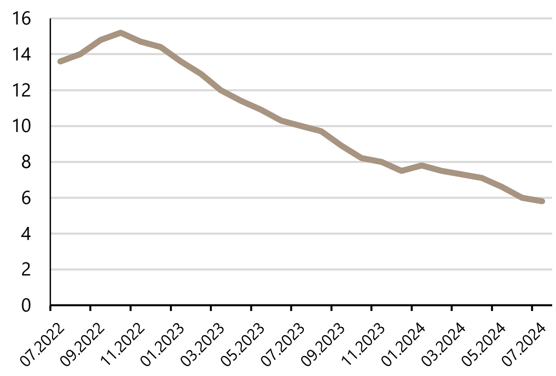
– **cost pressures**

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 [%]

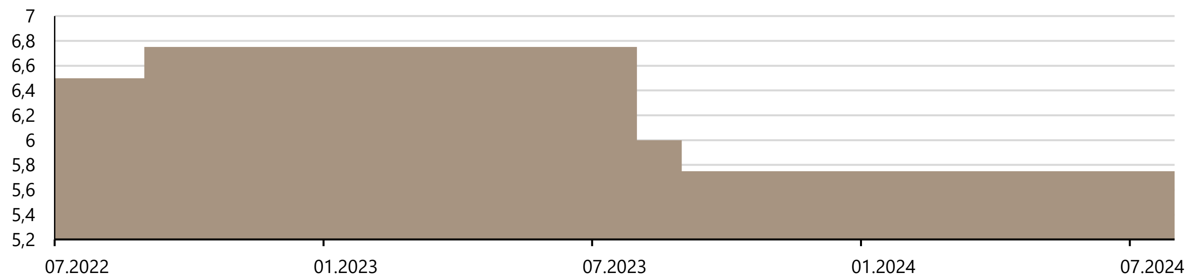


Source: Statistics Poland, National Bank of Poland

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 [%]



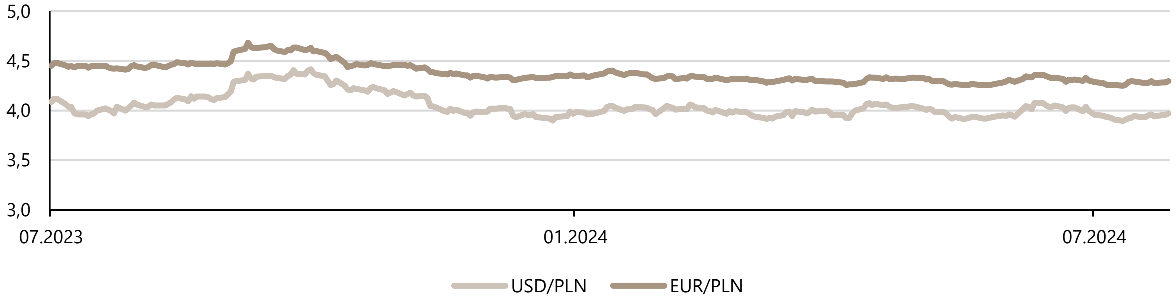
Source: NBP

Due to the strong growth of inflation in Poland, in October 2021 the Monetary Policy Council of the National Bank of Poland embarked on a series of reference rate rises. In September 2022, the reference rate was increased to 6.75%. An interest rate-cutting cycle commenced in September 2023, with the reference rate currently at 5.75%. Interest rate hikes lead to higher debt service costs for the Group.

(all amounts in PLN million unless stated otherwise)

– **foreign exchange**

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



Source: NBP

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 changes 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.

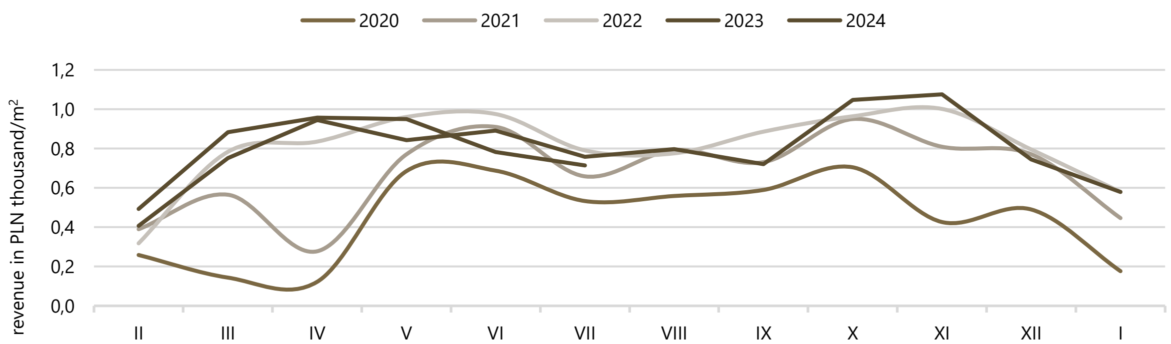
PERIOD (USD/PLN)	HIGH	LOW	END OF PERIOD	MID
1 Feb 2024–31 Jul 2024	4.0760	3.8960	3.9689	3.9905
1 Feb 2023–31 Jan 2024	4.4888	3.8990	4.0135	4.1544
1 Feb 2023–31 Jul 2023	4.4888	3.9451	3.9995	4.2130

PERIOD (EUR/PLN)	HIGH	LOW	END OF PERIOD	MID
1 Feb 2024–31 Jul 2024	4.3608	4.2499	4.2953	4.3029
1 Feb 2023–31 Jan 2024	4.7895	4.3053	4.3434	4.4979
1 Feb 2023–31 Jul 2023	4.7895	4.4135	4.4135	4.5638

18. SEASONALITY

Weather and seasonality have a significant effect on the distribution of revenue during the financial year (with peak demand in spring and autumn). Disruptive weather conditions can result in customers postponing purchasing decisions or in a shortened peak sales season.

Seasonality of revenue for CCC network in Poland in 2020–2024



19. 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.

20. OPERATIONAL DATA ON MODIVO SALES

KPI	Unit	Business line	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024
App contribution to sales	%	eobuwie	25.5%	31.1%	37.3%	41.8%	39.3%	38.0%
		MODIVO	35.0%	41.7%	41.2%	45.2%	42.4%	43.1%
Conversion rate	%	eobuwie	1.7%	2.1%	1.8%	1.7%	1.7%	2.1%
		MODIVO	1.4%	1.7%	1.4%	1.5%	1.2%	1.4%
Active customers	'000	eobuwie	8,099.0	7,926.4	7,740.8	7,599.7	7,518.7	7,465.3
		MODIVO	2,315.4	2,445.5	2,495.0	2,449.3	2,399.4	2,326.7
Number of SKUs	'000	eobuwie	159	150	125	143	116	142
		MODIVO	132	124	132	120	109	113
		Modivo + Marketplace	190	292	347	384	359	379
		Modivo Group (1P*)	291	274	257	263	225	255
Number of brands	pcs	eobuwie	840	820	850	840	810	810
		MODIVO	520	520	520	510	510	470
		Modivo + Marketplace	910	1,050	1,250	1,400	1,400	2,200

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.

(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 [1]						
	1 Feb 2024–31 Jul 2024	1 Feb 2023–31 Jul 2023	Change [%]	1 May 2024–31 Jul 2024	1 May 2023–31 Jul 2023	Change [%]
	unaudited, reviewed	unaudited, reviewed		unaudited, unreviewed	unaudited, unreviewed	
CCC	2,061.3	1,889.1	*9.1%*	1,110.6	1,040.7	*6.7%*
HalfPrice	782.9	589.0	*32.9%*	412.1	337.5	*22.1%*
eobuwie	1,511.6	1,469.6	*2.9%*	808.5	768.6	*5.2%*
MODIVO	456.3	497.3	*-8.2%*	236.3	256.4	*-7.8%*
DeeZee	38.4	43.6	*-11.9%*	21.7	21.3	*1.9%*
Total	**4,850.5**	**4,488.6**	***8.1%***	**2,589.2**	**2,424.5**	***6.8%***

REVENUE [1]						
	1 Feb 2024–31 Jul 2024	1 Feb 2023–31 Jul 2023	Change [%]	1 May 2024–31 Jul 2024	1 May 2023–31 Jul 2023	Change [%]
	unaudited, reviewed	unaudited, reviewed		unaudited, unreviewed	unaudited, unreviewed	
Poland	2,802.6	2,432.1	*15.2%*	1,470.8	1,304.2	*12.8%*
Central and Eastern Europe	1,618.6	1,630.7	*-0.7%*	882.5	892.9	*-1.2%*
Western Europe	429.3	425.8	*0.8%*	235.9	227.4	*3.7%*
Total	**4,850.5**	**4,488.6**	***8.1%***	**2,589.2**	**2,424.5**	***6.8%***

[1] Only revenue from external customers.

In the reporting period, revenue was PLN 4,850.5 million, having increased by PLN 361.9 million (+8.1%) year on year. The largest contributor to the increase in the Group's revenue was the rapidly growing HalfPrice segment (PLN +193.9 million; +32.9%) and CCC segment (PLN +172.2 million; +9.1%). eobuwie delivered an increase in revenue of PLN 42.0 million (+2.9%), while Modivo's and DeeZee's revenue fell by PLN 41.0 million (-8.2%) and PLN 5.2 million (-11.9%), respectively.

LIKE-FOR-LIKE STORES

The revenue was affected by the change in sales at like-for-like stores and changes resulting from the opening and closing of retail outlets, as well as the continued development of the new off-price format and product range expansion. The breakdown of revenue into like-for-like sales and sales by newly opened or closed outlets is presented below.

BREAKDOWN OF REVENUE INTO LIKE-FOR-LIKE SALES AND SALES BY NEWLY OPENED OR CLOSED OUTLETS

		LIKE-FOR-LIKE STORES [1]				OTHER STORES [2]		
BUSINESS LINE	SALES CHANNEL	NUMBER	1 Feb 2024–31 Jul 2024	1 Feb 2023–31 Jul 2023	Change [%]	1 Feb 2024–31 Jul 2024	1 Feb 2023–31 Jul 2023	Change [%]
			unaudited, reviewed	unaudited, reviewed		unaudited, reviewed	unaudited, reviewed	
CCC	Offline	64.0	1,524.9	1,314.5	*16.0%*	256.0	245.1	*4.4%*
HalfPrice	Offline	77.0	459.8	442.5	*3.9%*	320.2	124.2	*>100%*
Total		**141.0**	**1,984.7**	**1,757.0**	***13.0%***	**576.2**	**369.3**	***56.0%***

[1] Like-for-like stores are stores that operated without interruption in the financial year 2024 and in the comparative period of the financial year 2023.
[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 227.7 million increase in sales generated by like-for-like stores (+13.0%).
Like-for-like increases were recorded within the CCC and HalfPrice business lines (+16.0% and +3.9%, respectively).
The PLN 434.5 million year-on-year growth in revenue generated by the offline segment was attributable to sales in like-for-like stores (PLN +227.7 million, of which PLN 210.5 million at CCC and PLN +17.2 million at HalfPrice), as well as sales in other stores (PLN +206.8 million, of which PLN 10.8 million at CCC and PLN +196.0 million at HalfPrice).

(all amounts in PLN million unless stated otherwise)

GROSS PROFIT						
	1 Feb 2024–31 Jul 2024	1 Feb 2023–31 Jul 2023	Change [%]	1 May 2024–31 Jul 2024	1 May 2023–31 Jul 2023	Change [%]
	unaudited, reviewed	unaudited, reviewed		unaudited, unreviewed	unaudited, unreviewed	
CCC	1,236.1	1,017.9	*21.4%*	661.1	570.4	*15.9%*
HalfPrice	398.0	227.5	*74.9%*	209.8	127.5	*64.5%*
eobuwie	604.1	598.4	*1.0%*	306.6	298.0	*2.9%*
MODIVO	183.8	193.1	*-4.8%*	91.9	93.4	*-1.6%*
DeeZee	23.1	24.0	*-3.8%*	12.9	12.8	*0.8%*
Total	**2,445.1**	**2,060.9**	***18.6%***	**1,282.3**	**1,102.1**	***16.4%***

In the reporting period, consolidated gross profit was PLN 2,445.1 million, having increased by PLN 384.2 million (18.6%) year on year.

CCC (50.6%) and eobuwie (24.7%) accounted for the largest shares of total gross profit in the reporting period. Consolidated gross margin in the reporting period was 50.5%, up by 4.6pp on the previous year's level.

Operating profit (loss)						
	1 Feb 2024–31 Jul 2024	1 Feb 2023–31 Jul 2023	Change [%]	1 May 2024–31 Jul 2024	1 May 2023–31 Jul 2023	Change [%]
	unaudited, reviewed	unaudited, reviewed		unaudited, unreviewed	unaudited, unreviewed	
CCC	315.5	73.4	*>100%*	207.0	115.2	*79.7%*
HalfPrice	84.9	-35.2	*<-100%*	51.5	-17.8	*<-100%*
eobuwie	9.6	-17.3	*<-100%*	-2.5	-12.7	*-80.3%*
MODIVO	2.9	-10.3	*<-100%*	6.1	-5.9	*<-100%*
DeeZee	0.2	1.7	*-88.2%*	0.4	0.5	*-20.0%*
Total	**413.1**	**12.3**	***>100%***	**262.5**	**79.3**	***>100%***

SEGMENT PROFIT (EBITDA)						
	1 Feb 2024–31 Jul 2024	1 Feb 2023–31 Jul 2023	Change [%]	1 May 2024–31 Jul 2024	1 May 2023–31 Jul 2023	Change [%]
	unaudited, reviewed	unaudited, reviewed		unaudited, unreviewed	unaudited, unreviewed	
CCC	487.7	280.4	*73.9%*	291.7	214.1	*36.2%*
HalfPrice	152.1	12.2	*>100%*	83.0	4.3	*>100%*
eobuwie	53.7	19.5	*>100%*	20.2	7.0	*>100%*
MODIVO	13.3	-1.9	*<-100%*	11.4	-2.4	*<-100%*
DeeZee	0.6	2.1	*-71.4%*	0.6	0.7	*-14.3%*
Total	**707.4**	**312.3**	***>100%***	**406.9**	**223.7**	***81.9%***

The consolidated profit of the segment (as measured with EBITDA) for the reporting period was PLN 707.4 million, having increased by PLN 395.1 million (+>100%). The largest contribution came from the CCC segment (PLN 487.7 million, accounting for 68.9%) and HalfPrice (PLN 152.1 million, 21.5%).

Costs of points of purchase and distribution						
	1 Feb 2024–31 Jul 2024	1 Feb 2023–31 Jul 2023	Change [%]	1 May 2024–31 Jul 2024	1 May 2023–31 Jul 2023	Change [%]
	unaudited, reviewed	unaudited, reviewed		unaudited, unreviewed	unaudited, unreviewed	
Salaries, wages and employee benefits	-514.1	-485.9	5.8%	-260.5	-239.3	8.9%
Advertising	-421.3	-453.2	-7.0%	-220.5	-235.9	-6.5%
Depreciation/amortisation	-263.2	-272.0	-3.2%	-128.4	-130.1	-1.3%
Transport services	-223.6	-231.0	-3.2%	-116.7	-120.9	-3.5%
Other rental costs – utilities and other variable costs	-206.7	-181.9	13.6%	-97.6	-96.5	1.1%
Other costs	-197.6	-178.0	11.0%	-109.3	-90.8	20.4%
Raw material and consumables used	-51.2	-78.9	-35.1%	-22.5	-38.7	-41.9%
Taxes and charges	-24.5	-24.6	-0.4%	-12.0	-13.9	-13.7%
Total	**-1,902.2**	**-1,905.5**	**-0.2%**	**-967.5**	**-966.1**	**0.1%**

In the reporting period, costs of points of purchase and distribution were PLN 1,902.2 million, having fallen by PLN 3.3 million (-0.2%). The most significant cost categories are salaries, wages and employee benefits, advertising, and depreciation/amortisation, which accounted for 27.0%, 22.1% and 13.8%, respectively, of the total costs of points of purchase and distribution.

(all amounts in PLN million unless stated otherwise)

Administrative expenses						
	1 Feb 2024–31 Jul 2024	1 Feb 2023–31 Jul 2023	Change [%]	1 May 2024–31 Jul 2024	1 May 2023–31 Jul 2023	Change [%]
	unaudited, reviewed	unaudited, reviewed		unaudited, unreviewed	unaudited, unreviewed	
Salaries, wages and employee benefits	-57.1	-88.1	-35.2%	-20.1	-41.1	-51.1%
Other costs	-46.9	-48.5	-3.3%	-20.7	-25.6	-19.1%
Depreciation/amortisation	-31.1	-28.0	11.1%	-16.0	-14.3	11.9%
Raw material and consumables used	-15.9	-13.8	15.2%	-8.9	-6.4	39.1%
Other rental costs – utilities and other variable costs	-9.1	-11.8	-22.9%	-3.2	-4.5	-28.9%
Taxes and charges	-3.6	-2.6	38.5%	-1.7	-1.5	13.3%
Advertising	-0.2	-0.4	-50.0%	-0.2	-0.1	100.0%
Transport services	-0.3	-0.5	-40.0%	-0.2	-0.3	-33.3%
Total	**-164.2**	**-193.7**	**-15.2%**	**-71.0**	**-93.8**	**-24.3%**

In the reporting period, administrative expenses amounted to PLN 164.2 million, down by PLN 29.5 million (-15.2%) year on year. The most significant cost groups included salaries, wages and employee benefits and other costs, which represented 34.8% and 28.6% of administrative expenses, respectively.
The cost structure and levels reflect the Group’s stringent cost control measures, including efforts to reduce energy consumption by implementing advanced energy management systems.

(all amounts in PLN million unless stated otherwise)

FINANCIAL RESULTS BY BUSINESS LINE

CCC	1 Feb 2024–31 Jul 2024	1 Feb 2023–31 Jul 2023	Change [%]	1 May 2024–31 Jul 2024	1 May 2023–31 Jul 2023	Change [%]
	unaudited, reviewed	unaudited, reviewed		unaudited, unreviewed	unaudited, unreviewed	
Revenue from sales to external customers	2,061.3	1,889.1	*9.1%*	1,110.6	1,040.7	*6.7%*
Gross profit	**1,236.1**	**1,017.9**	***21.4%***	**661.1**	**570.4**	***15.9%***
Gross margin (gross profit on sales/revenue from sales to external customers)	*60%*	*54%*	*11.3%*	*60%*	*55%*	*8.6%*
Costs of points of purchase and distribution	-809.7	-858.6	*-5.7%*	-407.9	-421.3	*-3.2%*
Administrative expenses	-120.4	-128.3	*-6.2%*	-59.1	-62.7	*-5.7%*
Other income and expenses, and (recognition) / reversal of loss allowances	9.5	42.4	*-77.6%*	12.9	28.8	*-55.2%*
Operating profit (loss)	**315.5**	**73.4**	***>100%***	**207.0**	**115.2**	***79.7%***
Depreciation/amortisation	-172.2	-207.0	*-16.8%*	-84.7	-98.9	*-14.4%*
SEGMENT PROFIT (EBITDA)	**487.7**	**280.4**	***73.9%***	**291.7**	**214.1**	***36.2%***

Segment assets:	**31 Jul 2024**	**31 Jan 2024**	**Change [%]**
Inventories	**1,702.3**	**1,181.8**	***44.0%***
in stores	663.9	566.2	*17.3%*
in the central warehouse	1,038.4	615.6	*68.7%*

HalfPrice	1 Feb 2024–31 Jul 2024	1 Feb 2023–31 Jul 2023	Change [%]	1 May 2024–31 Jul 2024	1 May 2023–31 Jul 2023	Change [%]
	unaudited, reviewed	unaudited, reviewed		unaudited, unreviewed	unaudited, unreviewed	
Revenue from sales to external customers	782.9	589.0	*32.9%*	412.1	337.5	*22.1%*
Gross profit	**398.0**	**227.5**	***74.9%***	**209.8**	**127.5**	***64.5%***
Gross margin (gross profit on sales/revenue from sales to external customers)	*51%*	*39%*	*31.6%*	*51%*	*38%*	*34.8%*
Costs of points of purchase and distribution	-300.4	-249.4	*20.4%*	-152.0	-138.2	*10.0%*
Administrative expenses	-13.0	-14.5	*-10.3%*	-6.1	-7.8	*-21.8%*
Other income and expenses, and (recognition) / reversal of loss allowances	0.3	1.2	*-75.0%*	-0.2	0.7	*<-100%*
Operating profit (loss)	**84.9**	**-35.2**	***<-100%***	**51.5**	**-17.8**	***<-100%***
Depreciation/amortisation	-67.2	-47.4	*41.8%*	-31.5	-22.1	*42.5%*
SEGMENT PROFIT (EBITDA)	**152.1**	**12.2**	***>100%***	**83.0**	**4.3**	***>100%***

Segment assets:	**31 Jul 2024**	**31 Jan 2024**	**Change [%]**
Inventories	**782.5**	**659.0**	***18.7%***
in stores	293.6	285.9	*2.7%*
in the central warehouse	488.9	373.1	*31.0%*

(all amounts in PLN million unless stated otherwise)

eobuwie	1 Feb 2024–31 Jul 2024 unaudited, reviewed	1 Feb 2023–31 Jul 2023 unaudited, reviewed	Change [%]	1 May 2024–31 Jul 2024 unaudited, unreviewed	1 May 2023–31 Jul 2023 unaudited, unreviewed	Change [%]
Revenue from sales to external customers	1,511.6	1,469.6	*2.9%*	808.5	768.6	*5.2%*
Gross profit	**604.1**	**598.4**	***1.0%***	**306.6**	**298.0**	***2.9%***
Gross margin (gross profit on sales/revenue from sales to external customers)	*40%*	*41%*	*-1.9%*	*38%*	*39%*	*-2.2%*
Costs of points of purchase and distribution	-595.4	-586.2	*1.6%*	-310.1	-302.0	*2.7%*
Administrative expenses	-23.7	-36.8	*-35.6%*	-5.1	-16.8	*-69.6%*
Other income and expenses, and (recognition) / reversal of loss allowances	24.6	7.3	*>100%*	6.1	8.1	*-24.7%*
Operating profit (loss)	**9.6**	**-17.3**	***<-100%***	**-2.5**	**-12.7**	***-80.3%***
Depreciation/amortisation	-44.1	-36.8	*19.8%*	-22.7	-19.7	*15.2%*
SEGMENT PROFIT (EBITDA)	**53.7**	**19.5**	***>100%***	**20.2**	**7.0**	***>100%***

Segment assets:	**31 Jul 2024**	**31 Jan 2024**	**Change [%]**
Inventories	**821.7**	**810.7**	***1.4%***
in stores	79.6	85.9	*-7.3%*
in the central warehouse	742.1	724.8	*2.4%*

MODIVO	1 Feb 2024–31 Jul 2024 unaudited, reviewed	1 Feb 2023–31 Jul 2023 unaudited, reviewed	Change [%]	1 May 2024–31 Jul 2024 unaudited, unreviewed	1 May 2023–31 Jul 2023 unaudited, unreviewed	Change [%]
Revenue from sales to external customers	456.3	497.3	*-8.2%*	236.3	256.4	*-7.8%*
Gross profit	**183.8**	**193.1**	***-4.8%***	**91.9**	**93.4**	***-1.6%***
Gross margin (gross profit on sales/revenue from sales to external customers)	*40%*	*39%*	*3.7%*	*39%*	*36%*	*6.8%*
Costs of points of purchase and distribution	-176.0	-191.8	*-8.2%*	-86.1	-94.0	*-8.4%*
Administrative expenses	-4.9	-11.6	*-57.8%*	0.3	-5.3	*<-100%*
Other income and expenses, and (recognition) / reversal of loss allowances	0.0	0.0	-	0.0	0.0	-
Operating profit (loss)	**2.9**	**-10.3**	***<-100%***	**6.1**	**-5.9**	***<-100%***
Depreciation/amortisation	-10.4	-8.4	*23.8%*	-5.3	-3.5	*51.4%*
SEGMENT PROFIT (EBITDA)	**13.3**	**-1.9**	***<-100%***	**11.4**	**-2.4**	***<-100%***

Segment assets:	**31 Jul 2024**	**31 Jan 2024**	**Change [%]**
Inventories	**247.9**	**239.8**	***3.4%***
in stores	2.3	5.1	*-54.9%*
in the central warehouse	245.6	234.7	*4.6%*

(all amounts in PLN million unless stated otherwise)

DeeZee	1 Feb 2024–31 Jul 2024	1 Feb 2023–31 Jul 2023	Change [%]	1 May 2024–31 Jul 2024	1 May 2023–31 Jul 2023	Change [%]
	unaudited, reviewed	unaudited, reviewed		unaudited, unreviewed	unaudited, unreviewed	
Revenue from sales to external customers	38.4	43.6	*-11.9%*	21.7	21.3	*1.9%*
Gross profit	**23.1**	**24.0**	***-3.8%***	**12.9**	**12.8**	***0.8%***
Gross margin (gross profit on sales/revenue from sales to external customers)	*60%*	*55%*	*9.3%*	*59.4%*	*60.1%*	*-1.1%*
Costs of points of purchase and distribution	-20.7	-19.5	*6.2%*	-11.4	-10.6	*7.5%*
Administrative expenses	-2.2	-2.5	*-12.0%*	-1.0	-1.2	*-16.7%*
Other income and expenses, and (recognition) / reversal of loss allowances	–	-0.3	*-100.0%*	-0.1	-0.5	*-80.0%*
Operating profit (loss)	**0.2**	**1.7**	***-88.2%***	**0.4**	**0.5**	***-20.0%***
Depreciation/amortisation	-0.4	-0.4	*0.0%*	-0.2	-0.2	*0.0%*
SEGMENT PROFIT (EBITDA)	**0.6**	**2.1**	***-71.4%***	**0.6**	**0.7**	***-14.3%***

Segment assets:	**31 Jul 2024**	**31 Jan 2024**	**Change [%]**
Inventories	**22.6**	**20.3**	***11.3%***
in stores	–	–	–
in the central warehouse	22.6	20.3	*11.3%*

EFFECT OF OTHER INCOME AND EXPENSES
OPERATING INCOME AND EXPENSES

In the reporting period, other income and expenses were PLN 47.9 million and PLN 16.0 million, respectively. On a net basis, the Group generated PLN 31.9 million of other income, compared with PLN 57.9 million of other expenses in the previous year. The most significant changes included the recognition in the reporting period of foreign exchange losses on items other than debt (PLN -0.5 million), versus foreign exchange gains on items other than debt (PLN 31.8 million) a year earlier. In addition, other income for the reporting period included a reversal of loss allowance for trade receivables of PLN 2.5 million (previous reporting period: recognised loss allowance of PLN 7.3 million).

OPERATING PROFIT (LOSS)
Operating profit in the reporting period was PLN 413.1 million, having increased by PLN 400.8 million year on year. This increase was mainly attributable to higher revenue and continued tight cost discipline.

FINANCE INCOME AND COSTS
In the reporting period, finance income was PLN 2.4 million, a decrease of PLN 70.8 million year on year. Key factors behind the change in finance income included recognition in the previous reporting period of PLN 35.6 million in foreign exchange gains (PLN 0.4 million in the current period) and PLN 20.7 million on valuation of options to purchase non-controlling interests (PLN 0.0 million in the current period).

In the same period, finance costs were PLN 243.9 million, an increase of PLN 30.3 million year on year. In the reporting period, finance costs included primarily interest on bank borrowings and bonds of PLN 153.5 million (PLN 153.0 million in the comparative period), and interest expense on leases (PLN 49.1 million, compared with PLN 33.8 million in the corresponding period of 2023).

INCOME TAX
In the reporting period, income tax expense totalled PLN 133.4 million, including current tax of PLN 79.0 million, deferred tax of PLN 219.6 million, and negative prior year adjustments of PLN 7.2 million.

NET PROFIT OR LOSS

After accounting for finance income and costs, allowances for expected credit losses, share in the loss of an associate and income tax expense, net profit from continuing operations in the reporting period was PLN 305.0 million, having increased by PLN 442.1 million year on year.
This decrease was largely attributable to higher sales, tight cost discipline across points of purchase and distribution and administrative expenses, and net other income, as described above.

(all amounts in PLN million unless stated otherwise)

21.2 CONSOLIDATED STATEMENT OF FINANCIAL POSITION (KEY ITEMS)

	31 Jul 2024	31 Jan 2024	Change [%]
	unaudited, reviewed	audited	
Non-current assets, including:	**3,940.7**	**3,740.5**	**5.4%**
Total property, plant and equipment	1,434.6	1,445.5	-0.8%
Right-of-use assets	1,399.9	1,400.1	0.0%
Deferred tax assets	410.6	248.7	65.1%
Current assets, including:	**4,409.3**	**3,580.9**	**23.1%**
Inventories	3,577.0	2,911.6	22.9%
Cash and cash equivalents	343.4	266.5	28.9%
Assets classified as held for sale	**0.0**	**24.6**	**-100.0%**
TOTAL ASSETS	**8,350.0**	**7,346.0**	**13.7%**
Non-current liabilities, including:	**2,567.5**	**1,959.3**	**31.0%**
Bank borrowings and bonds	1,270.8	676.6	87.8%
Lease liabilities	1,219.6	1,213.2	0.5%
Current liabilities, including:	**4,539.5**	**4,433.2**	**2.4%**
Bank borrowings and bonds	1,164.0	1,418.8	-18.0%
Trade and other payables	2,125.9	1,820.2	16.8%
TOTAL LIABILITIES	**7,107.0**	**6,392.5**	**11.2%**
EQUITY	**1,243.0**	**953.5**	**30.4%**

	PROPERTY, PLANT AND EQUIPMENT		CHANGE [%]	
	31 Jul 2024	31 Jan 2024	PROPERTY, PLANT AND EQUIPMENT	IN RETAIL SPACE
	unaudited, reviewed	audited		
Leasehold improvements	**763.9**	**713.1**	**7.1%**	**2.5%**
Distribution	**620.0**	**690.5**	**-10.2%**	
Land, buildings and structures	433.7	450.1	-3.6%	
Machinery and equipment	159.1	179.9	-11.6%	
Property, plant and equipment under construction	27.2	60.5	-55.0%	
Other	**50.7**	**41.9**	**21.0%**	
Total	**1,434.6**	**1,445.5**	**-0.8%**	

INVENTORIES			
	31 Jul 2024	31 Jan 2024	Change [%]
	unaudited, reviewed	audited	
CCC	1,702.3	1,181.8	44.0%
HalfPrice	782.5	659.0	18.7%
eobuwie	821.7	810.7	1.4%
MODIVO	247.9	239.8	3.4%
DeeZee	22.6	20.3	11.3%
Total	**3,577.0**	**2,911.6**	**22.9%**

(all amounts in PLN million unless stated otherwise)

21.3 CONSOLIDATED STATEMENT OF CASH FLOWS (KEY ITEMS)

	1 Feb 2024– 31 Jul 2024	1 Feb 2023– 31 Jul 2023	Change [%]	1 May 2024– 31 Jul 2024	1 May 2023– 31 Jul 2023	Change [%]
	unaudited, reviewed	unaudited, reviewed		unaudited, unreviewed	unaudited, unreviewed	
Profit (loss) before tax from continuing operations	**171.6**	**-128.1**	**<-100%**	**124.8**	**26.0**	**>100%**
Adjustments	513.1	394.3	30.1%	229.5	170.0	35.0%
Income tax paid	5.4	-40.3	<-100%	15.9	-23.2	<-100%
Cash flow before changes in working capital	**690.1**	**225.9**	**>100%**	**370.2**	**172.8**	**>100%**
Changes in working capital	-434.1	308.4	<-100%	-342.6	38.0	<-100%
Cash flows from operating activities	**256.0**	**534.3**	**-52.1%**	**27.6**	**210.8**	**-86.9%**
Cash flows from investing activities	**-115.2**	**-205.3**	**-43.9%**	**-53.4**	**-96.8**	**-44.8%**
Cash flows from financing activities, including:	**-63.9**	**-301.3**	**-78.8%**	**-26.3**	**-85.3**	**-69.2%**
Proceeds from borrowings	285.1	29.3	>100%	120.1	5.8	>100%
Repayment of borrowings	-28.0	-487.9	-94.3%	48.3	-170.9	<-100%
Lease payments	-193.8	-200.4	-3.3%	-98.9	-101.1	-2.2%
Interest paid	-121.5	-157.6	-22.9%	-85.1	-113.2	-24.8%
Net proceeds from share issue	0.0	501.6	-100.0%	0.0	289.3	-100.0%
TOTAL CASH FLOWS	**76.9**	**27.7**	**>100%**	**-52.1**	**28.7**	**<-100%**
Cash and cash equivalents at end of period	**343.4**	**423.1**	**-18.8%**	**343.4**	**423.1**	**-18.8%**

21.4 RATIOS

Profitability ratios	1 Feb 2024– 31 Jul 2024	1 Feb 2023– 31 Jul 2023	change [% yoy]	change [% qoq]
Gross profit margin	50.4%	45.9%	4.5%	-1.0%
Operating profit (loss) margin	8.5%	0.3%	8.2%	1.9%
Net profit (loss) margin	6.3%	-3.1%	9.3%	4.1%

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	31 Jul 2024	31 Jan 2024	change	change [qoq]
Current ratio	1.0	0.8	0.2	0.1
Quick ratio	0.2	0.2	0.0	0.0
Inventory cycle (days)	242.9	210.6	32.3	-3.0
Average collection period (days)	8.3	6.4	1.9	0.7
Average payment period (days)	155.2	139.4	15.8	-6.4

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 average amount of trade and other payables for the last four quarters to cost of sales, multiplied by the number of days in the period.

Operating efficiency ratios	31 Jul 2024	31 Jan 2024	Change [%]	change [% qoq]
Equity to non-current assets ratio	31.5%	25.5%	6.1%	4.7%
Debt ratio	29.2%	28.5%	0.6%	0.8%
Short-term debt ratio	13.9%	19.3%	-5.4%	-6.6%
Long-term debt ratio	15.2%	9.2%	6.0%	7.4%

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.

PROFIT GUIDANCE
No profit guidance has been published.

21.5 TRADING UPDATE

From 1 August to 22 September 2024, the CCC Group's revenue reached PLN 1.42 billion, marking a 19% year-on-year increase. The Group recorded revenue growth across all business lines, including: CCC +24% (LFL +24%), HalfPrice +20%, and eobuwie and Modivo +11%. Additionally, the Group has seen an accelerating sales growth throughout the quarter, with sales in September rising 28%.

The Group's gross margin was 51.5%, 4.4pp higher than in the same period last year. The Group positively views the sales and margins achieved during the back-to-school season and the launch of the AW 2024 collection, attributing the strong performance to thorough preparations for the season, including the maintenance of an adequate level of inventory.

Efforts to reduce the cost base across the Group are ongoing.

On 17 September 2024, Dariusz Miłek assumed the role of President of the Management Board of the subsidiary Modivo S.A. to better leverage synergies within the CCC Group.

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

The CCC Group

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

- **CCC Business Unit** (the CCC Group excluding the Modivo Business Unit); and
- **Modivo Business Unit** (Modivo S.A. and all its subsidiaries).

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

As intended, the execution of the new financing agreement has significantly enhanced the structure of the CCC Business Unit's bank debt. The new financing structure offers greater flexibility to the CCC Business Unit, including through increased limits on bank guarantees, letters of credit, and reverse factoring. It also reduces financing costs and raises the limits on available capital expenditures.

For details of the refinancing mechanism, refer to the 'Bank borrowings and bonds' section of the interim condensed consolidated financial statements.

On 24 April 2024, Modivo S.A. signed a credit facility agreement with Bank Polska Kasa Opieki S.A. whereby the availability period of the multi-purpose credit facility up to a total amount of PLN 260.0 million contracted on 26 October 2017 was extended for the next 12 months, i.e. until 29 April 2025, its other terms and conditions unchanged (see Current Report No. 14/2024).

As at the reporting date, the Group had financing liabilities of PLN 2,434.8 million, consisting of bank borrowings, bonds and financial assistance.

The current portion of financing liabilities as at the reporting date comprised debt under bank borrowings and bonds of PLN 1,164.0 million.

(all amounts in PLN million unless stated otherwise)

BANK	COMPANY	INSTRUMENT	AGREEMENT DATE	MATURITY DATE	AMOUNT [MILLION]	UTILISATION [MILLION]*	CURRENCY
Syndicated agreement							
EBRD	CCC.eu Sp. z o.o.	Long-term credit facility	12 Jul 2024	30 Apr 2029	201.8	201.8	PLN
		including current portion			23.3	23.3	PLN
Citibank	CCC.eu Sp. z o.o.	Long-term credit facility	12 Jul 2024	30 Apr 2029	67.3	67.3	PLN
		including current portion			7.8	7.8	PLN
Santander	CCC.eu Sp. z o.o.	Long-term credit facility	12 Jul 2024	30 Apr 2029	33.6	33.6	PLN
		including current portion			3.9	3.9	PLN
BNP Paribas	CCC.eu Sp. z o.o.	Long-term credit facility	12 Jul 2024	30 Apr 2029	33.6	33.6	PLN
		including current portion			3.9	3.9	PLN
PKO BP	CCC.eu Sp. z o.o.	Long-term credit facility	12 Jul 2024	30 Apr 2029	26.9	26.9	PLN
		including current portion			3.1	3.1	PLN
mBank	CCC.eu Sp. z o.o.	Long-term credit facility	12 Jul 2024	30 Apr 2029	26.9	26.9	PLN
		including current portion			3.1	3.1	PLN
Pekao S.A.	CCC.eu Sp. z o.o.	Long-term credit facility	12 Jul 2024	30 Apr 2029	13.5	13.5	PLN
		including current portion			1.6	1.6	PLN
BNP Paribas	CCC. EU	Long-term credit facility	24 Jul 2024	12 Jul 2026	41.0	41.0	PLN
BNP Paribas	CCC. EU	Long-term credit facility	24 Jul 2024	12 Jul 2026	42.0	42.0	PLN
Santander	CCC. EU	Long-term credit facility	23 Jul 2024	12 Jul 2026	20.0	20.0	PLN
Santander	CCC. EU	Long-term credit facility	23 Jul 2024	12 Jul 2026	35.0	35.0	PLN
PKO BP	CCC. EU	Long-term credit facility	23 Jul 2024	12 Jul 2026	42.0	42.0	PLN
PKO BP	CCC. EU	Long-term credit facility	23 Jul 2024	12 Jul 2026	30.0	6.4	PLN
Pekao S.A.	CCC. EU	Long-term credit facility	23 Jul 2024	12 Jul 2026	18.0	18.0	PLN
Pekao S.A.	CCC. EU	Long-term credit facility	23 Jul 2024	12 Jul 2026	50.0	50.0	PLN
mBank	CCC. EU	Long-term credit facility	24 Jul 2024	12 Jul 2026	15.0	15.0	PLN
mBank	CCC. EU	Long-term credit facility	24 Jul 2024	12 Jul 2026	25.0	0.0	PLN
Citibank	CCC. EU	Long-term credit facility*	23 Jul 2024	12 Jul 2026	82.0	82.0	PLN
Other credit facilities							
Pekao S.A.	Modivo S.A.	Short-term credit facility	26 Oct 2017	29 Apr 2025	186.5	152.9	PLN
PKO BP	Modivo S.A.	Long-term credit facility	2 Jun 2021	21 Nov 2025	166.6	133.9	PLN
Ceska sporitelna	CCC Czech	Short-term credit facility	18 Apr 2013	30 Jun 2025	27.7	0.0	CZK
Ceska sporitelna	CCC Slovakia	Short-term credit facility	18 Apr 2013	30 Jun 2025	32.0	28.2	CZK
Total short-term credit facility agreements, PLN					**233.0**	**199.4**	**PLN**
Total long-term credit facility agreements, PLN					**923.6**	**842.3**	**PLN**
Total short-term credit facility agreements, CZK					**59.7**	**28.2**	**CZK**

***** 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.

BANK	COMPANY	TYPE	AGREEMENT DATE	MATURITY DATE	AMOUNT [MILLION]	UTILISATION [MILLION]*	CURRENCY
Bonds							
Series 1/2018 bonds	CCC S.A.	Bonds	29 Jun 2018	29 Jun 2026	168.7	168.7	PLN
Softbank	Modivo S.A.	Bonds	1 Sep 2021	5 Apr 2026**	803.5	803.5	PLN
PFR FI FIZAN	CCC Shoes&Bags Sp. z o.o.	Bonds	22 Sep 2021	22 Sep 2028	362.8	362.8	PLN
Total Bonds					**1,335.0**	**1,335.0**	**PLN**

* 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, save for the bonds issued to Softbank.

** Pursuant to the agreement of 24 November 2023, the maturity of the bonds was extended from 23 August 2024 to 5 April 2026.

(all amounts in PLN million unless stated otherwise)

BANK	COMPANY	TYPE	AGREEMENT DATE	MATURITY DATE	AMOUNT [MILLION]	UTILISATION [MILLION]*	CURRENCY
Supplier Finance Programme							
PKO Faktoring	CCC.eu Sp. z o.o.	-	6 Nov 2023	31 Oct 2024	133.0	49.4	PLN
PKO Faktoring	CCC.eu Sp. z o.o.	Tranche B	24 Jul 2024	12 Jul 2026		0.0	PLN
Santander Factoring	CCC.eu Sp. z o.o.	Tranche B	23 Jul 2024	12 Jul 2026	130.0	0.0	PLN
Santander Factoring	CCC.eu Sp. z o.o.	-	20 Dec 2022	20 Dec 2024		45.8	PLN
Santander Factoring	CCC.eu Sp. z o.o.	BGK	20 Dec 2022	20 Dec 2024		84.2	PLN
BNP Faktoring	CCC.eu Sp. z o.o.	Tranche B	24 Jul 2024	12 Jul 2026	125.0	0.0	PLN
Pekao S.A.	CCC.eu Sp. z o.o.	Tranche B	23 Jul 2024	12 Jul 2026	122.0	0.0	PLN
mFaktoring	CCC.eu Sp. z o.o., CCC S.A.	Tranche B	23 Jul 2024	12 Jul 2026	90.0	0.0	PLN
Bank Handlowy	CCC.eu Sp. z o.o.	Tranche B	2 Aug 2018	12 Jul 2026		0.0	PLN
Millennium	CCC.eu Sp. z o.o.	BGK	20 Dec 2022	22 Dec 2024	39.8	20.8	PLN
Pekao S.A.	Modivo S.A.	-	14 Jan 2019	unspecified	80.0	73.6	PLN
Pekao S.A.	Modivo S.A.	BGK	11 Jul 2023	24 Jun 2025	70.0	60.5	PLN
Pekao S.A.	Modivo S.A.	BGK	30 Dec 2022	28 Nov 2024	30.0	18.9	PLN
PKO BP	Modivo S.A.	-	30 Jul 2021	31 Oct 2024	80.0	70.0	PLN
PKO BP	Modivo S.A.	BGK	4 Nov 2022	26 Oct 2024	60.0	51.5	PLN
Total Supplier Finance Programme					**959.8**	**474.7**	**PLN**

* 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.

BANK	COMPANY	INSTRUMENT	AGREEMENT DATE	MATURITY DATE	AMOUNT [MILLION]	UTILISATION [MILLION]*	CURRENCY
Guarantee facility							
PKO BP	CCC S.A.	Bank guarantee facility	23 Jul 2024	12 Jul 2026	40.0	33.6	PLN
mBank	CCC S.A.	Bank guarantee facility	24 Jul 2024	12 Jul 2026	30.0	13.0	PLN
Santander	CCC S.A.	Bank guarantee facility	23 Jul 2024	12 Jul 2026	60.0	35.0	PLN
BNP Paribas	CCC S.A.	Bank guarantee facility	24 Jul 2024	12 Jul 2026	42.0	15.6	PLN
Pekao S.A.	CCC S.A.	Bank guarantee facility	23 Jul 2024	12 Jul 2026	28.0	0.0	PLN
Pekao S.A.	Modivo S.A.	Bank guarantee facility	23 Jul 2024	29 Apr 2025	73.7	73.7	PLN
PKO BP	Modivo S.A.	Bank guarantee facility	2 Jun 2021	21 Nov 2025	13.3	13.3	PLN
Ceska sporitelna	CCC Czech	Bank guarantee facility	18 Apr 2013	30 Jun 2025	72.3	72.3	CZK
Ceska sporitelna	CCC Slovakia	Bank guarantee facility	18 Apr 2013	30 Jun 2025	14.5	14.5	CZK
Raiffeisen	CCC Hungary	Bank guarantee facility	25 Jun 2014	30 Nov 2024	2.0	1.5	EUR
HSBC	RAWAKI	Bank guarantee facility		31 Jan 2025	1.5	1.5	PLN
Total guarantee facility, PLN					**288.5**	**185.7**	**PLN**
Total guarantee facility, CZK					**86.8**	**86.8**	**CZK**
Total guarantee facility, EUR					**2.0**	**1.5**	**EUR**

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 500.0 million. 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 210.0 million in Series 1/2014 and PLN 210.0 million in Series 1/2018;
5. Redemption: one-off, at nominal value on 10 June 2019 for Series 1/2014 and on 29 June 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 16 October 2014;
8. Series 1/2014 bonds were registered with the Central Securities Depository of Poland on 20 July 2018.

Following the issue of 210,000 Series 1/2018 Bonds and the redemption of 210,000 Series 1/2014 Bonds, 210,000 Series 1/2018 Bonds are outstanding.
Under Resolution No. 4 of 17 May 2021 passed by the Bondholders' Meeting of the holders of Series 1/2018 Bonds, issued on 29 June 2018 pursuant to the Terms and Conditions of the Bonds of 21 June 2018, the terms and conditions of the Bonds were amended, in particular the Bonds redemption date was changed from 29 June 2021 to 29 June 2026.
On 20 June 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 21 June 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 24 October 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 21 June 2018', concerning the issue of Series 1/2018 Bonds.
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 2 June 2021 and the Common Terms Agreement of 5 November 2020.
The Bonds are listed in the Alternative Trading System organised by BondSpot S.A.

In 2023, the Company effected the following Bond redemptions:

- On 17 April 2023, the Company redeemed 337 Bonds, following which it had 209,663 outstanding Series 1/2018 Bonds.
- On 10 August 2023, the Company redeemed 8,898 Bonds, following which it had 200,765 outstanding Series 1/2018 Bonds.
- On 25 October 2023, the Company redeemed 11,414 Bonds, following which it had 189,351 outstanding Series 1/2018 Bonds.

On 21 March 2024, the Company redeemed 20,565 Series 1/2018 Bonds. Currently, the Company has 168,786 outstanding Series 1/2018 Bonds.

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

On 9 September 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 360,000,000.00 (three hundred and sixty million złoty), to be subscribed for by the Fund.
On 22 September 2021, CCC S&B carried out the issue of 360 Series A bonds with a nominal value of PLN 1,000,000.00 per bond and a total nominal value of PLN 360,000,000.00. 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) notarised consent 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 22 September 2028. The bonds were issued pursuant to Art. 33.2 of the Bonds Act of 15 January 2015. The bonds will not be introduced to trading on a regulated market.

Information on Modivo S.A. bonds

On 5 October 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 were to be originally redeemed on 23 August 2024. However, on 24 November 2023, an agreement was signed to extend the maturity of the Softbank bonds until 5 April 2026.
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 aforementioned agreement, in the period from 5 October 2024 to 5 April 2026 interest on the bonds will accrue at an increased rate of 10.99% per annum. 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.
The Group assessed whether the amendments to the issue agreement constituted a material change of the agreement's terms, potentially resulting in the extinguishment of the existing liability and the recognition of a new one. For this purpose, quantitative changes were evaluated. The change in the present value of the cash flows based on the new terms and discounted using the original effective interest rate did not vary by more than 10% from the discounted present value of the remaining cash flows of the original financial liability. The amendment was also assessed from a qualitative perspective. The Group concluded that it was not material because it does not fundamentally introduce new contractual terms but merely updates the existing ones, in addition to extending the maturity of the liability, as discussed above.
Under the agreement, the SoftBank Group entity also agreed to waive the testing of the Net Financial Debt/EBITDA ratio as at 31 January 2024 (a covenant), provided that Modivo submits an application to the National Court Register, reflecting the amendments related to the convertible bonds approved by the General Meeting. Interest on the bonds will accrue on a quarterly basis, at a fixed rate, payable on the redemption or conversion date. The bonds will automatically convert into Modivo shares in the event of Modivo S.A.'s initial public offering or any similar transaction outlined in the bonds' terms and conditions (mandatory conversion) at the market price, adjusted for a premium.
Liability under the bonds measured as at 31 July 2024 amounted to PLN 822.9 million and was disclosed in the statement of financial position as part of current liabilities under bonds (as at 31 January 2024, liability under the bonds amounted to PLN 739.3 million and was disclosed as part of non-current liabilities under bonds). The value of the derivative instrument measured as at 31 July 2024 amounted to PLN 7.8 million and was disclosed in the statement of financial position under other current liabilities (as at 31 January 2024, the value of the derivative instrument amounted to PLN 3.4 million and was disclosed under other current liabilities).

22.3. COVENANTS / FINANCIAL RATIOS

The CCC Group
Financing in the CCC Group is provided at the level of two business units, which are separately responsible for their liabilities:
- **CCC Business Unit** (the CCC Group excluding the Modivo Business Unit); and separately for
- **Modivo Business Unit** (MODIVO S.A. and all its subsidiaries).

In line with the rules set forth in the Syndicated Agreement dated 12 July 2024 and the Terms and Conditions of Series 1/2018 Bonds, the financial ratios of the CCC Business Unit are measured based on the Financial Information prepared following deconsolidation of the Modivo Business Unit from the Group's results. Financial ratios for the Modivo Business Unit are subject to separate regulations, in accordance with the definitions set forth in the credit facility agreements made with individual banks.
In order to prepare the CCC Business Unit's results, the Group's consolidated data undergoes agreed procedures designed to separate the financial results of the CCC Business Unit from those of the Modivo Business Unit (deconsolidation of the MODIVO Business Unit from the Group's results). The results of the Modivo Business Unit are deconsolidated taking into account the following adjustments or eliminations:
(a) recognition of Modivo S.A. shares at historical amount (PLN 2,699,640,000.00 with respect to the equity interest held by CCC)
(b) recognition of balances and turnovers of the CCC Business Unit entities vis-à-vis the Modivo Business Unit entities.
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.

		The CCC Group		
		Modivo Business Unit		**CCC Business Unit**
Financial debt (PLN million), as at 31 July 2024 (based on the Business Unit's balance sheet)	Debt	**PLN 1,109.8 million, including:** • PLN 822.9 million convertible bonds issued to Softbank • PLN 286.9 million bank loans		**PLN 1,325.0 million, including:** • PLN 806.5 million bank loans • PLN 169.9 million Series 1/2018 bonds • PLN 345.0 million bonds issued to PFR (including deferred interest)* • PLN 3.6 million adjusted purchase price
	Cash	**PLN 136.4 million**		**PLN 207.0 million**
	Net debt	**PLN 973.4 million**		**PLN 1,118.0 million**
Debt ratio according to financing agreements (PLN million), as at 31 July 2024	Gross Financial Debt**	**PLN 1,384.3 million, including:** • PLN 822.9 million convertible bonds issued to Softbank • PLN 286.9 million bank loans • PLN 274.5 million reverse factoring		**PLN 974.5 million, including:** • PLN 806.5 million bank loans • PLN 169.9 million Series 1/2018 bonds • PLN -1.9 million marking of derivative transactions to market
	Net Financial Debt**	• **PLN 1,247.9 million** includes bonds issued to Softbank		**PLN 767.5 million**
	Net exposure**	• **Not applicable**		**PLN 1,087.5 million, including:** • PLN 767.5 million Net Financial Debt • PLN 119.8 million bank guarantee facilities • PLN 200.2 million reverse factoring***
Financial ratios (banks and bondholders)	Ratios	**Ratio review at the Modivo Business Unit level:** **As at 31 July 2024** a) **(ratio testing suspended)** $\frac{\textit{Gross Financial Debt/Cash}}{\text{EBITDA (excluding IFRS 16)}}$<3.5x b) **Net Financial Debt excluding bonds** not higher than PLN 548.0 million	SEPARATE FINANCING	**Ratio review at the CCC Business Unit level:** **As at 31 July 2024** $a)\ \frac{\textit{Net exposure}}{\text{EBITDA (excluding IFRS 16)}}$<3.50x b) *DSCR* >1.2x
	Definitions according to financing agreements **(there may be differences in definitions relative to the ratios reported in the Financial Statements)**	**Net Financial Debt** is defined as the sum of interest-bearing debt under bank and non-bank borrowings, debt securities, and reverse factoring arrangements and debt under leases (excluding amounts resulting from the implementation of IFRS 16), less cash. **Net Financial Indebtedness excluding bonds** is defined as outlined above, but excludes the bonds issued to SVF II Motion Subco (DE) LLC. **EBITDA** of the Modivo Business Unit, i.e., operating profit plus depreciation and amortisation (excluding amounts resulting from the implementation of IFRS 16) plus costs related to the incentive scheme in addition, BP PKO S.A.'s definition includes the following provision: "decreased by any gain or increased by any loss on disposal of non-financial non-current assets".		**Financial Debt** – interest-bearing debt (excluding reverse factoring) – see more in the 'Financial Ratios' section **Net Financial Debt** – Financial Debt less cash **Net Exposure** – Net Financial Debt plus reverse factoring and guarantees **EBITDA** of the CCC Business Unit, i.e., operating profit from continuing operations plus depreciation and amortisation; including numerous non-cash adjustments (excluding amounts resulting from the implementation of IFRS 16)

* The amount does not include an embedded derivative presented in the balance sheet as other financial liabilities (PLN 6.1 million).
** Definitions according to the financing agreements, as described in the last part of this table.
*** Presented in the statement of financial position as a trade payable.

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 31 July 2024, in the Management Board's opinion none of the financial covenants were breached during the reporting period and until the date of authorisation of this report for issue.

Under the ordinary bonds issue agreement (ISIN: PLCCC0000081) of 17 May 2021, as amended, the CCC Business Unit is obliged, among others, to test the ratios listed below at 31 July 2024:

a) **Net Exposure/EBITDA for the CCC Business Unit** not higher than 3.5x.

b) **DSCR for the CCC Business Unit** not lower than 1.2x;

Financial ratios reviewed at the CCC Business Unit after the reporting date

(all amounts in PLN million unless stated otherwise)

Applicable financial ratios
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.

Financial ratios reviewed at the CCC Business Unit after the reporting date are based on:

1. **Financial ratios applicable under the Terms and Conditions of CCC S.A. Bonds**

   a) **Net Exposure/EBITDA for the CCC Business Unit**

Net Exposure/EBITDA calculated for the CCC Business Unit for the first time as at 31 January 2023 not higher than 12.7x. In subsequent periods, the ratio should not exceed the following levels for a given calculation period:

Calculation Period	Net Exposure/EBITDA
31 October 2024	3.0x
next Quarter End Date	as above

Gross Financial Debt means the aggregate amount of liabilities of the CCC Business Unit entities (the Group excluding The MODIVO Business Unit) under the following: bank and non-bank borrowings, bonds in 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.

   b) **DSCR of the CCC Business Unit**

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

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.

2. **Financial ratios applicable under the new Syndicated Agreement of 12 July 2024**

   a) **Net Financial Exposure Ratio of the CCC Business Unit**

For each calculation period, the Net Financial Exposure Ratio may not be greater than 3.5x. The first testing date for the Net Financial Exposure Ratio will be 31 October 2024, whereupon the covenant will be tested as at the end of each quarter of the financial year, i.e. 31 January, 30 April, 31 July and 31 October.

The Net Financial Exposure Ratio is calculated as Net Financial Exposure to Consolidated EBITDA.

Net Financial Exposure is defined as the total amount of all liabilities of CCC Group members relating to or arising from Financial Debt existing at any given time, but:
- excluding any liabilities owed to other members of the CCC Group;
- excluding the capitalised value of leases falling under IFRS 16;
- excluding utilised limits on guarantees and letters of credit, as long as the liabilities arising from them remain off-balance-sheet;

less the total amount of consolidated cash and cash equivalents.

   b) **DSCR**

For each calculation period, DSCR may not be lower than 1.5x. The first testing date for DSCR will be 31 January 2025, whereupon the covenant will be tested as at the end of each quarter of the financial year, i.e. 31 January, 30 April, 31 July and 31 October.

DSCR is calculated as: (Consolidated EBITDA - Tax Paid)/Consolidated Debt Service.

(all amounts in PLN million unless stated otherwise)

c) Payments Coverage Ratio

For each calculation period, the Payments Coverage Ratio may not be lower than 1.2x. The first testing date for the Payments Coverage Ratio will be 31 January 2025, whereupon the covenant will be tested as at the end of each quarter of the financial year, i.e. 31 January, 30 April, 31 July and 31 October.

The ratio is calculated as consolidated EBITDA less taxes paid, changes in working capital and capital expenditures (excluding those related to the HalfPrice warehouse), plus consolidated cash, and less net changes in the revolving credit facility in the 12 months preceding the relevant period, divided by the consolidated debt service amount.

d) Cash Coverage Ratio

For each calculation period, the Cash Coverage Ratio must be no less than PLN 160.0 million. Cash means cash in hand or cash deposited in bank accounts in the name of a CCC Group member at the Bank, to which the CCC Group member (independently or together with other Group members) is entitled and which it may freely use at its own discretion. The first testing date for the Cash Coverage Ratio will be 31 January 2025, whereupon the covenant will be tested as at the end of each half of the financial year, i.e. 31 January and 31 July.

e) CAPEX

Net Financial Exposure Ratio	CAPEX
Greater than or equal to 2.0	PLN 275,000,000
Lower than 2.0	PLN 400,000,000

The CAPEX ratio will be tested at the end of each financial year, i.e. 31 January and subsequent dates.
CAPEX means:

- Cash flows classified by the Company as purchase of property, plant and equipment, intangible assets and other non-current assets, excluding capitalised development expense and cost of self-constructed non-current assets;
- Cash flows classified by the Company as acquisition of equity or debt instruments of other entities and interests in joint ventures;
- The value of assets acquired under finance leases that, prior to the adoption of IFRS 16, would be considered finance lease liabilities. This does not include lease liabilities currently classified as operating leases in accordance with IFRS 17.
- In addition, the agreement includes a provision stating that capital expenditures incurred by the Group for the HalfPrice logistics warehouse must not exceed PLN 150 million (this amount is not included in the limits outlined in the table above).

Annual ESG targets

Key Performance Indicators (KPIs)	2024	2025	2026	2027	2028	2029	2030
KPI 1 Reduction of Scope 1 and 2 GHG emissions	8%	16%	24%	32%	40%	48%	56%
KPI 2 Reduction of Scope 3 GHG emissions	17%	20%	24%	28%	32%	35%	40%
KPI 3 Reduction of natural leather consumption to manufacture proprietary brand and licensed products	15%	20%	25%	30%	34%	38%	40%
KPI 4 Share of pre-owned footwear and clothing in total sales	0.2%	0.5%	1.0%	2.0%	4.0%	6.0%	8.0%

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 31 July 2024, in the Management Board's opinion none of the financial covenants were breached during the reporting period and until the date of authorisation of this report for issue. 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 excluding bonds** not greater than PLN 548.0 million.

For the Modivo Business Unit, Net Financial Debt will be tested as at 31 July 2024 in accordance with the banks' and the factor's waivers as referred to in item (a) of the 'Modivo Business Unit's ratios reviewed as at the reporting date' section, whereby the conditions for testing the financial ratios.

PKO BP S.A. permits a return to the original contractual obligations as they were prior to the execution of the Amendment, provided that the Net Financial Debt/EBITDA ratio does not exceed 3.5 for two consecutive testing periods.

In the case of bonds issued to Softbank Vision Fund II Motion Subco (DE) LLC, the ratio has been set at a level not higher than 5:1, to be tested every six months. Breach of this covenant as at two consecutive testing dates constitutes an event of default under the agreement between Modivo S.A. and Softbank Vision Fund II Motion Subco (DE) LLC. In the Management Board's opinion, as at the first testing date (31 January 2023) the ratio exceeded the prescribed limit. Following the banks' approval, Modivo S.A. also secured conditional consent from the bondholder Softbank to a potential breach of this covenant and waiver of the right to demand early redemption in the event of its breach as at the second testing date of 31 July 2023 (and the successive testing dates until 31 January 2025), with the waiver effective upon execution of the credit documentation extending the availability period of the PLN 260.0 million credit facility, as per the binding offer received from Bank Polska Kasa Opieki S.A. on 13 April 2023. With Softbank's consent, a ratio exceeding the limit prescribed for 31 January 2024 and 31 July 2024 is not be considered an event of default under that or any other financing agreement of the MODIVO Business Unit or any other Business Units.

Net Financial Debt is defined as the sum of interest-bearing debt under bank and non-bank borrowings, debt securities, and reverse factoring arrangements and debt under leases (excluding amounts resulting from the implementation of IFRS 16), less cash.
Net Financial Indebtedness excluding bonds is defined as outlined above, but excludes the bonds issued to SVF II Motion Subco (DE) LLC.

EBITDA of the Modivo Business Unit, i.e., operating profit plus depreciation and amortisation (excluding amounts resulting from the implementation of IFRS 16) plus costs related to the incentive scheme in addition, BP PKO S.A.'s definition includes the following provision: "decreased by any gain or increased by any loss on disposal of non-financial non-current assets".

Modivo Business Unit's ratios reviewed after the reporting date

After the reporting date, the MODIVO Business Unit must test the following ratios:
a) **Net Financial Debt/EBITDA** not higher than 3.5.

This ratio is calculated every six months but will not be reviewed until 31 January 2025, as Modivo S.A. secured prior waivers from the testing of the Net Financial Debt/EBITDA ratio as at 31 July 2024 from PEKAO S.A. (on 26 March 2024), PKO BP (on 27 March 2024), PEKAO Faktoring Sp. z o.o. (on 27 March 2024), and an entity of the Softbank Group as a bondholder (on 2 April 2024).
On 20 September 2024, MODIVO S.A. received consent from PEKAO S.A. and PEKAO Faktoring Sp. z o.o. to suspend the testing of the Net Financial Debt/EBITDA ratio as at 31 January 2025. Additionally, a one-time test of Net Financial Debt excluding bonds was established for the period ending 31 January 2025, not to exceed PLN 548.0 million.
On 20 September 2024, MODIVO S.A. received consent from PKO BP to change the Net Financial Debt/EBITDA covenant, to be tested on 31 January 2025, from a level not exceeding 3.5 to a level not exceeding 5.5.
In the case of the bondholder Softbank Vision Fund II Motion Subco (DE) LLC, the ratio is set at a level not higher than 5:1.
b) **DSCR** of >= 1.2

This ratio is tested on a quarterly basis, with the first testing date falling on 31 October 2024 as per the credit facility amendment executed with PKO BP on 27 March 2024 (extending the original testing date from 31 July 2024). This covenant is not present in the other financing agreements.
The ratio is defined as (EBITDA decreased by corporate income tax) divided by the sum of interest, principal and lease payments (excluding amounts resulting from the implementation of IFRS 16) and other debt obligations for the 12 months ended on the ratio calculation date.

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

Not applicable.

(all amounts in PLN million unless stated otherwise)

22.5. 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.

22.6. AGREEMENTS EXECUTED BY COMPANIES OF THE CCC GROUP

LOANS

LENDER	BORROWER	AGREEMENT DATE	MATURITY DATE	AMOUNT [MILLION]	CURRENCY	INTEREST RATE
CCC S.A.	CCC Shoes Bulgaria EOOD	4 Dec 2014	31 Jan 2025	4.0	BGN	3M EURIBOR + 2.83%
CCC S.A.	CCC.eu Sp. z o.o.	17 Dec 2014	1 Jun 2026	9.3	USD	3M SOFR + 1.95%
		22 Jun 2021	1 Jun 2026	1,600.0	PLN	3M WIBOR + 2.48%
CCC S.A.	CCC Estonia OÜ	9 May 2022	10 May 2025	0.3	EUR	3M EURIBOR + 2.37%
CCC S.A.	CCC Shoes Latvia	19 May 2022	19 May 2025	0.5	EUR	3M EURIBOR + 2.25%
CCC S.A.	CCC Lithuania UAB	10 May 2022	10 May 2025	0.7	EUR	3M EURIBOR + 2.28%
CCC S.A.	HR Group Holding s.a.r.l.	31 Jan 2019	31 Dec 2029	41.5	EUR	8.00%
CCC S.A.	HR Group GmbH & Co. KG	17 Feb 2020	31 Mar 2023	6.2	EUR	3.00%
CCC S.A.	HalfPrice Sp. z o.o.	22 Jun 2021	1 Jun 2026	200.0	PLN	3M WIBOR + 2.91%
CCC S.A.	DeeZee Sp. z o.o.	17 Aug 2021	26 Jul 2026	11.0	PLN	3.55%

LENDER	BORROWER	AGREEMENT DATE	MATURITY DATE	AMOUNT [MILLION]	CURRENCY	INTEREST RATE
CCC Shoes & Bags Sp. z o.o.	Shoe Express S.A.	25 Apr 2018	30 Apr 2025	30.0	EUR	3M EURIBOR + 2.73%
CCC Shoes & Bags Sp. z o.o.	CCC S.A.	17 Sep 2021	30 Sep 2028	360.0	PLN	3M WIBOR + 7.29%
CCC Shoes & Bags Sp. z o.o.	CCC.eu Sp. z o.o.	22 Feb 2022	28 Feb 2025	10.0	PLN	3M WIBOR + 2.48%
CCC Shoes & Bags Sp. z o.o.	CCC.eu Sp. z o.o.	26 Oct 2022	31 Oct 2026	17.0	EUR	3M EURIBOR + 1.33%

LENDER	BORROWER	AGREEMENT DATE	MATURITY DATE	AMOUNT [MILLION]	CURRENCY	INTEREST RATE
CCC.eu Sp. z o.o.	CCC GERMANY GmbH (agreement)	11 Apr 2018	30 Apr 2023	18.5	EUR	1.80%
CCC.eu Sp. z o.o.	CCC Shoes & Bags Sp. z o.o.	24 Apr 2018	31 Jan 2029	20.0	EUR	3M EURIBOR + 2.07%
CCC.eu Sp. z o.o.	CCC S.A.	22 Jun 2021	1 Jun 2026	47.2	PLN	3M WIBOR + 2.48%
CCC.eu Sp. z o.o.	CCC Tech Sp. z o.o.	16 Apr 2024	30 Apr 2026	15.0	PLN	3M WIBOR + 2.76%

LENDER	BORROWER	AGREEMENT DATE	MATURITY DATE	AMOUNT [MILLION]	CURRENCY	INTEREST RATE
DeeZee Sp. z o.o.	CCC.eu Sp. z o.o.	16 Feb 2024	31 Dec 2024	25.0	PLN	3M WIBOR + 2.40%

LENDER	BORROWER	AGREEMENT DATE	MATURITY DATE	AMOUNT [MILLION]	CURRENCY	INTEREST RATE
Modivo S.A.	eobuwie.pl Logistics Sp. z o.o.	15 Oct 2015	30 Sep 2026	50.0	PLN	3M WIBOR +0.55%
		24 Oct 2022	31 Dec 2027	60.0	PLN	3M WIBOR +0.55%
Modivo S.A.	eobuv.cz s.r.o.	12 Apr 2021	31 Dec 2031	4.5	PLN	3M PRIBOR +0.55%
Modivo S.A.	epantofi.modivo s.r.l.	3 Sep 2021	31 Dec 2031	15.0	PLN	3M ROBOR +0.55%
Modivo S.A.	Modivo SRL	4 Apr 2022	31 Dec 2027	0.2	EUR	3M EURIBOR +0.55%
Modivo S.A.	Modivo.sk s.r.o.	20 Sep 2022	31 Dec 2032	2.5	EUR	3M EURIBOR +0.55%
Modivo S.A.	Modivo.lv SIA	28 Jun 2023	31 Dec 2033	1.2	EUR	3M EURIBOR +0.55%
Modivo S.A.	Fashion Tech Solutions	9 Apr 2024	31 Dec 2029	1.2	EUR	3M EURIBOR +0.55%
eschuhe.de	Modivo S.A.	26 Sep 2023	31 Dec 2033	6.5	EUR	3M EURIBOR + 7.0%

(all amounts in PLN million unless stated otherwise)

GUARANTEES PROVIDED AS SUPPORT OF COMMERCIAL SPACE LEASE CONTRACT

Bank guarantees under CCC S.A.'s guarantee facilities

COMPANY	NUMBER OF GUARANTEES	DEBTOR	AMOUNT OF GUARANTEE [MILLION]	CURRENCY
CCC S.A.	2	CCC Hrvatska d.o.o.	0.1	EUR
CCC S.A.	4	CCC Obutev d.o.o.	0.5	EUR
CCC S.A.	2	CCC Shoes Latvia	0.2	EUR
CCC S.A.	1	UAB CCC Lithuania	0.0	EUR
CCC S.A.	46	Shoe Express S.A.	1.7	EUR
CCC S.A.	5	CCC Shoes Bulgaria EOOD	0.3	EUR
CCC S.A.	1	DeeZee Sp. z o.o.	0.1	EUR
CCC S.A.	13	Modivo S.A.	1.2	EUR
CCC S.A.	4	OFP Austria GmbH	0.8	EUR
CCC S.A.	81	HalfPrice Sp. z o.o.	9.5	EUR
CCC S.A.	9	HalfPrice Sp. z o.o.	2.3	PLN
CCC S.A.	25	HalfPrice Sp. z o.o.	2.7	USD
CCC S.A.	1	CCC.eu Sp. z o.o.	0.7	USD
CCC S.A.	48	CCC S.A.	4.3	EUR
CCC S.A.	7	CCC S.A.	0.9	PLN

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.	19	CCC Czech s.r.o.	24.3	CZK
CCC Czech s.r.o.	20	CCC Czech, s.r.o.	2.1	EUR
CCC Slovakia, s.r.o.	14	CCC Slovakia, s.r.o.	0.6	EUR
CCC Hungary Shoes Kft.	12	CCC Hungary Shoes Kft.	1.5	EUR
Modivo S.A.	33	Modivo S.A.	17.0	EUR
Modivo S.A.	2	Modivo S.A.	8.2	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.	27	CCC Czech, s.r.o.	5.0	CZK
CCC S.A.	31	CCC Czech s.r.o.	9.8	EUR
CCC S.A.	3	CCC Germany GmbH	0.2	EUR
CCC S.A.	16	CCC Hrvatska d.o.o.	0.6	EUR
CCC S.A.	45	CCC Hungary Shoes Kft.	2.2	EUR
CCC S.A.	11	CCC Hungary Shoes Kft.	133.0	HUF
CCC S.A.	13	CCC Obutev d.o.o.	0.6	EUR
CCC S.A.	45	CCC Slovakia s.r.o.	2.5	EUR
CCC S.A.	13	HalfPrice Sp. z o.o.	1.7	EUR
CCC S.A.	23	HalfPrice Sp. z o.o.	16.1	PLN
CCC S.A.	2	OFP Austria GmbH	0.2	EUR
CCC S.A.	51	Shoe Express S.A.	2.0	EUR
CCC S.A.	1	Shoe Express S.A.	0.1	RON
CCC S.A.	3	CCC Estonia OU	0.1	EUR
CCC S.A.	6	CCC Shoes Latvia SIA	0.3	EUR
CCC S.A.	6	UAB CCC Lithuania	0.4	EUR
CCC S.A.	6	CCC Shoes & Bags d.o.o. Beograd-Novi	0.5	EUR
CCC S.A.	13	CCC Shoes Bulgaria EOOD	0.4	EUR
CCC S.A.	1	CCC.EU Sp. z o.o.	4.5	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. (provided jointly with CCC Shoes & Bags Sp. z o.o.)	Millennium	CCC.eu Sp. z o.o.	Aval for reverse factoring agreement secured by guarantee BGK	20 Dec 2022	22 Dec 2027	2.6	PLN
CCC S.A. (provided jointly with CCC Shoes & Bags Sp. z o.o.)	Millennium	CCC.eu Sp. z o.o.	Aval for reverse factoring agreement secured by guarantee BGK	20 Dec 2022	22 Dec 2027	61.0	PLN
CCC S.A. (provided jointly with CCC Shoes & Bags Sp. z o.o.)	Bank Handlowy	CCC.eu Sp. z o.o.	Aval for card agreement	8 Dec 2016	3 years from debt due date	0.6	PLN
CCC S.A.	Santander Factoring	CCC.eu Sp. z o.o.	Surety for reverse factoring agreement secured by BGK	20 Dec 2022	-	147.5	PLN
CCC S.A. (provided jointly with the Obligors*)	mBank, PKO BP, Santander Bank, Pekao S.A., BNP Paribas, Bank Handlowy w Warszawie, EBRD	CCC.eu Sp. z o.o., CCC S.A., HalfPrice Sp. z o.o.	Surety for syndicated agreement	23 Jul 2024	30 Apr 2029	3,240	PLN
CCC S.A.	PFR FI FIZAN	CCC Shoes & Bags Sp. z o.o.	Surety for bonds	16 Sep 2021	30 Sep 2031	720.0	PLN

* Obligors: CCC S.A., CCC.eu Sp. z o.o., CCC Shoes & Bags Sp. z o.o., HalfPrice Sp. z o.o., CCC Tech Sp. z o.o., CCC Czech s.r.o., CCC Hungary, Shoe Express S.A.

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. (provided jointly with CCC Shoes & Bags Sp. z o.o.)	Bondholders	CCC S.A.	Surety for bonds	21 Jun 2018	29 Jun 2026	750.0	PLN
CCC.eu Sp. z o.o. (provided jointly with the Bond Obligors)	Bondholders	CCC S.A.	Surety for bonds	1 Jun 2021	29 Jun 2027	315.0	PLN
CCC.eu Sp. z o.o. (provided jointly with the Obligors*)	mBank, PKO BP, Santander Bank, Pekao S.A., BNP Paribas, Bank Handlowy w Warszawie, EBRD	CCC S.A. (provided jointly with CCC.eu Sp. z o.o. and HalfPrice Sp. z o.o.)	Surety for syndicated credit facility agreement	23 Jul 2024	30 Apr 2029	3,240	PLN

*Bond Obligors: CCC S.A., CCC.eu Sp. z o.o., CCC Shoes & Bags 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.

Provided by CCC S.A. to foreign subsidiaries:

COMPANY	BANK	DEBTOR	TYPE OF SECURITY	PERIOD OF VALIDITY		AMOUNT OF SURETY [MILLION]	CURRENCY
				START DATE	END DATE		
CCC S.A.	Raiffeisen Bank Zrt	CCC Hungary Shoes Kft.	Surety for bank guarantee agreement	25 Jun 2014	31 Dec 2024	2.0	EUR

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 agreements, reverse factoring agreements, and guarantee facility agreements:

1. Amendment 12 of 15 March 2024 to the Multi-Purpose Credit Facility Agreement of 21 November 2019 between CCC S.A., CCC.eu Sp. z o.o. and Powszechna Kasa Oszczędności Bank Polski S.A.
2. Amendment 13 of 12 April 2024 to the Multi-Purpose Credit Facility Agreement of 21 November 2019 between CCC S.A., CCC.eu Sp. z o.o. and Powszechna Kasa Oszczędności Bank Polski S.A.
3. Amendment 14 of 5 June 2024 to the Multi-Purpose Credit Facility Agreement of 21 November 2019 between CCC S.A., CCC.eu Sp. z o.o. and Powszechna Kasa Oszczędności Bank Polski S.A.
4. Amendment 15 of 12 June 2024 to the Multi-Purpose Credit Facility Agreement of 21 November 2019 between CCC S.A., CCC.eu Sp. z o.o. and Powszechna Kasa Oszczędności Bank Polski S.A.
5. Amendment 16 of 26 June 2024 to the Multi-Purpose Credit Facility Agreement of 21 November 2019 between CCC S.A., CCC.eu Sp. z o.o. and Powszechna Kasa Oszczędności Bank Polski S.A.
6. Amendment 21 of 25 April 2024 to the Framework Agreement of 14 November 2012 between CCC S.A. and mBank S.A.
7. Amendment 22 of 31 May 2024 to the Framework Agreement of 14 November 2012 between CCC S.A. and mBank S.A.
8. Amendment 23 of 20 June 2024 to the Framework Agreement of 14 November 2012 between CCC S.A. and mBank S.A.
9. Amendment 3 of 25 June 2024 to the Umbrella Facility Agreement of 17 December 2018 between CCC S.A., CCC.eu Sp. z o.o. and mBank S.A.
10. Amendment 3 of 14 June 2024 to the Credit Facility Agreement of 2 June 2021 between CCC S.A. with selected subsidiaries and BNP Paribas Bank Polska S.A., Bank Handlowy w Warszawie S.A., Bank Millennium S.A., Bank Polska Kasa Opieki S.A., mBank S.A., Powszechna Kasa Oszczędności Bank Polski S.A. and Santander Bank Polska S.A.
11. Amendment 16 of 18 June 2024 to the Revolving Facility Agreement of 3 March 2009 between CCC.eu Sp. z o.o. and Bank Handlowy w Warszawie S.A.
12. Amendment 17 of 18 June 2024 to the Overdraft Facility Agreement of 3 March 2009 between CCC.eu Sp. z o.o. and Bank Handlowy w Warszawie S.A.
13. Amendment 8 of 18 June 2024 to the Framework Agreement Concerning Payment of Receivables Under Commercial Contracts of 2 August 2018 between CCC.eu Sp. z o.o. and Bank Handlowy w Warszawie S.A.
14. Amendment 158 of 24 June 2024 to the Guarantee Limit Agreement of 31 March 2009 between CCC S.A. and Santander Bank Polska S.A.
15. Amendment 16 of 25 June 2024 to the Credit Limit Agreement of 4 May 2011 between CCC S.A. and Santander Bank Polska S.A.
16. Amendment 8 of 26 June 2024 to the Reverse Factoring Agreement of 15 December 2017 between CCC.eu Sp. z o.o. and Bank Millennium S.A.
17. Amendment 30 of 27 June 2024 to the Multi-Purpose Credit Facility Agreement of 15 October 2014 between CCC.eu Sp. z o.o. and Bank Polska Kasa Opieki S.A.
18. Amendment 2 of 27 June 2024 to the Supplier eFINANCING Agreement of 31 October 2023 between CCC.eu Sp. z o.o. and Bank Polska Kasa Opieki S.A.
19. Amendment 24 of 28 June 2024 to the Credit Facility Agreement of 18 April 2013 between CCC Czech s.r.o. and Česká spořitelna a.s.
20. Amendment 19 of 28 June 2024 to the Credit Facility Agreement of 18 April 2013 between CCC Slovakia s.r.o. and Česká spořitelna a.s.
21. Amendment 3 of 22 July 2024 to the Supplier eFINANCING Agreement of 31 October 2023 between CCC.eu Sp. z o.o. and Bank Polska Kasa Opieki S.A.
22. Multi-Purpose Credit Facility Agreement of 24 July 2024 between CCC S.A., CCC.eu Sp. z o.o. and BNP Paribas Bank Polska S.A.
23. Supplier Financing Agreement of 24 July 2024 between CCC.eu Sp. z o.o. and BNP Paribas Faktoring Sp. z o.o.
24. Revolving Facility Agreement of 23 July 2024 between CCC.eu Sp. z o.o. and Bank Handlowy w Warszawie S.A.
25. Amendment 9 of 23 July 2024 to the Framework Agreement Concerning Payment of Receivables Under Commercial Contracts of 2 August 2018 between CCC.eu Sp. z o.o. and Bank Handlowy w Warszawie S.A.
26. Multi-Product Umbrella Facility Agreement of 24 July 2024 between CCC S.A., CCC.eu Sp. z o.o. and mBank S.A.
27. Reverse Factoring Agreement of 23 July 2024 between CCC S.A. and mFaktoring S.A.
28. Reverse Factoring Agreement of 23 July 2024 between CCC.eu Sp. z o.o. and mFaktoring S.A.
29. Supplier eFINANCING Agreement of 23 July 2024 between CCC.eu Sp. z o.o. and Bank Polska Kasa Opieki S.A.
30. Multi-Purpose Credit Facility Agreement of 23 July 2024 between CCC S.A., CCC.eu Sp. z o.o. and Bank Polska Kasa Opieki S.A.

31. Multi-Purpose Credit Facility Agreement of 23 July 2024 between CCC S.A., CCC.eu Sp. z o.o. and Powszechna Kasa Oszczędności Bank Polski S.A.
32. Amendment 1 of 31 July 2024 to the Multi-Purpose Credit Facility Agreement of 23 July 2024 between CCC S.A., CCC.eu Sp. z o.o. and Powszechna Kasa Oszczędności Bank Polski S.A.
33. Factoring Agreement of 24 July 2024 between CCC.eu Sp. z o.o. and PKO Faktoring S.A.
34. Amendment 3 of 24 July 2024 to the Factoring Agreement of 6 November 2023 between CCC.eu Sp. z o.o. and PKO Faktoring S.A.
35. Multi-Facility Agreement of 23 July 2024 between CCC S.A. and Santander Bank Polska S.A.
36. Multi-Facility Agreement of 23 July 2024 between CCC.eu Sp. z o.o. and Santander Bank Polska S.A.
37. Confirming Agreement of 23 July 2024 between CCC.eu Sp. z o.o. and Santander Factoring Sp. z o.o.
38. Amendment 1 of 24 July 2024 to the Confirming Agreement of 23 July 2024 between CCC.eu Sp. z o.o. and Santander Factoring Sp. z o.o.
39. Amendment 7 of 27 March 2024 to the Multi-Purpose Credit Facility Agreement of 2 June 2024 between Modivo S.A. and PKO BP S.A.
40. Amendment 16 of 24 April 2024 to the Multi-Purpose Credit Facility Agreement of 26 October 2017 between Modivo S.A. and PEKAO S.A.

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
Footfall at offline stores	If there is a lasting and significant decline in foot traffic at offline stores due to the COVID-19 pandemic, the Group's offline segment may deliver financial results significantly below the target set 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 consumer 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 proprietary 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 proprietary 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 proprietary 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 proprietary 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), ➢ 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	➢ ongoing checks of customers' financial condition; ➢ ongoing checks of customers' credit history.

	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.	
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 contracted credit facilities, 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). Disruptive weather conditions can 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 proprietary brand Sprandi and under recognisable third-party brands.
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

27 November 2024 Consolidated report for the third quarter of 2024

(all amounts in PLN million unless stated otherwise)

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 2 December 2004, and they are currently included in the key indices WIG, mWIG40, WIG30, WIG-Poland, WIG-Div, WIG-Odzież, and WIG ESG.

As at 31 July 2024, the price of one CCC share was PLN 126.0, which translated into the CCC Group's market capitalisation in excess of PLN 9.0 billion.

On 20 June 2024, the Annual General Meeting approved the full-year Directors' Reports on the operations of CCC S.A. and the CCC Group and the financial statements for 2023. It also resolved to allocate the entire net profit earned in the financial year that began on 1 February 2023 and ended on 31 January 2024, amounting to PLN 220,692,273.16, to the Company's statutory reserve funds.

SHARE CAPITAL AND SHAREHOLDERS

As at 31 July 2024, 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 bearer shares	5,878,535	587,854	cash
M	ordinary bearer shares	8,121,465	812,147	cash
Total		**68,868,000**	**6,886,800**	

Pursuant to Resolution No. 909/2024 of the Management Board of the Warsaw Stock Exchange dated 12 July 2024, on 19 July 2024, upon the assimilation of 5,878,535 Series L ordinary bearer shares subscribed in a private placement and paid for by Ultro S.à r.l. (a subsidiary of Dariusz Miłek, President of the Management Board of CCC S.A.), the condition for introduction of the Shares to trading on the main market operated by the Warsaw Stock Exchange, as announced by the Company in Current Report No. 22/2024 of 12 July 2024, was met.
The assimilation was effected based on a resolution of the CCC S.A. Management Board dated 6 June 2024 to convert all the Shares into ordinary bearer shares and take steps to have them assimilated with the other ordinary bearer shares in the Company and have them admitted and introduced to trading on the regulated market operated by the Warsaw Stock Exchange.

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 31 July 2024 were:

1) ULTRO S.a.r.l. (a subsidiary of Dariusz Miłek), which held 23,010,000 Company shares, representing 33.41% of the share capital and 39.14% of total voting rights;
2) Allianz Polska OFE*, which held 4,367,000 Company shares, representing 6.34% of the share capital and 5.78% of total voting rights;
3) Nationale-Nederlanden OFE*, which held 4,267,000 Company shares, representing 6.20% of the share capital and 5.65% of total voting rights;
4) Funds managed by AgioFunds TFI S.A., which held 3,874,064 Company shares, representing 5.63% of the share capital and 5.13% of total voting rights.

(all amounts in PLN million unless stated otherwise)

SHAREHOLDER	NUMBER OF SHARES HELD	% OWNERSHIP INTEREST	NUMBER OF VOTING RIGHTS	% VOTING INTEREST
Ultro S.a.r.l. (subsidiary of Dariusz Miłek, President of CCC S.A.)	23,010,000	33.41%	29,560,000	39.14%
Allianz Polska OFE*	4,367,006	6.34%	4,367,006	5.78%
Nationale-Nederlanden OFE*	4,267,000	6.20%	4,267,000	5.65%
Funds managed by AgioFunds TFI S.A.	3,874,064	5.63%	3,874,064	5.13%
Other investors**	33,349,930	48.42%	33,449,930	44.30%
total:	**68,868,000**	**100.00%**	**75,518,000**	**100.00%**

* As per the list of shareholders entitled to participate in the Annual General Meeting on 20 June 2024.
** Other investors holding less than 5% of voting rights.

SHARES IN THE PARENT AND IN RELATED ENTITIES HELD BY MANAGEMENT AND SUPERVISORY PERSONNEL

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	5,112	511.2
PERA Fundacja Rodzinna (subsidiary of Mariusz Gnych, Member of the Supervisory Board)	202,000	20,200.0
Management Board		
Ultro S.a.r.l. (subsidiary of Dariusz Miłek, President of CCC S.A.)	23,010,000	2,301,000.0
Vice President of CCC S.A. Karol Półtorak	40,000	4,000.0
Vice President of CCC S.A. Igor Matus	962	96.2

On 24 July 2024, CCC S.A. received:

1. notification submitted by Mariusz Gnych, Member of the Company's Supervisory Board, of a donation of Company shares he had made;

2. notification submitted by the family trust under the name of PERA Fundacja Rodzinna – a person closely associated with Mariusz Gnych, Member of the Company's Supervisory Board, of a donation of Company shares it had received.

The other members of the Management Board and the Supervisory Board did not hold any shares in CCC S.A. 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 Dariusz Miłek, President of CCC S.A.)	6,550,000	9.51%	13,100,000	19.02%
Lech Chudy	50,000	0.07%	100,000	0.15%
PERA Fundacja Rodzinna (subsidiary of Mariusz Gnych, Member of the Supervisory Board)	50,000	0.07%	100,000	0.15%
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 31 July 2024, the Management Board of CCC S.A. consisted of:

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

On 23 July 2024, Igor Matus resigned as Vice President and Member of the Company's Management Board, citing personal reasons, with effect from 16 September 2024.

Full name of Supervisory Board Member	Position held
Wiesław Oleś	Chair of the Supervisory Board (appointed on 12 June 2023)
Mariusz Gnych	Deputy Chair of the Supervisory Board (appointed on 12 June 2023), member of the Audit Committee
Filip Gorczyca	Member of the Supervisory Board (appointed on 11 April 2019), Chair of the Audit Committee
Zofia Dzik	Member of the Supervisory Board (appointed on 18 June 2019), member of the Audit Committee
Piotr Kamiński	Member of the Supervisory Board (appointed on 12 June 2023)
Marcin Stańko	Member of the Supervisory Board (appointed on 12 June 2023)

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

Not applicable.

Impairment losses, provisions and deferred tax

See the '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 other than those outlined in the interim consolidated financial statements. 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

In September 2024, CCC S.A. was served with a lawsuit seeking a declaration of nullity for the agreement regarding the acquisition of three word and logo trademarks 'Lasocki', which was executed in 2000. The plaintiff has valued the subject of the dispute at PLN 0.1 million. The Company is not currently using the disputed trademarks. However, over the past several years, it has registered and is using several other trademarks that include the word 'Lasocki'. The Company considers the lawsuit to be entirely unfounded. Nevertheless, the Management Board anticipates a lengthy legal dispute.

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 purchase price (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

Not applicable.

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

Changes related to the execution of a new financing agreement for the CCC Business Unit, as described above.

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 its management staff

Not applicable.

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 limitations on the exercise of voting rights at the Company.

Company'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 beyond

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

As announced in Current Report No. 30/2024, CCC Shoes & Bags Sp. z o.o. will purchase from MKK3 250,500 Modivo shares, i.e. approximately 2.5% of the company's share capital, for approximately PLN 100.0 million. As part of the arrangement, on 19 August 2024 MKK3 submitted relevant statements and, in accordance with the option agreement, the purchase of the shares by CCC Shoes & Bags Sp. z o.o. will take place by 19 November 2024. Pursuant to the option agreement, the option exercise period with respect to the remaining 2.5% of Modivo shares expires on 30 June 2026. The transaction is a step in pursuance of the CCC Group's objective to consolidate the Modivo shareholding. Additionally, in the second half of 2024, a transaction to purchase DeeZee Sp. z o.o. shares will also take place. The acquisition of Modivo shares and DeeZee Sp. z o.o. shares will be financed with CCC S.A.'s own funds. Once acquired, the shares will be pledged in favour of institutions financing CCC's operations.

On 23 September 2024, HALFPRICE ESPAÑA, S.L. of Madrid, Spain, established its Articles of Association, with CCC S.A. acquiring 100% of the shares in the new company. As at the issue date of this report, the company was not yet operational. It was established to conduct retail operations under the HalfPrice brand in Spain.

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 24 September 2024.

The consolidated financial statements were authorised for issue by the Management Board on 24 September 2024.	
Edyta Skrzypiec - Rychlik	Chief Accountant
Signatures of all Management Board Members:	
Dariusz Miłek	President of the Management Board
Karol Półtorak	Vice President of the Management Board