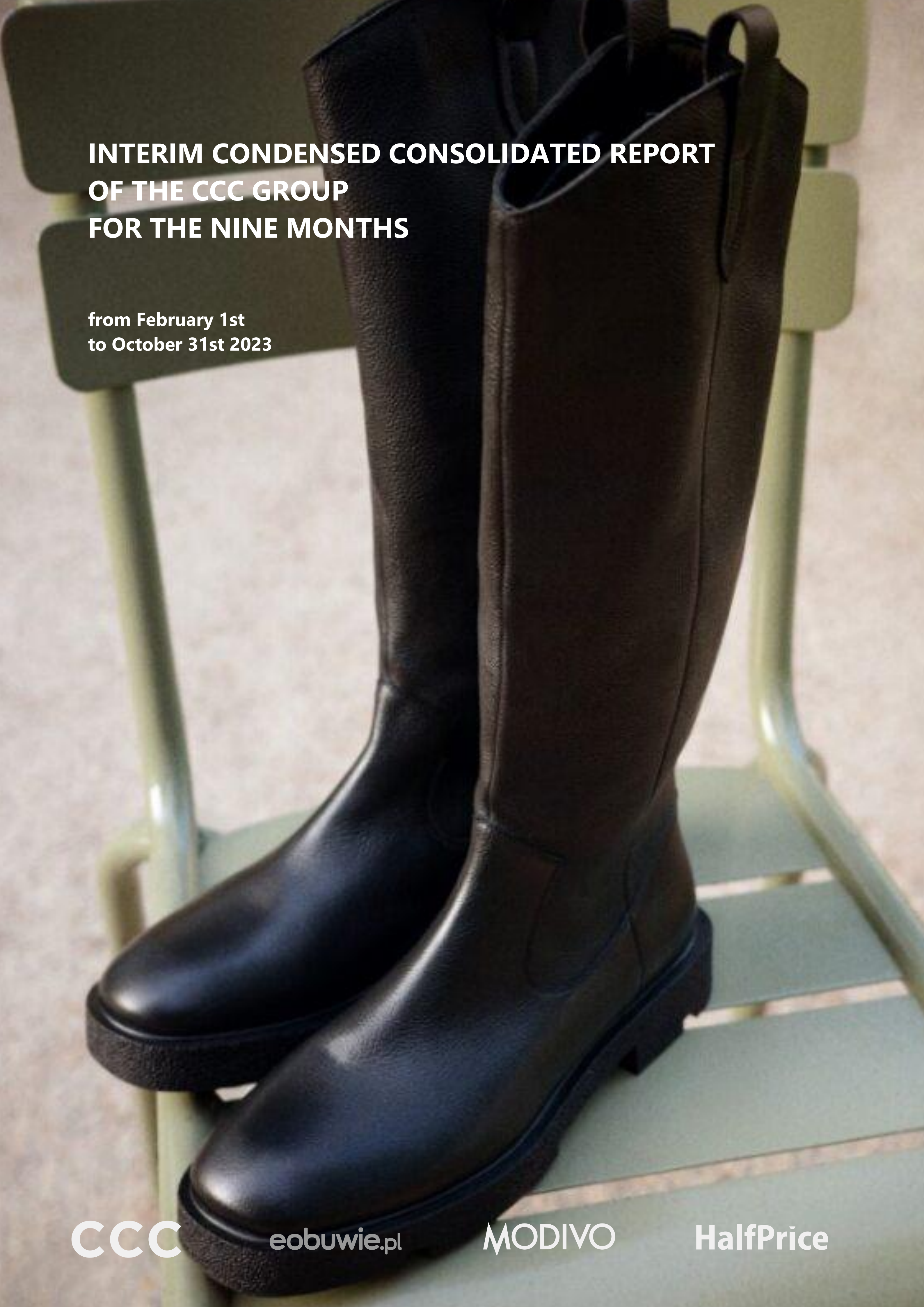

INTERIM CONDENSED CONSOLIDATED REPORT OF THE CCC GROUP FOR THE NINE MONTHS

from February 1st
to October 31st 2023

CCC eobuwie.pl MODIVO HalfPrice

SELECTED FINANCIAL AND OPERATING DATA OF THE CCC GROUP

Selected financial data from the consolidated statement of profit or loss and other comprehensive income	PLNm		EURm	
	Feb 1–Oct 31 2023	Feb 1–Oct 31 2022	Feb 1–Oct 31 2023	Feb 1–Oct 31 2022
	unaudited, unreviewed	unaudited, unreviewed	unaudited, unreviewed	unaudited, unreviewed
Revenue	**6,919.0**	**6,681.5**	**1,516.1**	**1,466.7**
CCC	2,948.8	3,138.9	646.2	689.1
HalfPrice	982.0	558.0	215.2	122.5
eobuwie	2,145.9	2,306.5	470.2	506.3
MODIVO	774.3	578.2	169.7	126.9
DeeZee	68.0	87.1	14.9	19.1
Not allocated to segments/discontinued operations	–	12.8	–	2.8
Gross profit (loss)	**3,234.9**	**3,215.3**	**708.8**	**705.8**
Gross margin	47%	48%	47%	11%
EBIT				
CCC	180.5	-63.4	39.6	-13.9
eobuwie	-10.1	-6.8	-2.2	-1.5
Modivo	-68.1	62.1	-14.9	13.6
HalfPrice	-17.4	0.3	-3.8	0.1
DeeZee	3.6	6.6	0.8	1.4
Operating profit (loss)	**88.5**	**-1.2**	**19.4**	**-0.3**
Profit (loss) before tax	-156.9	-276.8	-34.4	-60.8
NET PROFIT (LOSS) FROM CONTINUING OPERATIONS	**-154.1**	**-289.5**	**-33.8**	**-63.6**
NET PROFIT (LOSS) FROM DISCONTINUED OPERATIONS	**–**	**-42.5**	**–**	**-9.3**
Net profit (loss)	**-154.1**	**-332.0**	**-33.8**	**-72.9**

Selected financial data from the consolidated statement of financial position	PLNm		EURm	
	Oct 31 2023	Jan 31 2023	Oct 31 2023	Jan 31 2023
	unaudited, unreviewed	audited	unaudited, unreviewed	audited
Non-current assets	**3,701.6**	**3,601.3**	**832.3**	**764.8**
Current assets, including:	**4,152.0**	**3,462.8**	**933.6**	**735.4**
Inventories	3,078.4	2,691.1	692.2	571.5
Cash	570.3	395.4	128.2	84.0
Total assets	**7,878.2**	**7,064.1**	**1,771.4**	**1,500.2**
Non-current liabilities, including:	**2,053.9**	**2,741.4**	**461.8**	**582.2**
Bank borrowings and bonds	734.3	1,370.5	165.1	291.0
Lease liabilities	1,251.8	1,266.8	281.5	269.0
Current liabilities, including:	**4,891.3**	**3,740.0**	**1,099.8**	**794.2**
Bank borrowings and bonds	1,444.4	1,155.7	324.8	245.4
Trade and other payables	2,180.7	1,389.5	490.3	295.1
Total liabilities	**6,945.2**	**6,481.4**	**1,561.6**	**1,376.4**
Equity	**933.0**	**582.7**	**209.8**	**123.7**

Selected financial data from the consolidated statement of cash flows	PLNm		EURm	
	Feb 1–Oct 31 2023	Feb 1–Oct 31 2022	Feb 1–Oct 31 2023	May 1–Oct 31 2023
	unaudited, unreviewed	unaudited, unreviewed	unaudited, unreviewed	unaudited, unreviewed
Net cash flows from operating activities	821.1	269.1	179.9	59.1
Net cash flows from investing activities	-237.9	-296.3	-52.1	-65.0
Net cash flows from financing activities	-408.3	-438.3	-89.5	-96.2
Total cash flows	**174.9**	**-465.5**	**38.3**	**-102.2**
Capital expenditure	-264.1	-372.1	-57.9	-81.7

Operating data	Oct 31 2023	Jan 31 2023
	unaudited, unreviewed	audited
Number of stores (continuing operations)	993	979
Retail space (thousand m^2) (continuing operations)	793.5	733.3
Number of markets with digital sales	19	19

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

1) Items of assets, equity and liabilities in the interim condensed 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 October 31st 2023 was EUR 1 = PLN 4.4475
   - the exchange rate as at January 31st 2023 was EUR 1 = PLN 4.7089
2) particular items of the interim condensed consolidated statement of comprehensive income and the interim condensed consolidated statement of cash flows were translated at exchange rates representing the arithmetic mean of the exchange rates quoted by the National Bank of Poland for the euro in effect on the last day of each month in a given reporting period:
   - in the period February 1st–October 31st 2023, the average exchange rate was EUR 1 = PLN 4.5483
   - in the period February 1st–October 31st 2022, the average exchange rate was EUR 1 = PLN 4.7003

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 February 1st to October 31st 2023

(all amounts in PLN million unless stated otherwise)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Feb 1–Oct 31 2023	Feb 1–Oct 31 2022	Aug 1–Oct 31 2023	Aug 1–Oct 31 2022
	unaudited, unreviewed	unaudited, unreviewed	unaudited, unreviewed	unaudited, unreviewed
CONTINUING OPERATIONS				
Revenue	6,919.0	6,681.5	2,430.4	2,422.1
Cost of sales	-3,684.1	-3,466.2	-1,256.4	-1,259.0
Gross profit	**3,234.9**	**3,215.3**	**1,174.0**	**1,163.1**
Costs of points of purchase and distribution	-2,867.1	-2,808.3	-961.6	-1,018.9
Administrative expenses	-294.3	-285.0	-100.6	-99.3
Other income	50.4	38.1	12.4	11.0
Other expenses	-27.0	-127.2	-46.9	-28.6
(Recognition) / Reversal of loss allowances (trade receivables)	-8.4	-34.1	-1.1	-3.3
Operating profit (loss)	**88.5**	**-1.2**	**76.2**	**24.0**
Finance income	72.6	19.6	-0.6	1.0
Finance costs	-318.0	-295.2	-104.4	-90.0
Profit (loss) before tax	**-156.9**	**-276.8**	**-28.8**	**-65.0**
Income tax	2.8	-12.7	11.8	-10.3
NET PROFIT (LOSS) FROM CONTINUING OPERATIONS	**-154.1**	**-289.5**	**-17.0**	**-75.3**
NET PROFIT (LOSS) FROM DISCONTINUED OPERATIONS	**–**	**-42.5**	**–**	**–**
NET PROFIT (LOSS)	**-154.1**	**-332.0**	**-17.0**	**-75.3**
Attributable to owners of the parent	-101.5	-317.8	5.1	-64.9
Attributable to non-controlling interests	-52.6	-14.2	-22.1	-10.4
Other comprehensive income from continuing operations	**-17.5**	**4.2**	**-0.5**	**-2.0**
Items that may be reclassified to profit or loss:				
Translation reserve	-17.5	4.1	-0.5	-2.1
Items that may not be reclassified to profit or loss:				
Actuarial gains (losses) on employee benefits	–	0.1	–	0.1
Other comprehensive income from discontinued operations	**–**	**-3.2**	**–**	**–**
Items that may be reclassified to profit or loss:				
Reclassification of exchange differences on translation of a foreign operation over which control has been lost to profit or loss	–	-3.2	–	–
Total other comprehensive income, net	**-17.5**	**1.0**	**-0.5**	**-2.0**
TOTAL COMPREHENSIVE INCOME	**-171.6**	**-331.0**	**-17.5**	**-77.3**
Comprehensive income attributable to owners of the parent from:	-118.3	-316.8	4.8	-66.7
- continuing operations	-118.3	-271.1	4.8	-66.7
- discontinued operations	–	-45.7	–	–
Non-controlling interests	-53.3	-14.2	-22.3	-10.7

Weighted average number of ordinary shares (million)	**65.2**	**54.9**	**65.2**	**54.9**
Basic earnings (loss) per share from profit (loss) for period, attributable to owners of the parent (PLN)	**-1.56**	**-5.79**	**0.08**	**-1.18**
Basic earnings (loss) per share from profit (loss) from continuing operations for period, attributable to owners of the parent (PLN)	**-1.56**	**-5.02**	**0.08**	**-1.19**
Basic earnings (loss) per share from profit (loss) from discontinued operations for period, attributable to owners of the parent (PLN)	**–**	**-0.77**	**–**	**–**
Diluted earnings (loss) per share from profit (loss) for period, attributable to owners of the parent (PLN)	**-1.56**	**-5.79**	**0.08**	**-1.18**
Diluted earnings (loss) per share from profit (loss) from continuing operations for period, attributable to owners of the parent (PLN)	**-1.56**	**-5.02**	**0.08**	**-1.19**
Diluted earnings (loss) per share from profit (loss) from discontinued operations for period, attributable to owners of the parent (PLN)	**–**	**-0.77**	**–**	**–**

(all amounts in PLN million unless stated otherwise)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Oct 31 2023	Jan 31 2023
	unaudited, unreviewed	audited
Intangible assets	424.2	376.8
Goodwill	200.8	203.9
Property, plant and equipment – leasehold improvements	669.5	656.7
Property, plant and equipment – distribution	694.1	692.0
Property, plant and equipment – other	58.3	93.2
Right-of-use assets	1,420.8	1,379.9
Deferred tax assets	219.1	184.1
Other financial assets	11.2	11.2
Investments in associates	3.5	3.5
Long-term receivables	0.1	–
Non-current assets	**3,701.6**	**3,601.3**
Inventories	3,078.4	2,691.1
Trade receivables	187.2	143.8
Income tax receivable	39.3	53.5
Other receivables	273.1	178.7
Cash and cash equivalents	570.3	395.4
Derivative financial instruments	3.7	–
Lease receivables	–	0.3
Current assets	**4,152.0**	**3,462.8**
Assets classified as held for sale	**24.6**	**–**
TOTAL ASSETS	**7,878.2**	**7,064.1**
Bank borrowings and bonds	734.3	1,370.5
Deferred tax liabilities	30.9	33.8
Other non-current liabilities	3.9	4.5
Provisions	13.1	13.0
Grants received	14.9	15.2
Lease liabilities	1,251.8	1,266.8
Liabilities arising from obligation to purchase non-controlling interests	–	31.1
Other non-current financial liabilities	5.0	6.5
Non-current liabilities	**2,053.9**	**2,741.4**
Bank borrowings and bonds	1,444.4	1,155.7
Trade and other payables	2,180.7	1,389.5
Other liabilities	525.1	470.4
Income tax liabilities	4.4	3.5
Provisions	12.8	14.5
Grants received	0.6	0.5
Lease liabilities	525.8	512.9
Liabilities arising from obligation to purchase non-controlling interests	190.8	173.3
Short-term derivative financial instruments	–	3.9
Other current financial liabilities	6.7	15.8
Current liabilities	**4,891.3**	**3,740.0**
TOTAL LIABILITIES	**6,945.2**	**6,481.4**
NET ASSETS	**933.0**	**582.7**

(all amounts in PLN million unless stated otherwise)

Equity		
Share capital	6.9	5.5
Share premium	1,647.9	1,148.0
Translation reserve	5.4	22.1
Actuarial valuation of employee benefits	0.4	0.4
Retained earnings	-858.7	-759.7
Equity attributable to owners of the parent	**801.9**	**416.3**
Non-controlling interests	131.1	166.4
TOTAL EQUITY	**933.0**	**582.7**
TOTAL EQUITY AND LIABILITIES	**7,878.2**	**7,064.1**

(all amounts in PLN million unless stated otherwise)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Feb 1–Oct 31 2023	Feb 1–Oct 31 2022	Aug 1–Oct 31 2023	Aug 1–Oct 31 2022
	unaudited, unreviewed	unaudited, unreviewed	unaudited, unreviewed	unaudited, unreviewed
Profit (loss) before tax	**-156.9**	**-315.0**	**-28.8**	**-125.2**
Profit (loss) before tax from continuing operations	**-156.9**	**-276.8**	**-28.8**	**-153.9**
Profit (loss) before tax from discontinued operations	**–**	**-38.2**	**–**	**28.7**
Depreciation/amortisation	453.3	442.8	153.3	577.3
Impairment losses on property, plant and equipment, right-of-use assets, intangible assets and remeasurement to fair value of disposal group	–	48.6	–	2.1
(Gain) loss on investing activities	5.3	-19.9	1.7	-21.2
Borrowing costs	289.8	239.0	96.5	146.7
Other adjustments to profit before tax	-86.0	4.6	16.6	-94.2
Income tax paid	-19.9	-70.3	20.4	-95.7
Cash flow before changes in working capital	**485.6**	**329.8**	**259.7**	**389.4**
Changes in working capital				
Change in inventories and inventory write-downs	-377.3	-523.9	-336.2	-433.3
Change in receivables and impairment losses on receivables	-156.4	32.4	-82.6	-100.7
Change in current liabilities, net of borrowings and bonds	869.2	430.8	445.9	194.9
Net cash flows from operating activities	**821.1**	**269.1**	**286.8**	**50.3**
Proceeds from sale of property, plant and equipment	7.1	10.6	3.5	1.9
Proceeds from settlement of leasehold improvements with landlords	19.1	68.2	5.4	34.8
Purchase of intangible assets and property, plant and equipment	-264.1	-372.1	-55.2	-312.9
Other investing expenditure	–	-3.0	–	-3.0
Net cash flows from investing activities	**-237.9**	**-296.3**	**-46.3**	**-221.2**
Proceeds from borrowings	120.9	55.7	91.6	939.3
Repayment of borrowings	-541.0	-64.3	-53.1	-978.8
Payment of commission fees on credit facilities	–	-2.1	–	-2.1
Lease payments	-292.0	-324.1	-91.6	-346.0
Interest paid	-197.8	-127.5	-40.2	-92.7
Other cash provided by financing activities	–	24.0	–	–
Net proceeds from share issue	501.6	–	–	–
Net cash flows from financing activities	**-408.3**	**-438.3**	**-93.3**	**649.2**
TOTAL CASH FLOWS	**174.9**	**-465.5**	**147.2**	**478.3**
Net increase/decrease in cash and cash equivalents	174.9	-465.5	147.2	482.4
Cash and cash equivalents at beginning of period	**395.4**	**941.1**	**423.1**	**458.7**
Cash and cash equivalents at end of period	**570.3**	**475.6**	**570.3**	**941.1**

(all amounts in PLN million unless stated otherwise)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

unaudited, unreviewed	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 Feb 1 2023	**5.5**	**1,148.0**	**-759.7**	**22.1**	**0.4**	**166.4**	**582.7**
Net profit (loss) for period	–	–	-154.1	–	–	–	-154.1
Net profit (loss) allocated to non-controlling interests	–	–	52.6	–	–	-52.6	–
Exchange differences on translation	–	–	–	-16.8	–	-0.7	-17.5
Total comprehensive income	**–**	**–**	**-101.5**	**-16.8**	**–**	**-53.3**	**-171.6**
Measurement of employee option plan	–	–	2.3	–	–	13.8	16.1
Other changes	–	-0.3	0.2	0.1	–	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**	**499.9**	**2.5**	**0.1**	**–**	**18.0**	**521.9**
As at Oct 31 2023	**6.9**	**1,647.9**	**-858.7**	**5.4**	**0.4**	**131.1**	**933.0**

(all amounts in PLN million unless stated otherwise)

unaudited, unreviewed	SHARE CAPITAL	SHARE PREMIUM	RETAINED EARNINGS	TRANSLATION RESERVE	ACTUARIAL VALUATION OF EMPLOYEE BENEFITS	VALUATION OF INCENTIVE SCHEME	NON-CONTROLLING INTERESTS	TOTAL EQUITY
	ATTRIBUTABLE TO OWNERS OF THE PARENT							
As at Feb 1 2022	**5.5**	**1,148.0**	**-186.3**	**16.9**	**0.5**	**0.6**	**166.4**	**1,151.6**
Net profit (loss) for period attributable to owners of the parent	–	–	-332.0	–	–	–	–	-332.0
Profit (loss) attributable to non-controlling interests	–	–	14.2	–	–	–	-14.2	–
Other changes	–	–	–	–	0.1	–	–	0.1
Exchange differences on translation	–	–	–	4.1	–	–	–	4.1
Reclassification of exchange differences on translation of a foreign operation over which control has been lost to profit or loss	–	–	–	-3.2	–	–	–	-3.2
Total comprehensive income	**–**	**–**	**-317.8**	**0.9**	**0.1**	**–**	**-14.2**	**-331.0**
Measurement of employee option plan	–	–	–	–	–	-0.6	13.6	13.0
Acquisition of shares in subsidiary MODIVO S.A. in the performance of an investment commitment undertaken with Damian Zapłata, CEO of MODIVO S.A.	–	–	16.2	–	–	–	7.8	24.0
Other changes	–	–	-1.1	–	-0.5	1.6	–	–
Total transactions with owners	**–**	**–**	**15.1**	**–**	**-0.5**	**1.0**	**21.4**	**37.0**
As at Oct 31 2022	**5.5**	**1148.0**	**-489.0**	**17.8**	**0.1**	**1.6**	**173.6**	**857.6**

(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:	**0000211692**	
Principal business:	**The Company's principal business activity according to the European Classification of Business Activities is wholesale and retail trade of clothing and footwear (NACE 5142).**	
Management Board:	**President:**	**Dariusz Miłek**
	Vice President:	**Karol Półtorak**
	Vice President:	**Igor Matus**

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

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

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

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

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

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

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

These interim condensed consolidated financial statements of the CCC Group for the nine months ended October 31st 2023 were authorised for issue by the Management Board on November 29th 2023.

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

(all amounts in PLN million unless stated otherwise)

STRUCTURE OF THE CCC GROUP

The CCC Group consists of CCC S.A. (the parent) and its subsidiaries. In the nine months ended October 31st 2023, there were changes in the composition of the CCC Group relative to January 31st 2023, as discussed in more detail below. The structure of the CCC Group as at the reporting date is presented below.

SUBSIDIARIES	REGISTERED OFFICE/COUNTRY	PRINCIPAL BUSINESS	EQUITY INTEREST AS AT OCT 31 2023	EQUITY INTEREST AS AT JAN 31 2023
CCC Factory Sp. z o.o. [1]	Polkowice, Poland	logistics	100%	100%
CCC Czech s.r.o.	Prague, Czech Republic	trade	100%	100%
CCC Slovakia s.r.o.	Bratislava, Slovakia	trade	100%	100%
CCC Hungary Shoes Kft.	Budapest, Hungary	trade	100%	100%
CCC Austria Ges.m.b.H [2]	Graz, Austria	trade	0%	100%
CCC Obutev d.o.o.	Maribor, Slovenia	trade	100%	100%
CCC Hrvatska d.o.o.	Zagreb, Croatia	trade	100%	100%
C-AirOP Ltd. [3]	Douglas, Isle of Man	services	50%	50%
CCC.eu Sp. z o.o. [4]	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. [5]	Zielona Góra, Poland	trade	75%	75%
Modivo S.R.L.	Alme, Italy	services	75%	75%
eobuwie.pl Logistics Sp. z o.o.	Zielona Góra, Poland	logistics	75%	75%
eschuhe.de GmbH	Frankfurt am Oder, Germany	trade	75%	75%
Branded Shoes and Bags sp. z o.o.	Zielona Góra, Poland	services	75%	75%
eschuhe.CH GmbH	Zug, Switzerland	trade	75%	75%
Modivo.cz s.r.o.	Prague, Czech Republic	trade	75%	75%
epantofi modivo s.r.l.	Bucharest, Romania	logistics	75%	75%
Modivo.lv SIA	Riga, Latvia	logistics	75%	75%
Modivo.sk s.r.o.	Bratislava, Slovakia	trade	75%	75%
CCC Shoes & Bags d.o.o. Beograde	Belgrade, Serbia	trade	100%	100%
Shoe Express S.A. [6]	Bucharest, Romania	trade	100%	100%
DeeZee Sp. z o.o.[7]	Kraków, Poland	trade	75%	75%
HalfPrice Sp. z o.o.	Polkowice, Poland	trade	100%	100%
OFP Austria GmbH [8]	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. [9]	Lviv, Ukraine	trade	75%	0%

ASSOCIATES	REGISTERED OFFICE/COUNTRY	PRINCIPAL BUSINESS	EQUITY INTEREST AS AT OCT 31 2023	EQUITY INTEREST AS AT JAN 31 2023
HR Group Holding s.a.r.l. [10]	Luxembourg	trade	31%	31%
Pronos Sp. z o.o. [11]	Wrocław, Poland	services	25%	25%

[1] CCC Factory is undergoing liquidation as a result of its acquisition by CCC.eu Sp. z o.o.
[2] On July 7th 2023, CCC Austria Ges.m.b.H was liquidated.
[3] 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.
[4] CCC.eu Sp. z o.o. is a subsidiary of CCC S.A. (54.73%), CCC Shoes & Bags Sp. z o.o. (19.95%) and CCC Factory (25.32%). The change is attributable to the transfer of an organised part of business from CCC S.A. and CCC Factory Sp. z o.o. on September 1st 2023 to CCC.eu Sp. z o.o. in exchange for new shares.
[5] Modivo S.A. is a subsidiary of CCC Shoes & Bags Sp. z o.o. (74.69%).
[6] Shoe Express S.A. shares are held by: CCC Shoes & Bags Sp. z o.o. (95%) and CCC.eu Sp. z o.o. (5%).
[7] DeeZee Sp. z o.o. is a subsidiary of CCC Shoes & Bags Sp. z o.o. (75%).
[8] OFP Austria GmbH is a subsidiary of HalfPrice Sp. z o.o. (100%).
[9] On February 8th 2023, following fulfilment of the conditions precedent under a preliminary share purchase agreement, the Group acquired control of CCC Ukraina Sp. z o.o. of Lviv. Following the transaction, CCC S.A. acquired 75.1% of shares in CCC Ukraina for a price of PLN 12.2m, offset against claims between a CCC Group entity and the existing shareholder of CCC Ukraina. For details of the acquisition, see Note 6.2.
[10] On April 12th 2023, the Management Board of HR Group filed for bankruptcy with the District Court of Osnabrück.
[11] Pronos Sp. z o.o. shares are held by CCC Shoes & Bags Sp. z o.o. (24.9%).

BASIS OF ACCOUNTING

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

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

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

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

BASIS OF CONSOLIDATION

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

GOING CONCERN

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

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

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

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

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

As at October 31st 2023, the CCC Group's current liabilities exceeded its current assets by PLN 739.3m, but this is not affecting the Group's ability to settle its liabilities as they fall due, as discussed in more detail below. Current liabilities include liabilities under bonds convertible into shares, which are subject to mandatory conversion in the event of an initial public offering of Modivo shares, amounting to PLN 734.5m. Adjusted for that amount, current liabilities are PLN 4.8m higher than current assets. As presented in Note 5.2 to these financial statements, the CCC Group's operations are financed through financial instruments, including mainly credit facilities and bonds. The debt outstanding under those instruments as at the reporting date was approximately PLN 2,178.7m. The CCC Group companies also use reverse factoring in settlements with suppliers, with the debt outstanding as at the reporting date of PLN 538.5m, while the sum of undrawn limits available under credit facility and guarantee facility agreements, and under the supplier finance programme, to the CCC Business Unit and Modivo Business Unit was PLN 515.8m and PLN 14.8m, respectively.

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

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

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

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

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

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

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

Under the financing agreements concluded by the Group, the Group is required to comply with certain financial covenants, separately for the CCC Business Unit and for the Modivo Business Unit. As at April 30th 2023, July 31st 2023, and October 31st 2023, there were no covenant breaches under the financing agreements. Furthermore, based on the Annual Budget for 2023 prepared by the Management Board and plans for subsequent reporting periods, to the best of its knowledge and belief, and also subject to the possible implementation of measures described below, even taking into account the scenario of significant underperformance against the financial projections, the Group expects to comply with the covenants set out in the agreements (including for the CCC Business Unit: the reported EBITDA for individual interim periods and for the full year and net exposure/EBITDA, DSCR or DSCR with cash ratios and Capital Expenditure for the next 12 months). For the Modivo Business Unit, the ratio to be tested after the reporting date is the Net Financial Debt as at January 31st 2024, which – as discussed below – replaced the net financial debt/EBITDA ratio as at January 31st 2024. The net financial debt/EBITDA ratio is to be tested as at July 31st 2024. A new DSCR ratio was introduced under the annex of November 21st 2023, as described below, which is DSCR for the last 12 months. The ratio will be tested quarterly, starting from July 31st 2024, with EBITDA for the last 12 months subject to a one-off test as at April 30th 2024.

For more details concerning the covenants to be tested as at the reporting date and in the period of 12 months thereafter, see 'Covenants/financial ratios' in the 'Management of financial resources and liquidity' section of the interim condensed consolidated Directors' Report on the operations of the CCC Group in the nine months ended October 31st 2023.

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

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

- average annual inflation increases by 5pp;
- average annual PLN exchange rate weakens by PLN 0.20 relative to the main foreign currencies (EUR and USD);
- gross margin falls by 2.0pp (on a 15% decline in sales, taking into account the effect of a decrease in variable costs and available reductions in other costs);
- average annual 1M WIBOR rate increases by 2pp;

the financial covenants as at the successive testing dates will be achieved as required by the financing agreements. Analyses conducted for the Modivo Business Unit indicate no breach of financial covenants as at the subsequent testing dates. This assessment considers the annexes and agreements concluded with the Modivo Business Unit's financing institutions, as detailed below.

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

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

Most of the Modivo Business Unit's debt financing consists of bonds convertible into Modivo S.A. shares, issued to SVF II Motion Subco (DE) LLC, a Softbank Group company, redeemable on April 5th 2026 (as per the agreement of November 24th 2023 discussed in section 6.5 'Events after the reporting date'; previously August 23rd 2024), unless converted into shares in connection with an initial public offering (IPO) or repaid prior to the redemption date. The bonds are presented under current liabilities because of the planned IPO and, if the IPO is carried out, their mandatory conversion into shares. The agreement also incorporates other amendments, including an adjusted fixed interest rate applicable during the period from October 2024 to April 2026.

All changes and amendments arising from the agreement are contingent upon approval by the General Meeting of Modivo S.A.

Under the agreement, Softbank has agreed to refrain from testing the Net Financial Debt/EBITDA ratio as at January 31st 2024 on the condition that Modivo submits an application to the National Court Register, incorporating the amendments related to convertible bonds approved by the General Meeting.

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

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

On November 21st 2023, the Management Board of the Modivo Business Unit signed an annex with PKO BP S.A. extending the availability period of the multi-purpose credit facility until November 21st 2025. The facility amount remained unchanged, with the sublimit of PLN 180m on the overdraft facility and the sublimit of PLN 50m on guarantees and letters of credit. The annex introduced new financial covenants for the Modivo Business Unit: EBITDA as at April 30th 2024 and quarterly DSCR starting from July 31st 2024. For detailed covenant definitions, see the 'Management of financial resources and liquidity' section of the interim condensed consolidated Directors' Report on the operations of the CCC Group in the nine months ended October 31st 2023.

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

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

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

1. The share capital of CCC S.A. was increased through the issue of 14 million shares with a par value of PLN 0.1 and an issue price of PLN 36.11. The issue proceeds amounted to PLN 505.5m. See the 'Going Concern' section for details.
2. A 75.1% interest in CCC Ukraina Sp. z o.o. was purchased, as described in Note 6.
3. CCC Austria Ges.m.b.H was liquidated.
4. The CCC Group underwent a reorganisation after all logistics operations were consolidated within CCC.eu Sp. z o.o.

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 4.3.

Expected credit losses (ECL)

The Group assesses expected credit losses ("ECL") associated with financial 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 October 31st 2023, the loss allowance for trade receivables was PLN 109.3m (a PLN 8.5m change relative to January 31st 2023). For further details, see Note 4.3.

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. Accordingly, the Group expects that the recoverability of the receivables disclosed in the statement of financial position as at October 31st 2023, maturing in the coming months, will remain substantially unchanged.

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

For further information on the recognised loss allowances, see Note 4.3.

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

As at October 31st 2023, following an assessment of indications of impairment, no need was identified to conduct impairment tests for cash-generating units (stores) or, at the higher level of aggregation, business lines, and no impairment tests were conducted for goodwill and intangible assets with indefinite useful lives (trademarks). Therefore, during the third quarter of 2023, no additional impairment losses were recorded on assets compared to the data presented in the financial statements as at July 31st 2023. As at July 31st 2023, the amount of impairment losses recognised for cash-generating units (stores) during the period was PLN 3.8m. The estimates and assumptions used for measurement purposes, as disclosed in the interim condensed consolidated report of the CCC Group for the first half of 2023, remained valid as at October 31st 2023. In the nine months to October 31st 2023, the Group did not recognise any impairment losses for its operating segments (business lines), goodwill, or intangible assets with indefinite useful life (trademarks).

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*.

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

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

On August 31st 2023, the General Meeting of CCC S.A. passed a resolution to transfer an organised part of business of CCC S.A. engaged in logistics operations and a similar organised part of business of CCC Factory Sp. z o.o. to CCC.eu Sp. z o.o., with effect from September 1st 2023. As a result, CCC S.A. and CCC Factory Sp. z o.o. acquired new shares issued by CCC.eu Sp. z o.o. in exchange for the transferred non-cash contributions (organised parts of business). The transaction had no effect on the Group's consolidated financial statements.

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

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

FUNCTIONAL CURRENCY AND PRESENTATION CURRENCY

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

STATEMENT OF ACCOUNTING POLICIES

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

New and amended accounting standards

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

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

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

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

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

FACTORS WITH MATERIAL BEARING ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME

Revenue

The 3.6% year-on-year increase in omnichannel revenue posted by the Group for the nine months to October 31st 2023 was driven primarily by the roll-out of the omnichannel model, further expansion of the HalfPrice segment, and a broader range of products available across segments.

Cost of sales

Cost of sales grew by 6.3% year on year in the nine months to October 31st 2023, with revenue up 3.6%, leading to a 2.6pp year-on-year drop in gross margin. This was a combined effect of higher discounts implemented mainly in the CCC segment (resale of the discounted AW collection and promotional efforts implemented in response to a long winter), and overstocking in the multibrand e-commerce segment, necessitating sales of older collections with lower margins amid stiffer competition in the business environment. Margins eroded also on account of inventory write-downs.

Costs of points of purchase and distribution

Costs of points of purchase and distribution increased by PLN 58.8m (2.1%) year on year, driven mainly by:

- PLN 57.7m 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 19.9m increase in other costs, including mainly costs of logistics and warehouse services, IT maintenance, and advisory services;
- PLN 11.1m increase in taxes and charges, mainly attributable to a new Reebok licence agreement signed with ABG;
- PLN 27.7m decrease in materials and consumables used, attributable to cost discipline measures implemented by the Group;
- PLN 10.3m decrease in transport costs, driven by the ongoing cost optimisation measures implemented in this cost category.

Administrative expenses

Administrative expenses rose PLN 9.3m (3.3%) year on year, Mainly driven by an increase in depreciation and amortisation (PLN 6.3m) and other expenses (PLN 6.1m).

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

Net other income (related to continuing operations) was PLN 15.0m, up by PLN 138.2m compared with the same period of the year before, when the Group disclosed net other expenses. The PLN 90.6m increase was attributable to foreign exchange gains on items other than debt of PLN 2.6m, compared with foreign exchange losses on items other than debt of PLN 88.0m recorded in the comparative period of the year before. Another item whose change by PLN 25.7m contributed to the net result was a lower cost of loss allowances for trade and other receivables – in the reporting period the net amount of loss allowances was PLN 8.4m, while in the corresponding period of the previous year there were loss allowances for trade receivables of PLN 34.1m.

As a result, operating profit for the nine months to October 31st 2023 was PLN 88.5m, compared with a PLN 1.2m operating loss reported for the comparative period.

Finance costs and income

Finance costs were PLN 318.0m, up PLN 22.8m year on year, with the increase driven mainly by:

- interest expense on borrowings and bonds of PLN 232.1m, compared with PLN 209.4m in the previous year. The increase reflected higher debt service costs following a series of interest rate rises by the National Bank of Poland;
- interest expense on leases, which rose by PLN 27.8m year on year;
- foreign exchange gains from financing activities posted for the reporting period, leading to a year-on-year decrease in finance costs by PLN 32.0m.

In the reporting period, finance income went up by PLN 72.6m year on year, to PLN 53.0m, and included mainly Foreign exchange gains of PLN 35.6m (foreign exchange losses of PLN 32.0m were reported for the comparative period). The other items recognised in the current period include PLN 1.5m income from the measurement of the derivative financial instrument embedded in bonds issued to PFR (Equity Kicker); a PLN 9.1m gain on the measurement of the derivative financial instrument embedded in outstanding bonds convertible into Modivo shares (voluntary conversion option); and a PLN 20.4m gain on the measurement of options to purchase non-controlling interests.

Net of income tax of PLN 2.8m, the CCC Group's net loss on continuing operations for the nine months ended October 31st 2023 was PLN 154.1m, down by PLN 135.4m year on year.

STATEMENT OF FINANCIAL POSITION

As at October 31st 2023, the CCC Group had total assets of PLN 7,878.2m, up by PLN 814.1m on January 31st 2023.

Non-current assets

As at October 31st 2023, non-current assets amounted to PLN 3,701.6m, up by PLN 100.3m on the end of the previous year. The change was mainly caused by:

- PLN 47.4m increase in intangible assets;
- PLN 35.0m increase in deferred tax assets;
- PLN 40.9m increase in right-of-use assets;
- PLN 20.0m decrease in property, plant and equipment; and
- PLN 3.1m decrease in goodwill.

As at the reporting date, intangible assets amounted to PLN 424.2m and were PLN 47.4m higher compared with January 31st 2023. The change was attributable mainly to expenditure of PLN 24.7m on software supporting the e-commerce sales channel, and expenditure of PLN 48.5m on intangible assets under development, which was incurred chiefly on the implementation of new technological solutions relating to the eobuwie and MODIVO applications. The increase was offset by accrued amortisation of PLN 26.1m.

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

Property, plant and equipment – leasehold improvements as at October 31st 2023 amounted to PLN 669.5m, up PLN 12.8m on January 31st 2023. The change was mainly caused by:

- capital expenditure of PLN 103.8m incurred in connection with the expansion of the retail business and development of the omnichannel model at the Group;
- depreciation of PLN 77.8m;
- foreign exchange losses of PLN 9.9m;
- increase resulting from the acquisition of subsidiary CCC Ukraina Sp. z o.o. of PLN 4.1m;
- PLN 2.7m increase in impairment losses; and
- derecognised or sold leasehold improvements of PLN 5.0m.

Property, plant and equipment – distribution as at October 31st 2023 amounted to PLN 694.1m, up by PLN 2.1m on January 31st 2023. The change was mainly caused by:

- depreciation of PLN 55.6m;
- expenditure of PLN 51.5m related to the extension of the K3 warehouse in Zielona Góra;
- reclassification to assets held for sale of 24.6m;
- transfer of property, plant and equipment of PLN 33.6m from the Distribution group in connection with the transfer of an organised part of business comprising logistics operations, as described in 'Other accounting matters and issues'; and
- derecognised or sold assets of PLN 3.0m.

Property, plant and equipment – other as at October 31st 2023 amounted to PLN 58.3m, down PLN 34.9m on January 31st 2023. The change was mainly caused by:

- transfer of property, plant and equipment of PLN 33.9m to the Distribution group in connection with the transfer of an organised part of business comprising logistics operations, as described in 'Other accounting matters and issues';
- depreciation of PLN 4.0m;
- expenditure of PLN 5.2m; and
- foreign exchange losses on translation of PLN 2.5m.

As at October 31st 2023, the right-of-use assets were 1,420.8, up by PLN 40.9m on January 31st 2023. The change was mainly attributable to:

- execution of new lease contracts for PLN 300.9m;
- contract modifications for PLN 112.5m;
- termination and change of the scope of lease contracts for PLN 35.2m;
- depreciation of PLN 293.8m; and
- exchange differences of PLN 39.4m.

On October 31st 2023, MODIVO S.A. changed the presentation of Building K1 as an asset available for sale in accordance with International Financial Reporting Standard 5 (IFRS 5). As at the reporting date, the carrying amount of the asset was PLN 24.6m, and depreciation ceased as of November 1st 2023. This decision followed from the classification of Building K1 as an asset held for sale in accordance with IFRS 5, paragraphs 6–12. The asset was available for immediate sale in its present condition, and management was committed to a plan to sell the asset. Furthermore, an active programme to locate a buyer had been initiated, and the building was marketed for sale at a price that was reasonable in relation to its fair value. The sale was expected to be completed within 12 months from the date of classification of the building as an asset held for sale. The carrying amount of Building K1 as an asset available for sale was PLN 24.6m, although its market valuation stood at PLN 61.8m, because the lower of the two amounts was applied, as required by IFRS 5. The company is actively pursuing a programme to locate a buyer and expects to sell Building K1 in the near future.

Current assets

Current assets rose by PLN 689.2m relative to January 31st 2023, to PLN 4,152.0m, And comprised mainly inventory of PLN 3,078.4m (January 31st 2023: PLN 2,691.1m) and cash and cash equivalents of PLN 570.3m (January 31st 2023: PLN 395.4m). The change was attributable mainly to:

- PLN 387.3m increase in inventories due to the stocking up for the autumn-winter 2023 collection and the development of the HalfPrice network. The movements in the inventory write-down amounted to PLN 4.4m, and the item totalled PLN 74.8m as at the reporting date; and
- PLN 43.4m increase in trade receivables and a PLN 94.4m increase in other receivables.

Inventories comprise merchandise (PLN 2,916.9m), materials (PLN 23.8m), returns assets received back from customers in connection with their right to return unused products (PLN 56.1m) and finished goods (PLN 0.4m). As at the reporting date, impairment losses on trade receivables were PLN 109.3m, down PLN 8.5m year on year. The impairment losses were related mainly to wholesale trade partners. For more information on impairment losses recognised in the reporting period, see Note 4.3.

Liabilities

Non-current liabilities fell PLN 687.5m, to PLN 2,053.9m as at the reporting date.

As at October 31st 2023, non-current liabilities under bank borrowings and bonds amounted to PLN 734.3m, having decreased by PLN 636.2m year on year, mainly as a result of repayments made under overdraft facilities, presented as non-current liabilities due to the long-term nature of the facilities. For more information, see Note 5.2.

As at the reporting date, other non-current liabilities amounted to PLN 3.9m. The PLN 0.6m decrease relative to the previous year was attributable to the transfer of amounts due to employees to other current liabilities.

As at October 31st 2023, other non-current financial liabilities totalled PLN 5.0m, and are entirely related to the valuation of a derivative financial instrument embedded in bonds issued to PFR – Equity Kicker. As at January 31st 2023, the instrument was measured at PLN 6.5m and was entirely presented as a non-current liability. For more information, see Note 6.1.

Non-current and current lease liabilities decreased by PLN 2.1m relative to January 31st 2023. The change was attributable to ongoing payments made under lease contracts (PLN 342.1m), interest accrued (PLN 57.2m), increase related to contract modifications, and addition of new contracts (PLN 378.0m). The decrease was attributable to foreign exchange differences of PLN 95.2m.

Non-current and current lease liabilities decreased by PLN 2.1m relative to January 31st 2023. The change was attributable to ongoing payments made under lease contracts (PLN 342.1m), interest accrued (PLN 57.2m), increase related to contract modifications, and addition of new contracts (PLN 378.0m). The decrease was attributable to foreign exchange differences of PLN 95.2m.

Current liabilities increased by PLN 1,151.3m, to PLN 4,891.3m as at the reporting date, and comprised mainly:

- trade and other payables, which rose by PLN 791.2m relative to January 31st 2023 and amounted to PLN 2,180.7m as at the reporting date. The change was attributed to the seasonal movements in inventory levels within the Group and the renegotiation (extension) of payment terms with its trading partners;
- current liabilities under borrowings and bonds of PLN 1,444.4m, which decreased PLN 288.7m year on year (PLN 1,155.7m as at January 31st 2023), mainly due to partial debt repayment. For more information, see Note 5.2.
- Other current liabilities of PLN 525.1m, which rose PLN 54.7m year on year. The increase in other liabilities was mainly attributable to a PLN 53.5m increase in indirect taxes, customs duties and other payables, with a PLN 14.8m decrease in amounts due to employees. Accruals and deferred income, mainly related to the provision for future costs, increased by PLN 4.7m. The reporting period saw a PLN 9.0m decrease in returns liabilities.

Liabilities arising from the obligation to purchase non-controlling interests (the DeeZee option) changed by PLN 20.3m relative to January 31st 2023, to PLN 10.8m, and were presented in the current portion (as at January 31st 2023, they were presented in the non-current portion). The instrument is measured at fair value. For more information, see Note 6.1.

The item also includes liabilities arising from the obligation to purchase 4.99% of Modivo shares, of PLN 180.0m. Amendments to the purchase agreement are discussed at length in the section 'Effect of changes in the economic situation on the valuation of assets and liabilities of the CCC Group: Other accounting matters and issues'. The liability was recognised at nominal amount, taking into account a discount rate (corresponding to the effective interest rate) of 9.1%. The liability is measured at amortised cost, in correspondence with profit or loss.

The derivative financial instrument embedded in bonds convertible into Modivo shares (voluntary conversion option) is measured at fair value. The estimates and assumptions used for measurement purposes, as disclosed in the interim condensed consolidated report of the CCC Group for the first half of 2023, remained unchanged. As at October 31st 2023, the instrument was measured at PLN 6.7m and was presented as current due to its expected exercise date. The change in the reporting period amounted to PLN 9.1m and was recognised in finance income. In the corresponding period of the previous year, the change was PLN 1.2m and was recognised in finance costs. For more information, see Note 6.1.

Equity

As at October 31st 2023, equity stood at PLN 933.0m, having increased by PLN 350.3m compared with January 31st 2023 due to a net loss of PLN 154.1m posted for the nine months ended October 31st 2023 and the issue of Company shares. Pursuant to resolutions of the Extraordinary General Meeting of CCC S.A. dated November 17th 2022, on May 9th 2023 the share capital of CCC S.A. was increased through the issue of 14 million shares with a par value of PLN 0.1 and an issue price of PLN 36.11. The issue proceeds of PLN 505.5m were reduced by the issue costs of PLN 3.9m. Following the transaction, the share capital was increased by PLN 1.4m, while the balance raised was allocated to the Company's statutory reserve funds. Additionally, the effect of the valuation of the Modivo incentive scheme of PLN 13.8m (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, and
- 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 the "Factors and events with a bearing on the performance of the CCC Group" section of the Directors' Report.

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

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

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

(all amounts in PLN million unless stated otherwise)

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

Feb 1–Oct 31 2023 unaudited, unreviewed	CCC	HalfPrice	eobuwie	MODIVO	DeeZee	Total	Consolidation adjustments	Consolidated financial statements
Revenue from sales to external customers	2,948.8	982.0	2,145.9	774.3	68.0	6,919.0	–	6,919.0
Gross profit	**1,634.0**	**409.1**	**859.5**	**295.1**	**37.2**	**3,234.9**	**–**	**3,234.9**
Gross margin (gross profit on sales/revenue from sales to external customers)	*55%*	*42%*	*40%*	*38%*	*55%*	*47%*		*47%*
Costs of points of purchase and distribution	-1,279.0	-399.7	-866.7	-292.8	-28.9	-2,867.1	–	-2,867.1
Administrative expenses	-188.5	-20.9	-61.5	-19.7	-3.7	-294.3	–	-294.3
Other income and expenses, and (recognition) / reversal of loss allowances	14.0	1.4	0.6	–	-1.0	15.0	–	15.0
EBIT	**180.5**	**-10.1**	**-68.1**	**-17.4**	**3.6**	**88.5**	**–**	**88.5**
Depreciation/amortisation	-301.5	-78.5	-59.7	-13.1	-0.5	-453.3	–	-453.3
Segment profit (EBITDA)	**482.0**	**68.4**	**-8.4**	**-4.3**	**4.1**	**541.8**	**–**	**541.8**
Finance income								72.6
Other finance costs								-318.0
Profit (loss) before tax								**-156.9**

Segment assets:				**Oct 31 2023**				
Inventories	**1,072.2**	**635.3**	**1,001.2**	**349.6**	**20.1**	**3,078.4**	**–**	**3,078.4**
in stores	627.5	300.2	107.8	6.2	–	1,041.7		
in the central warehouse	444.7	335.1	893.4	343.4	20.1	2,036.7		

Feb 1–Oct 31 2022 unaudited, unreviewed	CCC	HalfPrice	eobuwie	MODIVO	DeeZee	Total	Consolidation adjustments	Consolidated financial statements
Revenue from sales to external customers	3,138.9	558.0	2,306.5	578.2	87.1	6,668.7	12.8	6,681.5
Gross profit	**1,688.3**	**267.0**	**975.7**	**240.1**	**44.2**	**3,215.3**	**–**	**3,215.3**
Gross margin (gross profit on sales/revenue from sales to external customers)	*54%*	*48%*	*42%*	*42%*	*51%*	*48%*		*48%*
Costs of points of purchase and distribution	-1,444.3	-262.9	-845.5	-222.0	-33.6	-2,808.3	–	-2,808.3
Administrative expenses	-196.4	-13.8	-56.2	-14.7	-3.9	-285.0	–	-285.0
Other income and expenses, and (recognition) / reversal of loss allowances	-111.0	2.9	-11.9	-3.1	-0.1	-123.2	–	-123.2
EBIT	**-63.4**	**-6.8**	**62.1**	**0.3**	**6.6**	**-1.2**	–	**-1.2**
Depreciation/amortisation	-328.1	-59.3	-44.7	-5.0	-1.0	-438.1	-2.3	-440.4
Segment profit (EBITDA)	**264.7**	**52.5**	**106.8**	**5.3**	**7.6**	**436.9**	**2.3**	**439.2**
Finance income								19.6
Other finance costs								-295.2
Profit (loss) before tax								**-276.8**

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

(all amounts in PLN million unless stated otherwise)

Aug 1–Oct 31 2023 unaudited, unreviewed	CCC	HalfPrice	eobuwie	MODIVO	DeeZee	Total	Consolidation adjustments	Consolidated financial statements
Revenue from sales to external customers	1,059.7	393.0	676.3	277.0	24.4	2,430.4	–	2,430.4
Gross profit	**616.1**	**181.6**	**261.1**	**102.0**	**13.2**	**1,174.0**	**–**	**1,174.0**
Gross margin (gross profit on sales/revenue from sales to external customers)	*58%*	*46%*	*39%*	*37%*	*54%*	*48%*		*48%*
Costs of points of purchase and distribution	-420.4	-150.3	-280.5	-101.0	-9.4	-961.6	–	-961.6
Administrative expenses	-60.2	-6.4	-24.7	-8.1	-1.2	-100.6	–	-100.6
Other income and expenses, and (recognition) / reversal of loss allowances	-28.4	0.2	-6.7	–	-0.7	-35.6	–	-35.6
EBIT	**107.1**	**25.1**	**-50.8**	**-7.1**	**1.9**	**76.2**	–	**76.2**
Depreciation/amortisation	-94.5	-31.1	-22.9	-4.7	-0.1	-153.3	–	-153.3
Segment profit (EBITDA)	**201.6**	**56.2**	**-27.9**	**-2.4**	**2.0**	**229.5**	–	**229.5**
Finance income								-0.6
Other finance costs								-104.4
Profit (loss) before tax								**-28.8**

Aug 1–Oct 31 2022 unaudited, unreviewed	CCC	HalfPrice	eobuwie	MODIVO	DeeZee	Total	Consolidation adjustments	Consolidated financial statements
Revenue from sales to external customers	1,138.6	257.7	763.9	228.8	33.2	2,422.1	–	2,422.1
Gross profit	**612.7**	**130.2**	**309.9**	**94.9**	**15.4**	**1,163.1**	**–**	**1,163.1**
Gross margin (gross profit on sales/revenue from sales to external customers)	*54%*	*51%*	*41%*	*41%*	*46%*	*48%*		*48%*
Costs of points of purchase and distribution	-515.7	-106.3	-296.4	-90.2	-10.3	-1,018.9	–	-1,018.9
Administrative expenses	-66.9	-5.1	-20.0	-5.9	-1.4	-99.3	–	-99.3
Other income and expenses, and (recognition) / reversal of loss allowances	-18.7	0.5	-9.6	7.2	-0.3	-20.9	–	-20.9
EBIT	**11.4**	**19.3**	**-16.1**	**6.0**	**3.4**	**24.0**	–	**24.0**
Depreciation/amortisation	-107.8	-21.4	-17.3	-2.1	-0.3	-148.9	–	-148.9
Segment profit (EBITDA)	**119.2**	**40.7**	**1.2**	**8.1**	**3.7**	**172.9**	–	**172.9**
Finance income								1.0
Other finance costs								-90.0
Profit (loss) before tax								**-65.0**

NON-CURRENT ASSETS (NET OF OTHER FINANCIAL ASSETS AND DEFERRED TAX)	Oct 31 2023 unaudited, unreviewed	Jan 31 2023 audited
Poland	2,137.0	2,052.3
Czech Republic	319.9	247.1
Hungary	182.7	218.1
Romania	284.2	270.5
Slovakia	93.3	102.5
Other	468.2	515.5
Total non-current assets (excluding other financial assets and deferred tax)	**3,485.3**	**3,406.0**

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

(all amounts in PLN million unless stated otherwise)

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.

Revenue by geographical segment and by country:

Revenue		Feb 1–Oct 31 2023						Feb 1–Oct 31 2022					
		CCC	HalfPrice	eobuwie	MODIVO	DeeZee	Total	CCC	HalfPrice	eobuwie	MODIVO	DeeZee	Total
Poland	**Poland**	**1,919.8**	**739.1**	**832.3**	**240.4**	**68.0**	**3,799.6**	**2,018.6**	**440.5**	**835.4**	**195.2**	**87.1**	**3,576.8**
Central and Eastern Europe	Czech Republic	231.7	64.4	150.4	55.3	–	**501.8**	276.0	20.8	197.2	44.9	–	**538.9**
	Slovakia	141.8	31.8	65.7	28.6	–	**267.9**	157.8	7.7	85.7	23.2	–	**274.4**
	Hungary	200.5	33.9	114.8	28.3	–	**377.5**	219.1	23.7	147.8	26.0	–	**416.6**
	Romania	214.6	21.8	229.8	103.0	–	**569.2**	236.0	–	243.6	93.5	–	**573.1**
	Bulgaria	49.6	–	120.2	65.2	–	**235.0**	48.8	–	129.8	47.0	–	**225.6**
	Slovenia	35.4	19.4	19.6	6.1	–	**80.5**	45.4	11.7	17.5	1.9	–	**76.5**
	Croatia	70.0	7.2	58.0	19.2	–	**154.4**	76.7	8.1	52.5	8.6	–	**145.9**
	Lithuania	4.6	–	55.6	16.5	–	**76.7**	4.2	–	65.2	17.7	–	**87.1**
	Latvia	12.8	10.9	17.4	3.8	–	**44.9**	9.6	–	13.4	0.9	–	**23.9**
	Estonia	10.4	–	–	–	–	**10.4**	8.8	–	0.8	–	–	**9.6**
	Serbia	25.8	–	–	–	–	**25.8**	34.2	–	–	–	–	**34.2**
	Ukraine	31.7	–	38.7	72.3	–	**142.7**	–	–	4.5	13.2	–	**17.7**
	Total	**1,028.9**	**189.4**	**870.2**	**398.3**	**–**	**2,486.8**	**1,116.6**	**72.0**	**958.0**	**276.9**	**–**	**2,423.5**
Western Europe	Austria	0.1	53.5	9.1	3.0	–	**65.7**	2.4	45.5	4.7	0.7	–	**53.3**
	Switzerland	–	–	30.8	–	–	**30.8**	–	–	39.0	–	–	**39.0**
	Germany	–	–	120.8	41.6	–	**162.4**	–	–	146.9	25.4	–	**172.3**
	France	–	–	21.5	8.2	–	**29.7**	–	–	36.7	6.5	–	**43.2**
	Spain	–	–	9.9	–	–	**9.9**	–	–	11.1	–	–	**11.1**
	Italy	–	–	77.0	20.8	–	**97.8**	–	–	106.1	17.0	–	**123.1**
	Sweden	–	–	12.9	–	–	**12.9**	–	–	4.5	–	–	**4.5**
	Greece	–	–	161.4	62.0	–	**223.4**	1.3	–	164.1	56.5	–	**221.9**
	Total	**0.1**	**53.5**	**443.4**	**135.6**	**–**	**632.6**	**3.7**	**45.5**	**513.1**	**106.1**	**–**	**668.4**
CCC Group	**Total**	**2,948.8**	**982.0**	**2,145.9**	**774.3**	**68.0**	**6,919.0**	**3,138.9**	**558.0**	**2,306.5**	**578.2**	**87.1**	**6,668.7**

(all amounts in PLN million unless stated otherwise)

Revenue		Aug 1–Oct 31 2023						Aug 1–Oct 31 2022					
		CCC	HalfPrice	eobuwie	MODIVO	DeeZee	Total	CCC	HalfPrice	eobuwie	MODIVO	DeeZee	Total
Poland	**Poland**	**702.3**	**285.1**	**269.6**	**86.1**	**24.4**	**1,367.5**	**730.0**	**199.5**	**277.2**	**66.5**	**33.2**	**1,306.4**
Central and Eastern Europe	Czech Republic	80.9	31.7	47.3	17.6	–	**177.5**	101.7	11.8	71.4	18.3	–	**203.2**
	Slovakia	51.6	12.9	20.3	10.4	–	**95.2**	56.5	5.0	27.4	8.6	–	**97.5**
	Hungary	64.0	12.0	29.3	7.1	–	**112.4**	77.9	12.7	40.3	8.4	–	**139.3**
	Romania	77.7	17.5	68.8	35.4	–	**199.5**	85.9	–	90.5	39.5	–	**215.9**
	Bulgaria	18.1	–	39.0	22.6	–	**79.7**	18.3	–	51.1	21.2	–	**90.6**
	Slovenia	11.3	7.0	5.3	2.1	–	**25.7**	15.2	5.7	5.1	1.7	–	**27.7**
	Croatia	23.9	2.2	18.1	7.4	–	**51.6**	27.3	3.2	17.8	3.9	–	**52.2**
	Lithuania	1.8	–	14.9	5.0	–	**21.7**	2.1	–	21.2	6.4	–	**29.7**
	Latvia	4.9	4.4	6.3	1.5	–	**17.2**	6.1	–	5.2	0.7	–	**12.0**
	Estonia	3.8	–	**–**	–	–	**3.8**	4.8	–	0.3	–	–	**5.1**
	Serbia	8.8	–	–	–	–	**8.8**	11.8	–	–	–	–	**11.8**
	Ukraine	10.6	–	17.0	35.4	–	**63.1**	–	–	2.9	13.2	–	**16.1**
	Total	**357.4**	**87.7**	**266.4**	**144.6**	**–**	**856.1**	**407.6**	**38.4**	**333.2**	**121.9**	**–**	**901.1**
Western Europe	Austria	–	20.2	2.9	1.2	–	**24.3**	0.7	19.7	1.9	0.4	–	**22.7**
	Switzerland	–	–	6.6	–	–	**6.6**	–	–	15.6	–	–	**15.6**
	Germany	–	–	47.2	15.0	–	**62.2**	–	–	30.0	8.0	–	**38.0**
	France	–	–	5.9	2.7	–	**8.6**	–	–	10.9	2.1	–	**13.0**
	Spain	–	–	3.1	–	–	**3.1**	–	–	3.3	–	–	**3.3**
	Italy	–	–	19.7	5.9	–	**25.6**	–	–	33.0	6.2	–	**39.2**
	Sweden	–	–	4.0	–	–	**4.0**	–	–	2.1	–	–	**2.1**
	Greece	–	–	50.9	21.6	–	**72.4**	0.3	–	56.7	23.7	–	**80.7**
	Total	**–**	**20.2**	**140.3**	**46.3**	**–**	**206.8**	**1.0**	**19.7**	**153.5**	**40.4**	**–**	**214.6**
CCC Group	**Total**	**1,059.7**	**393.0**	**676.3**	**277.0**	**24.4**	**2,430.4**	**1,138.6**	**257.6**	**763.9**	**228.8**	**33.2**	**2,422.1**

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

(all amounts in PLN million unless stated otherwise)

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

3.1. COSTS BY NATURE OF EXPENSE

Feb 1–Oct 31 2023 unaudited, unreviewed	COST OF SALES	COSTS OF POINTS OF PURCHASE AND DISTRIBUTION	ADMINISTRATIVE EXPENSES	TOTAL
Cost of merchandise sold	-3,678.2	–	–	-3,678.2
Raw material and consumables used	–	-88.5	-22.3	-110.8
Inventory write-downs	-6.0	–	–	-6.0
Salaries, wages and employee benefits	–	-736.7	-135.3	-872.0
Transport services	–	-343.3	-0.7	-344.0
Other rental costs – utilities and other variable costs	–	-294.7	-16.3	-311.0
Advertising	–	-678.1	-0.5	-678.6
Depreciation/amortisation	–	-410.5	-42.8	-453.3
Taxes and charges	–	-43.7	-3.9	-47.6
Other costs	–	-271.6	-72.5	-344.1
Change in products and work in progress	0.1	–	–	0.1
Total	**-3,684.1**	**-2,867.1**	**-294.3**	**-6,845.5**

Feb 1–Oct 31 2022 unaudited, unreviewed	COST OF SALES	COSTS OF POINTS OF PURCHASE AND DISTRIBUTION	ADMINISTRATIVE EXPENSES	TOTAL
Cost of merchandise sold	-3,439.8	–	–	-3,439.8
Raw material and consumables used	–	-116.2	-23.1	-139.3
Inventory write-downs	-26.4	–	–	-26.4
Salaries, wages and employee benefits	–	-735.8	-133.6	-869.4
Transport services	–	-353.6	-0.4	-354.0
Other rental costs – utilities and other variable costs	–	-237.0	-18.5	-255.5
Advertising	–	-677.5	-2.3	-679.8
Depreciation/amortisation	–	-403.9	-36.5	-440.4
Taxes and charges	–	-32.6	-4.2	-36.8
Other costs	–	-251.7	-66.4	-318.1
Total	**-3,466.2**	**-2,808.3**	**-285.0**	**-6,559.5**

(all amounts in PLN million unless stated otherwise)

Aug 1–Oct 31 2023 unaudited, unreviewed	COST OF SALES	COSTS OF POINTS OF PURCHASE AND DISTRIBUTION	ADMINISTRATIVE EXPENSES	TOTAL
Cost of merchandise sold	-1,272.8	–	–	-1,272.8
Raw material and consumables used	–	-21.4	-8.5	-29.9
Inventory write-downs	16.6	–	–	16.6
Salaries, wages and employee benefits	–	-250.8	-47.2	-298.0
Transport services	–	-112.3	-0.2	-112.5
Other rental costs – utilities and other variable costs	–	-100.9	-4.5	-105.4
Advertising	–	-224.9	-0.1	-225.0
Depreciation/amortisation	–	-138.5	-14.8	-153.3
Taxes and charges	–	-19.1	-1.3	-20.4
Other costs	–	-93.7	-24.0	-117.7
Change in products and work in progress	-0.2	–	–	-0.2
Total	**-1,256.4**	**-961.6**	**-100.6**	**-2,318.6**

Aug 1–Oct 31 2022 unaudited, unreviewed	COST OF SALES	COSTS OF POINTS OF PURCHASE AND DISTRIBUTION	ADMINISTRATIVE EXPENSES	TOTAL
Cost of merchandise sold	-1,252.0	–	–	-1,252.0
Raw material and consumables used	–	-37.3	-8.3	-45.6
Inventory write-downs	-7.0	–	–	-7.0
Salaries, wages and employee benefits	–	-256.0	-46.2	-302.2
Transport services	–	-123.8	-0.2	-124.0
Other rental costs – utilities and other variable costs	–	-74.1	-5.4	-79.5
Advertising	–	-277.1	-0.6	-277.7
Depreciation/amortisation	–	-136.4	-12.5	-148.9
Taxes and charges	–	-13.0	-1.4	-14.4
Other costs	–	-101.2	-24.7	-125.9
Total	**-1,259.0**	**-1,018.9**	**-99.3**	**-2,377.2**

(all amounts in PLN million unless stated otherwise)

3.2. OTHER INCOME AND EXPENSES, FINANCE INCOME AND COSTS

	Feb 1–Oct 31 2023	Feb 1–Oct 31 2022	Aug 1–Oct 31 2023	Aug 1–Oct 31 2022
	unaudited, unreviewed	unaudited, unreviewed	unaudited, unreviewed	unaudited, unreviewed
Other income				
Foreign exchange gains on items other than debt	2.6	–	–	–
Compensation	5.9	3.2	0.9	1.2
Reversal of impairment losses on non-current assets	–	0.2	–	0.2
PFRON wage subsidies	0.5	2.6	0.4	0.8
Gain on settlement of leasehold improvements with landlords	10.6	4.2	2.1	2.0
Gain on settlement of lease contracts	8.7	13.9	2.9	1.7
Reversal of CCC Germany provisions	9.1	–	–	–
Grants	0.3	0.8	0.1	0.4
Other	12.7	13.2	6.0	4.7
Total other income	**50.4**	**38.1**	**12.4**	**11.0**

	Feb 1–Oct 31 2023	Feb 1–Oct 31 2022	Aug 1–Oct 31 2023	Aug 1–Oct 31 2022
	unaudited, unreviewed	unaudited, unreviewed	unaudited, unreviewed	unaudited, unreviewed
Other expenses				
Loss on disposal of property, plant and equipment	-1.5	-12.7	-1.7	-4.1
Interest and penalties	-3.7	-6.4	-1.9	-0.7
Other	-21.8	-20.1	-14.1	-5.3
Foreign exchange losses on items other than debt	–	-88.0	-29.2	-18.5
Total other expenses	**-27.0**	**-127.2**	**-46.9**	**-28.6**

	Feb 1–Oct 31 2023	Feb 1–Oct 31 2022	Aug 1–Oct 31 2023	Aug 1–Oct 31 2022
	unaudited, unreviewed	unaudited, unreviewed	unaudited, unreviewed	unaudited, unreviewed
(Recognition) / Reversal of loss allowances (trade receivables)				
Impairment losses on trade receivables	-8.4	-34.1	-1.1	-3.3
(Recognition) / Reversal of loss allowances (trade receivables), total	**-8.4**	**-34.1**	**-1.1**	**-3.3**

	Feb 1–Oct 31 2023	Feb 1–Oct 31 2022	Aug 1–Oct 31 2023	Aug 1–Oct 31 2022
	unaudited, unreviewed	unaudited, unreviewed	unaudited, unreviewed	unaudited, unreviewed
Finance income				
Interest income on cash in current account and other interest income	2.2	1.7	0.3	0.7
Foreign exchange gains (losses)	35.6	–	–	–
Measurement of derivative financial instruments (embedded derivatives)	9.1	–	–	–
Other finance income	3.8	0.5	-0.6	0.2
Derivative financial instruments embedded in bonds issued to PFR – Equity Kicker	1.5	11.1	–	–
Valuation of options to purchase non-controlling interests	20.4	6.3	-0.3	0.1
Total finance income	**72.6**	**19.6**	**-0.6**	**1.0**

(all amounts in PLN million unless stated otherwise)

	Feb 1–Oct 31 2023	Feb 1–Oct 31 2022	Aug 1–Oct 31 2023	Aug 1–Oct 31 2022
	unaudited, unreviewed	unaudited, unreviewed	unaudited, unreviewed	unaudited, unreviewed
Finance costs				
Interest on borrowings and bonds	-232.1	-209.4	-79.1	-79.0
Gain (loss) on modification of financial liability	-9.0	–	–	–
Interest on leases	-55.7	-27.9	-21.9	-10.2
Foreign exchange gains (losses)	–	-32.0	–	3.3
Commission fees paid	-10.8	-6.4	-3.3	-2.7
Valuation of options to purchase non-controlling interests	-6.6	-2.2	–	-0.8
Derivative financial instruments embedded in bonds convertible into Modivo shares − voluntary conversion option	–	-12.2	–	–
Other finance costs	-3.8	-5.1	-0.1	-0.6
Total finance costs	**-318.0**	**-295.2**	**-104.4**	**-90.0**

(all amounts in PLN million unless stated otherwise)

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

4.1. PROVISIONS

unaudited, unreviewed	PROVISION FOR JUBILEE AND RETIREMENT BENEFITS	PROVISIONS FOR WARRANTY REPAIRS	PROVISION FOR LITIGATION	OTHER PROVISIONS	TOTAL
As at Feb 1 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 Feb 1 2023	**16.7**	**8.7**	**1.5**	**0.6**	**27.5**
Recognised	1.9	5.1	–	35.1	42.1
Used	-1.1	-5.5	–	–	-6.6
Reversed	-0.4	-0.2	-1.3	-35.1	-37.0
Exchange differences	-0.1	–	–	–	-0.1
As at Oct 31 2023	**17.0**	**8.1**	**0.2**	**0.6**	**25.9**
short-term	3.9	8.1	0.2	0.6	12.8
long-term	13.1	–	–	–	13.1

audited	PROVISION FOR JUBILEE AND RETIREMENT BENEFITS	PROVISIONS FOR WARRANTY REPAIRS	PROVISION FOR LITIGATION	OTHER PROVISIONS	TOTAL
As at Feb 1 2022	**17.0**	**14.3**	**–**	**0.5**	**31.8**
short-term	2.7	14.3	–	0.4	17.4
long-term	14.3	–	–	0.1	14.4
As at Feb 1 2022	**17.0**	**14.3**	**–**	**0.5**	**31.8**
Recognised	1.7	7.3	1.5	0.1	10.6
Used	-0.6	-6.1	–	–	-6.7
Reversed	-1.4	-6.8	–	–	-8.2
As at Jan 31 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

(all amounts in PLN million unless stated otherwise)

4.2. DEFERRED TAX ASSETS AND LIABILITIES

unaudited, unreviewed	Oct 31 2023	RECOGNISED / (CHARGED) ON PROFIT OR LOSS	Feb 1 2023
Assets			
Trademarks	–	-7.2	7.2
Inventories – adjustment of margin on intra-group sales	11.4	2.8	8.6
Impairment of assets: inventories and receivables	6.4	1.3	5.1
Impairment of property, plant and equipment (leasehold improvements), rights-of-use assets and intangible assets	2.7	1.3	1.4
Provisions for liabilities	19.4	-3.7	23.1
Special economic zone relief	45.7	-4.5	50.2
Other	53.1	9.4	43.7
Tax losses	45.2	45.2	–
Measurement of lease contracts	333.1	22.1	311.0
Total before offset	**517.0**	**66.7**	**450.3**
Liabilities			
Accelerated tax depreciation of property, plant and equipment	1.0	1.0	–
Other	13.3	2.6	10.6
Purchase of intangible assets disclosed on acquisition of subsidiaries	30.7	-1.0	31.7
Measurement of lease contracts	283.9	26.2	257.7
Total before offset	**328.8**	**28.8**	**300.0**
Offset	297.9	31.7	266.2
Deferred tax balances as disclosed in statement of financial position			
Assets	219.1	35.0	184.1
Liabilities	30.9	-2.9	33.8

audited	Jan 31 2023	RECOGNISED / (CHARGED) ON PROFIT OR LOSS	Feb 1 2022
Assets			
Trademarks	7.2	-6.2	13.4
Inventories – adjustment of margin on intra-group sales	8.6	-1.6	10.2
Impairment of assets: inventories and receivables	5.1	3.8	1.3
Impairment of property, plant and equipment (leasehold improvements), rights-of-use assets and intangible assets	1.4	-0.6	2.0
Provisions for liabilities	23.1	-7.6	30.7
Special economic zone relief	50.2	-3.1	53.3
Other	43.7	21.1	22.6
Tax losses	–	-0.3	0.3
Measurement of lease contracts	311.0	-8.3	319.3
Total before offset	**450.3**	**-2.8**	**453.1**
Liabilities			
Accelerated tax depreciation of property, plant and equipment	–	-4.1	4.1
Accrued interest	–	0.1	-0.1
Other	10.6	7.6	3.0
Purchase of intangible assets disclosed on acquisition of subsidiaries	31.7	-5.4	37.1
Measurement of lease contracts	257.7	-14.6	272.3
Total before offset	**300.0**	**-16.4**	**316.4**
Offset	266.2	-11.4	277.6
Deferred tax balances as disclosed in statement of financial position			
Assets	184.1	8.6	175.5
Liabilities	33.8	-5.1	38.9

(all amounts in PLN million unless stated otherwise)

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

Impairment losses	PROPERTY, PLANT AND EQUIPMENT – OTHER	PROPERTY, PLANT AND EQUIPMENT – LEASEHOLD IMPROVEMENTS	RIGHT-OF-USE ASSETS	GOODWILL	INVENTORIES	TRADE RECEIVABLES	OTHER RECEIVABLES	LOANS
As at Feb 1 2023	**0.1**	**5.3**	**19.8**	**21.8**	**70.4**	**100.8**	**0.9**	**130.2**
Increase	–	3.0	0.8	–	26.0	16.0	–	–
Used	–	-0.3	-0.1	–	-1.6	–	–	–
Reversed	–	–	–	–	-20.0	-7.5	-0.1	–
Other	-0.1	-0.2	-0.9	–	–	–	–	–
As at Oct 31 2023	**–**	**7.8**	**19.6**	**21.8**	**74.8**	**109.3**	**0.8**	**130.2**

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

5. DEBT; CAPITAL AND LIQUIDITY MANAGEMENT

5.1. CAPITAL MANAGEMENT

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

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

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

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

EARNINGS (LOSS) PER SHARE

In the nine months ended October 31st 2023, basic and diluted loss per share was PLN 1.56. In the nine months ended October 31st 2022, basic and diluted loss per share on continuing and discontinued operations was PLN 5.79.

5.2. BANK BORROWINGS AND BONDS

BANK BORROWINGS AND BONDS

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

Repayment of the balance of PLN 270.0m was agreed in relation to the parts attributable to the respective banks participating in the financing syndicate and will be settled by the end of 2023. As at the reporting date, a further PLN 110.0m reduction in credit limits (see Current Report No. 32/2023 of May 31st 2023 and Current Report No. 50/2023 of August 31st 2023) was effected under the following financial instruments:

- Tranche B credit facility – by PLN 50.5m;
- Tranche C credit facility – by PLN 41.5m;
- Credit facility with guarantee from BGK – by PLN 18.0m.

In the remaining part of PLN 160.0m, the reduction will be achieved by reducing the limits and amounts available under bank credit and reverse factoring facilities. In addition, a prepayment of PLN 4.8m was made under Tranche A during the reporting period.

Following the reduction in credit limits (as disclosed in Current Report No. 39/2022 of December 21st 2022), Series 1/2018 bonds of CCC S.A. underwent pari passu redemption between February 1st and October 31st 2023:

- early redemption of 337 bonds with a nominal value of PLN 0.34m took place on April 17th 2023;
- early redemption of 8,898 bonds with a nominal value of PLN 8.90m took place on August 10th 2023; and
- early redemption of 11,414 bonds with a nominal value of PLN 11.41m took place on October 25th 2023.

In addition, on April 26th 2023, the availability period of the multi-purpose credit facility up to a total amount of PLN 260.0m contracted on October 26th 2017 by Modivo S.A. with Bank Polska Kasa Opieki S.A. was extended, its other terms and conditions unchanged, for the next 12 months, i.e. until April 29th 2024 (see Current Report No. 16/2023 of April 26th 2023).

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

(all amounts in PLN million unless stated otherwise)

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

	FINANCING OF THE CCC BUSINESS UNIT		FINANCING OF THE MODIVO BUSINESS UNIT		TOTAL
	BORROWINGS	BONDS	CREDIT FACILITIES	BONDS	
As at Feb 1 2023	**1,084.8**	**581.5**	**230.1**	**629.8**	**2,526.2**
short-term	**272.4**	**23.4**	**230.1**	**629.8**	**1,155.7**
long-term	**812.4**	**558.1**	**–**	**–**	**1,370.5**
Proceeds from debt contracted					
Interest accrued	60.1	58.4	16.5	104.7	239.7
Debt-related payments					
- principal payments (amortised credit facilities, changes in drawdowns under working capital facilities/RCF, bonds)	-398.9	-20.6	–	–	-419.5
- interest paid	-60.4	-71.6	-15.7	–	-147.7
Increase due to change in overdraft facility amount	–	–	100.9	–	100.9
Decrease due to change in overdraft facility amount	-121.4	–	–	–	-121.4
Other non-cash changes	-19.5	–	–	–	-19.5
As at Oct 31 2023	**564.7**	**547.7**	**331.8**	**734.5**	**2,178.7**
short-term	**365.2**	**12.9**	**331.8**	**734.5**	**1,444.4**
Tranche A	*115.0*	–	–	–	*115.0*
Borrowing	*0.3*	–	–	–	*0.3*
Credit facilities with guarantees from BGK	*249.4*	–	–	–	*249.4*
Other (other credit facilities; credit cards)	*0.5*	–	*331.8*	–	*332.3*
Bonds issued to PFR	–	*5.5*	–	–	*5.5*
Bonds issued to Softbank	–	–	–	*734.5*	*734.5*
CCC0626 bonds	–	*7.4*	–	–	*7.4*
long-term	**199.5**	**534.8**	**–**	**–**	**734.3**
Tranche A	*199.5*	–	–	–	*199.5*
Bonds issued to PFR	–	*345.9*	–	–	*345.9*
Bonds issued to Softbank	–	–	–	–	–
CCC0626 bonds	–	*188.9*	–	–	*188.9*

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

(all amounts in PLN million unless stated otherwise)

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

In connection with its existing debt, the Group is exposed to interest rate risk, currency risk, and liquidity risk.

(all amounts in PLN million unless stated otherwise)

CONTRACTUAL MATURITIES OF FINANCIAL LIABILITIES

Oct 31 2023	CONTRACTUAL MATURITIES FROM THE END OF THE REPORTING PERIOD					TOTAL UNDISCOUNTED	CARRYING AMOUNT
unaudited, unreviewed	UP TO 3 MONTHS	3–12 MONTHS	1–3 YEARS	3–5 YEARS	OVER 5 YEARS		
Bank borrowings	354.3	393.3	209.6	–	–	957.2	896.2
Other borrowings	0.3	–	–	–	–	0.3	0.3
Bonds	19.2	587.6	265.6	575.9	–	1,448.3	1,282.2
Trade payables	796.0	846.2	–	–	–	1,642.2	1,642.2
Factoring liabilities	437.6	100.8	–	–	–	538.4	538.5
Returns liabilities	92.4	–	–	–	–	92.4	92.4
Liabilities arising from obligation to purchase non-controlling interests	180.0	10.8	–	–	–	190.8	190.8
Derivative financial instruments embedded in bonds issued to PFR − Equity Kicker	–	–	–	5.0	–	5.0	5.0
Lease liabilities	159.0	324.1	713.0	475.3	207.9	1,879.3	1,777.6
Total financial liabilities	**2,038.8**	**2,262.8**	**1,188.2**	**1,056.2**	**207.9**	**6,753.9**	**6,425.2**

Jan 31 2023	CONTRACTUAL MATURITIES FROM THE END OF THE REPORTING PERIOD					TOTAL UNDISCOUNTED	CARRYING AMOUNT
audited	UP TO 3 MONTHS	3–12 MONTHS	1–3 YEARS	3–5 YEARS	OVER 5 YEARS		
Bank borrowings	262.2	309.9	884.8	–	–	1,456.9	1,295.5
Other borrowings	0.5	1.5	19.4	–	–	21.4	19.4
Bonds	12.9	53.1	627.9	255.6	376.0	1,325.5	1,211.3
Trade payables	1,051.2	87.4	–	–	–	1,138.6	1,138.7
Factoring liabilities	183.5	67.3	–	–	–	250.8	250.8
Returns liabilities	83.4	–	–	–	–	83.4	83.4
Liabilities arising from obligation to purchase non-controlling interests	–	180.0	36.2	–	–	216.2	204.4
Derivative financial instruments embedded in bonds issued to PFR − Equity Kicker	–	–	–	–	6.5	6.5	6.5
Lease liabilities	165.8	379.9	868.3	434.2	235.5	2,083.7	1,779.7
Total financial liabilities	**1,759.5**	**1,079.1**	**2,436.6**	**689.8**	**618.0**	**6,583.0**	**5,989.7**

(all amounts in PLN million unless stated otherwise)

6. OTHER NOTES

6.1. FINANCIAL INSTRUMENTS

	Oct 31 2023		Jan 31 2023	
	unaudited, unreviewed		audited	
	FINANCIAL ASSETS	FINANCIAL LIABILITIES	FINANCIAL ASSETS	FINANCIAL LIABILITIES
Financial assets at amortised cost	**762.3**	**–**	**566.8**	**–**
Trade receivables	187.2	–	143.8	–
Lease receivables	–	–	0.3	–
Receivables from sale of property, plant and equipment	4.8	–	5.4	–
Receivables from sale of shares	–	–	21.9	–
Cash and cash equivalents	570.3	–	395.4	–
Financial assets measured at fair value through profit or loss	**14.9**	**–**	**11.2**	**–**
Other financial assets (shares)	11.2	–	11.2	–
Derivative financial instruments (forwards)	3.7	–	–	–
Financial liabilities at amortised cost	**–**	**6,409.4**	**–**	**5,952.1**
Bank borrowings and bonds	–	2,178.7	–	2,526.2
Trade and other payables	–	2,180.7	–	1,389.5
Returns liabilities	–	92.4	–	83.4
Lease liabilities	–	1,777.6	–	1,779.7
Liabilities arising from obligation to purchase non-controlling interests	–	180.0	–	173.3
Financial liabilities measured at fair value through profit or loss	**–**	**22.5**	**–**	**57.3**
Liabilities arising from obligation to purchase non-controlling interests	–	10.8	–	31.1
Derivative financial instruments embedded in bonds issued to PFR − Equity Kicker	–	5.0	–	6.5
Derivative financial instruments (forwards)	–	–	–	3.9
Derivative financial instruments embedded in bonds convertible into Modivo shares − voluntary conversion option	–	6.7	–	15.8

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

<u>Liabilities arising from obligation to purchase non-controlling interests – DeeZee option</u>

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	Feb 1–Oct 31 2023	Feb 1 2022–Jan 31 2023
	unaudited, unreviewed	audited
At beginning of period	**31.1**	**64.9**
Remeasurement	-20.3	-33.8
At end of period	**10.8**	**31.1**
Exercise date (possibility to exercise option on the initial date)	July 31st 2024	July 31st 2024

The fair value measurement of the DeeZee Sp. z o.o. option was recognised in liabilities arising from the obligation to purchase non-controlling interests. The main factor determining the valuation of options to purchase non-controlling interests in DeeZee Sp. z o.o. is the projected level of EBITDA and net debt at the option exercise dates. The relevant EBITDA multipliers provided for in the investment agreements were used to determine the value of the future liability. Following a review of the forecasts received from that company, which are used as the main parameter affecting the measurement of financial instruments under the option to buy shares, the value of the financial instrument from option measurement was remeasured and recognised in the statement of comprehensive income under finance income in the amount of PLN 20.3m. The liability was measured at fair value as at the reporting date, using a discount rate of 11.1% (9.1% for the reference period).

(all amounts in PLN million unless stated otherwise)

Given the high probability that the obligation would be performed, the liability is presented under 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 5.0m as at the reporting date. The change in measurement in the current reporting period was PLN 1.5m and was recognised under finance income.

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

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

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

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

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

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

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

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

According to the Group's assessment, the fair value of variable-interest loans, trade receivables, receivables due from sale of property, plant and equipment, lease receivables, cash and cash equivalents, derivative financial instruments, current variable-interest financing liabilities, trade and other payables, as well as returns liabilities does not differ materially from the respective carrying amounts due to the short maturities. In the case of non-current variable-interest financing liabilities and lease liabilities, the fair value does not differ materially from their carrying amounts. In the opinion of the Group, the variable interest rates correspond to market interest rates. The fair value of the CCC0626 variable-rate bonds, listed on the regulated Catalyst market, is PLN 181.1m (carrying amount: PLN 196.3m).

(all amounts in PLN million unless stated otherwise)

6.2. ACQUISITION OF SUBSIDIARIES AND ASSOCIATES

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

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

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

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

CCC Ukraina Sp. z o.o.'s revenue recognised in the consolidated statement of comprehensive income as from February 8th 2023 was PLN 31.7m. The company's net loss for the same period was PLN 0.8m.

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

(all amounts in PLN million unless stated otherwise)

6.3. RELATED-PARTY TRANSACTIONS

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

	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)
	Oct 31 2023	Oct 31 2023	Jan 31 2023	Jan 31 2023
	unaudited, unreviewed	unaudited, unreviewed	audited	audited
ASSOCIATES	2.6	–	3.9	–
ENTITIES RELATED TO KEY MANAGEMENT PERSONNEL	4.2	13.4	–	–
Total	**6.8**	**13.4**	**3.9**	**–**

	Proceeds from related-party transactions	Purchases from related parties	Proceeds from related-party transactions	Purchases from related parties
	Feb 1–Oct 31 2023	Feb 1–Oct 31 2023	Feb 1–Oct 31 2022	Feb 1–Oct 31 2022
	unaudited, unreviewed	unaudited, unreviewed	unaudited, unreviewed	unaudited, unreviewed
ASSOCIATES	0.3	4.9	0.1	-0.1
ENTITIES RELATED TO KEY MANAGEMENT PERSONNEL	-0.9	12.4	–	49.0
Total	**-0.6**	**17.3**	**0.1**	**48.9**

	Proceeds from related-party transactions	Purchases from related parties	Proceeds from related-party transactions	Purchases from related parties
	Aug 1–Oct 31 2023	Aug 1–Oct 31 2023	Aug 1–Oct 31 2022	Aug 1–Oct 31 2022
	unaudited, unreviewed	unaudited, unreviewed	unaudited, unreviewed	unaudited, unreviewed
ASSOCIATES	0.3	1.7	0.1	-4.4
ENTITIES RELATED TO KEY MANAGEMENT PERSONNEL	–	2.3	–	11.3
Total	**0.3**	**4.0**	**0.1**	**6.9**

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

In addition, the CCC Group entered into an agency agreement with Giro Trading Prosta Spółka Akcyjna ("Giro") as the agent, under which Giro receives a contractual agency fee of substantially 3% (of the value of purchases made through the agency of Giro), and CCC Group companies executed transactions with Giro comprising PLN 93.2m in purchases and PLN 5.4m in sales for the reporting period (PLN 0.0 and PLN 0.0, respectively, for the period February 1st–October 31st 2022).

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

6.4. SHARE-BASED PAYMENTS

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

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

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

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

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

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

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

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

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

The modification concerns rights granted under the scheme as previously in effect (Stages 1 and 2), which continue to be included in the scheme as at the amendment date, i.e. June 27th 2023. In order to determine the cost of the modification, which increases the fair value of the equity instruments granted, a valuation was performed for the pre- and post-modification version of the scheme as at June 27th 2023. The difference between the two valuations (excess) would be accounted for over the remaining term of the modified scheme. On the other hand, the cost of the valuation as at the original vesting date (February 7th 2022 and July 31st 2022) would continue to be accounted for, adjusted only for departures of the scheme participants. The new aggregate number of Stage 1 and Stage 2 rights remaining under the scheme as at June 27th 2023 was 392,673. In addition, 165,780 new rights were granted as part of Stage 3 of the scheme in June 2023.

The cost of the scheme recognised in the period covered by these financial statements was PLN 2.9m, compared with PLN 8.6m in the corresponding period of the previous year, and was recognised in administrative expenses under salaries, wages and employee benefits, in correspondence with non-controlling interests (a lower cost relative to the comparative period is attributable, among other things, to an adjustment of the number of rights used in the valuation of the entire scheme due to failure to meet the vesting conditions by some employees, who ended their relationship with Modivo). The cumulative cost of the scheme recognised up to October 31st 2023 was PLN 13.8m.

6.5. EVENTS AFTER THE REPORTING DATE

On November 8th 2023, the Extraordinary General Meeting of CCC Factory Sp. z o.o. of Polkowice (the "Acquiree") passed a resolution to merge CCC Factory Sp. z o.o. with CCC.eu Sp. z o.o., and the Extraordinary General Meeting of CCC.eu Sp. z o.o. of Polkowice (the "Acquirer") passed a resolution to merge CCC Factory Sp. z o.o. with CCC.eu Sp. z o.o. By way of the resolutions, the shareholders of the Acquiree and the Acquirer granted their consent to the merger plan of September 28th 2023, which was agreed upon and signed by the management boards of the merging companies, and ratified the merger of the Acquirer and the Acquiree (the "Merger"). On November 14th 2023, the merger resolutions were filed with the National Court Register (KRS), requesting deletion of CCC Factory Sp. z o.o. from the National Court Register and requesting a modification of the company details for CCC.eu Sp. z o.o. in the relevant business register. The merger will take effect on the date of registration of the merger with the National Court Register.

On November 21st 2023, the Management Board of the Modivo Business Unit signed an annex with PKO BP S.A. extending the availability period of the multi-purpose credit facility until November 21st 2025. The facility amount remained unchanged, with the sublimit of PLN 180m on the overdraft facility and the sublimit of PLN 50m on guarantees and letters of credit. The annex introduced new financial covenants for the Modivo Business Unit: EBITDA as at April 30th 2024 and DSCR as at July 31st 2024 and subsequent quarters.

On November 24th 2023, Modivo S.A. ("Modivo") entered into an agreement with SVF II Motion SubCo (DE) LLC, a Softbank Group company ("Softbank") to amend the terms and conditions of the bonds issued by Modivo on October 5th 2021, with a nominal value of PLN 500m, containing a clause mandating conversion into Modivo shares.

The Parties agreed to extend the maturity of the bonds from August 23rd 2024 to April 5th 2026 and to adjust the fixed interest rate on the bonds to 10.99% per annum, applicable during the period from October 2024 to April 2026 (the "Extension Period").

As was the case before the Extension Period, the interest on the bonds is of a non-cash nature and will be capitalised. The bonds will be automatically converted into Modivo shares in the event of Modivo's initial public offering (IPO) or any similar transaction specified in the terms and conditions of the bonds ("Mandatory Conversion"). Softbank will retain the right to voluntarily convert the bonds into shares prior to the Mandatory Conversion or repurchase of the bonds, based on Modivo's value set at PLN 6bn. Concurrently, Modivo's right to demand early repayment of the bonds will expire (prior to the amendment, this right could be exercised 24 months after the issue date).

As was before the Extension Period, the Modivo shares subscribed for by the investor in the exercise of the mandatory conversion option, will be issued at their market price and at an agreed discount on their market value following the first public offering, which will be contingent on the conversion date.

The other terms and conditions of the bonds remained unchanged.

The formal amendment to the terms and conditions of the convertible bonds is contingent upon obtaining all necessary approvals, including those from the relevant Modivo governing bodies, including its General Meeting.

Under the agreement, Softbank has also agreed to refrain from testing the Net Financial Debt/EBITDA ratio as at January 31st 2024 (a covenant) on the condition that Modivo submits an application to the National Court Register, incorporating the amendments related to the convertible bonds approved by the General Meeting.

INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS FOR THE NINE MONTHS

from February 1st
to October 31st 2023

INTERIM CONDENSED SEPARATE STATEMENT OF COMPREHENSIVE INCOME

	Feb 1–Oct 31 2023 unaudited, unreviewed	Feb 1–Oct 31 2022 unaudited, unreviewed	Aug 1–Oct 31 2023 unaudited, unreviewed	Aug 1–Oct 31 2022 unaudited, unreviewed
Continuing operations				
Revenue	2,006.5	2,051.8	716.7	744.1
Cost of sales	-1,431.4	-1,434.5	-507.9	-514.9
Gross profit	**575.1**	**617.3**	**208.8**	**229.2**
Costs of points of purchase and distribution	-478.9	-543.6	-164.4	-195.1
Administrative expenses	-56.7	-54.5	-17.8	-17.8
Other income	24.9	45.6	4.2	5.2
Other expenses	-4.1	-12.9	-1.6	-2.3
(Recognition) / Reversal of loss allowances (impairment losses on receivables)	-10.0	-4.5	0.1	5.9
Operating profit (loss)	**50.3**	**47.4**	**29.3**	**25.1**
Finance income	174.6	61.6	34.6	9.5
(Recognition) / Reversal of loss allowances	45.4	-77.1	–	–
Impairment losses on shares	-9.2	–	–	–
Finance costs	-97.2	-82.3	-34.6	-25.9
Profit (loss) before tax	**163.9**	**-50.4**	**29.3**	**8.7**
Income tax	15.7	2.1	-1.6	-1.2
Net profit (loss)	**179.6**	**-48.3**	**27.7**	**7.5**
Total comprehensive income	**179.6**	**-48.3**	**27.7**	**7.5**
Weighted average number of ordinary shares (million)	**65.2**	**54.9**	**65.2**	**54.9**
Basic earnings (loss) per share (PLN)	**2.75**	**-0.88**	**0.42**	**0.14**
Diluted earnings (loss) per share (PLN)	**2.75**	**-0.88**	**0.42**	**0.14**

(all amounts in PLN million unless stated otherwise)

INTERIM CONDENSED SEPARATE STATEMENT OF FINANCIAL POSITION

	Oct 31 2023	Jan 31 2023
	unaudited, unreviewed	audited
Intangible assets	3.8	5.1
Goodwill	48.8	48.8
Property, plant and equipment – leasehold improvements	267.3	274.6
Property, plant and equipment – distribution	4.9	205.1
Property, plant and equipment – other	37.5	69.2
Right-of-use assets	376.8	419.0
Deferred tax assets	68.1	39.9
Loans	1,485.6	980.1
Long-term investments	640.2	434.6
Lease receivables	93.7	107.7
Non-current assets	**3,026.7**	**2,584.1**
Inventories	386.0	381.7
Trade receivables	87.7	72.1
Income tax receivable	13.1	15.4
Loans	61.1	26.8
Other receivables	18.7	45.3
Cash and cash equivalents	95.6	38.0
Lease receivables	34.6	30.4
Current assets	**696.8**	**609.7**
TOTAL ASSETS	**3,723.5**	**3,193.8**
Liabilities under borrowings and bonds	534.8	807.2
Other non-current liabilities	1.6	2.3
Provisions	3.9	5.1
Grants received	–	15.1
Lease liabilities	424.9	509.9
Other non-current financial liabilities	5.0	6.5
Non-current liabilities	**970.2**	**1,346.1**
Liabilities under borrowings and bonds	262.8	55.0
Trade and other payables	205.3	171.1
Other liabilities	144.2	121.7
Provisions	26.7	63.6
Grants received	–	0.5
Lease liabilities	208.0	210.7
Current liabilities	**847.0**	**622.6**
TOTAL LIABILITIES	**1,817.2**	**1,968.7**
NET ASSETS	**1,906.3**	**1,225.1**
Equity		
Share capital	6.9	5.5
Share premium	1,648.2	1,148.0
Retained earnings	251.2	71.6
TOTAL EQUITY	**1,906.3**	**1,225.1**
TOTAL EQUITY AND LIABILITIES	**3,723.5**	**3,193.8**

(all amounts in PLN million unless stated otherwise)

INTERIM CONDENSED SEPARATE STATEMENT OF CASH FLOWS

	Feb 1–Oct 31 2023	Feb 1–Oct 31 2022	Aug 1–Oct 31 2023	Aug 1–Oct 31 2022
	unaudited, unreviewed	unaudited, unreviewed	unaudited, unreviewed	unaudited, unreviewed
Profit (loss) before tax	**163.9**	**-50.4**	**29.3**	**8.7**
Depreciation/amortisation	111.2	138.8	39.1	46.0
(Gain)/loss from investing activities	9.9	8.7	0.1	-0.6
Borrowing costs	90.3	75.2	31.2	30.5
Other adjustments to profit before tax	-171.6	24.7	2.7	-4.1
Income tax paid	-9.6	-18.8	-3.8	–
Cash flow before changes in working capital	**194.1**	**178.2**	**98.6**	**80.5**
Changes in working capital				
Change in inventories and inventory write-downs	-8.2	-17.7	-29.6	-51.2
Change in receivables	20.5	127.9	23.6	192.2
Change in current liabilities, net of borrowings and bonds	58.6	-82.9	-67.4	-85.9
Net cash flows from operating activities	**265.0**	**205.5**	**25.2**	**135.6**
Proceeds from sale of property, plant and equipment	0.1	4.4	–	3.9
Proceeds from settlement of leasehold improvements with landlords	12.1	33.5	2.7	10.2
Repayment of loans and payment of interest	11.4	12.1	1.9	0.7
Purchase of intangible assets and property, plant and equipment	-31.5	-74.4	-3.6	-24.0
Loans	-492.8	-35.2	8.1	–
Other cash provided by investing activities	21.6	10.9	6.1	2.2
Net cash flows from investing activities	**-479.1**	**-48.7**	**15.2**	**-7.0**
Proceeds from borrowings	–	14.0	–	2.4
Proceeds from securities issues and contributions to equity	501.6	–	–	–
Lease payments	-103.9	-127.1	-31.5	-44.3
Interest paid	-105.4	-42.3	-11.4	-9.6
Payments for commission fees on credit facilities	–	-2.1	–	-2.1
Repayment of borrowings	-20.6	–	-20.3	–
Net cash flows from financing activities	**271.7**	**-157.5**	**-157.9**	**-53.6**
TOTAL CASH FLOWS	**57.6**	**-0.7**	**-117.5**	**75.0**
Net increase/decrease in cash and cash equivalents	57.6	-0.7	-22.8	75.0
Cash and cash equivalents at beginning of period	**38.0**	**126.1**	**118.4**	**50.4**
Cash and cash equivalents at end of period	**95.6**	**125.4**	**95.6**	**125.4**

(all amounts in PLN million unless stated otherwise)

INTERIM CONDENSED SEPARATE STATEMENT OF CHANGES IN EQUITY

unaudited, unreviewed	SHARE CAPITAL	SHARE PREMIUM	RETAINED EARNINGS	TOTAL EQUITY
As at Feb 1 2023	**5.5**	**1,148.0**	**71.6**	**1,225.1**
Net profit (loss) for period	–	–	179.6	179.6
Total comprehensive income	**–**	**–**	**179.6**	**179.6**
Share issue	1.4	500.2	–	501.6
Total transactions with owners	**1.4**	**500.2**	**–**	**501.6**
As at Oct 31 2023	**6.9**	**1,648.2**	**251.2**	**1,906.3**

unaudited, unreviewed	SHARE CAPITAL	SHARE PREMIUM	RETAINED EARNINGS	TOTAL EQUITY
As at Feb 1 2022	**5.5**	**1,148.0**	**94.5**	**1,248.0**
Net profit (loss) for period	–	–	-48.3	-48.3
Total comprehensive income	**–**	**–**	**-48.3**	**-48.3**
As at Oct 31 2022	**5.5**	**1,148.0**	**46.2**	**1,199.7**

(all amounts in PLN million unless stated otherwise)

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**	
Entry in the National Court Register (KRS) No:	**0000211692**	
Principal business:	**The Company's principal business activity according to the European Classification of Business Activities is wholesale and retail trade of clothing and footwear (NACE 5142).**	
Management Board:	**President:**	**Dariusz Miłek**
	Vice President:	**Karol Półtorak**
	Vice President:	**Igor Matus**

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

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

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

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

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

These interim condensed separate financial statements of the Company cover the nine months ended October 31st 2023 and contain comparative data for the nine months ended October 31st 2022 and as at January 31st 2023.

The statement of comprehensive income and notes to the statement of comprehensive income contain data for the three months ended October 31st 2023 and comparative data for the three months ended October 31st 2022, which has not been audited or reviewed by an auditor.

The Company is the parent of the CCC Group (the "CCC Group", the "Group"). The Company has also prepared interim condensed consolidated financial statements for the nine months ended October 31st 2023, which were authorised for issue by the Management Board on November 29th 2023.

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

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

The duration of the Company is unlimited.

BASIS OF ACCOUNTING

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

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

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

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

GOING CONCERN

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

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

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

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

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

As at October 31st 2023, the Company's current liabilities exceeded its current assets by PLN 150.2m, but this has no impact on the Company's ability to settle its liabilities as they fall due, as discussed in more detail below. The Company's operations are financed with financial instruments, including mainly credit facilities, loans and bonds. The debt balance under those instruments as at the reporting date was PLN 797.6m.

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

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

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

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

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

- Macroeconomic risks, including general price growth in the economy affecting the prices of merchandise, services, salaries and wages, capital expenditure amounts, as well as a rise in operating expenses, especially in transport and logistics;
- Decline in consumer demand for products offered by the Group as a result of changing macroeconomic conditions (rising inflation, interest rates affecting borrowing costs and unemployment levels, falling real wages, etc.), as well as the Group's potential decisions to raise the prices of merchandise;

- Exchange rate movements affecting the performance of foreign operations and the cost of goods purchase, as well as rental costs;
- Fiercer competition in the market environment, especially in terms of product prices having an effect on the results generated in the course of day-to-day operations;
- Occurrence of unplanned and/or unforeseen changes in fashion trends and weather conditions;
- Changes in consumer behaviour due to the migration processes or postponement of purchasing decisions;
- Materialisation of operational risks, which may disrupt business continuity;
- Volatility on the financial markets, which may prevent the initial public offering of Modivo S.A. shares or the Group's refinancing plan to be carried out as intended.

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

Under the financing agreements concluded by the Group, the Group is required to comply with certain financial covenants, separately for the CCC Business Unit and for the Modivo Business Unit. As at April 30th 2023, July 31st 2023, and October 31st 2023, there were no covenant breaches under the financing agreements. Furthermore, based on the Annual Budget for 2023 prepared by the Management Board and plans for subsequent reporting periods, to the best of its knowledge and belief, and also subject to the possible implementation of measures described below, even taking into account the scenario of significant underperformance against the financial projections, the Group expects to comply with the covenants set out in the agreements (including for the CCC Business Unit: the reported EBITDA for individual interim periods and for the full year and net exposure/EBITDA, DSCR or DSCR with cash ratios and Capital Expenditure for the next 12 months). For the Modivo Business Unit, the covenant to be tested after the reporting date is the Net Financial Debt as at January 31st 2024, which – as discussed below – replaced the net debt/EBITDA ratio as at January 31st 2024. The net debt/EBITDA ratio is to be tested as at July 31st 2024. In accordance with the annex of November 21st 2023, as described below, a new 12-month DSCR ratio was introduced, which will be tested quarterly starting from July 31st 2024, with 12-month EBITDA subject to a one-off test as at April 30th 2024.

For more details concerning the covenants to be tested as at the reporting date and in the period of 12 months thereafter, see 'Covenants/financial ratios' in the 'Management of financial resources and liquidity' section of the interim condensed consolidated Directors' Report on the operations of the CCC Group.

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

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

- average annual inflation increases by 5pp;
- average annual PLN exchange rate weakens by PLN 0.20 relative to the main foreign currencies (EUR and USD);
- gross margin falls by 2.0pp (on a 15% decline in sales, taking into account the effect of a decrease in variable costs and available reductions in other costs);
- average annual 1M WIBOR rate increases by 2pp;

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

Analyses conducted for the Modivo Business Unit indicate no breach of financial covenants as at the subsequent testing dates. This assessment considers the annexes and agreements concluded with the Modivo Business Unit's financing institutions, as detailed below.

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

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

Most of the Modivo Business Unit's debt financing consists of bonds convertible into Modivo S.A. shares, issued to SVF II Motion Subco (DE) LLC, a Softbank Group company, redeemable on April 5th 2026 (as per the agreement of November 24th 2023 discussed in section 6.5 'Events after the reporting date'; previously August 23rd 2024), unless converted into shares in connection with an initial public offering (IPO) or repaid prior to the redemption date. The bonds are presented as current liabilities due to the planned IPO, and in the event that the IPO is executed, they will be mandatorily converted into shares. The agreement also incorporates other amendments, including an adjusted fixed interest rate applicable during the period from October 2024 to April 2026.

All changes and amendments arising from the agreement are contingent upon approval by the General Meeting of Modivo S.A.

Under the agreement, Softbank has agreed to refrain from testing the Net Financial Debt/EBITDA ratio as at January 31st 2024 on the condition that Modivo submits an application to the National Court Register, incorporating the amendments related to convertible bonds approved by the General Meeting.

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

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

On November 21st 2023, the Management Board of the Modivo Business Unit signed an annex with PKO BP S.A. extending the availability period of the multi-purpose credit facility until November 21st 2025. The facility amount remained unchanged, with the sublimit of PLN 180m on the overdraft facility and the sublimit of PLN 50m on guarantees and letters of credit. The annex introduced new financial covenants for the Modivo Business Unit: EBITDA as at April 30th 2024 and quarterly DSCR starting from July 31st 2024. For detailed covenant definitions, see the 'Management of financial resources and liquidity' section of the interim condensed consolidated Directors' Report on the operations of the CCC Group in the nine months ended October 31st 2023.

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

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

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

Inventory write-downs

For more information, see Note 10.2.

Impairment losses on shares

As at October 31st 2023, no indications of impairment of shares in subsidiaries and associates were identified. As at July 31st 2023, impairment losses of PLN 6.4m and PLN 2.8m, respectively, were recognised on the shares held in CCC Shoes & Bags d.o.o. Beograd and CCC Ukraina Sp. z o.o. As no additional impairment losses on shares were recognised in the three months to October 31st 2023, these amounts remained valid as at October 31st 2023. For more information, see Note 10.2.

Expected credit losses (ECL)

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

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

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

In the case of loans and sureties provided, the Company measures the allowance for expected credit losses in an amount equal to 12-month expected credit losses. If the credit risk has increased significantly since initial recognition, the Company measures the loss allowance in an amount equal to lifetime expected credit losses.

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

In the reporting period, the Company advanced additional tranches of loans to HalfPrice Sp. z o.o. (PLN 108.0m) and to CCC.eu Sp. z o.o. (PLN 384.8m), for which loss allowances of, respectively, PLN 4.2m (up by PLN 2.6m relative to January 31st 2023) and PLN 51.9m (down by PLN 12.6m relative to January 31st 2023) were recognised equal to 12-month expected credit losses. At the same time, expected credit losses on other loans decreased by PLN 0.3m due to a reduction in PD (probability of default). Total allowances for expected credit losses on loans decreased in the reporting period by PLN 10.3m, to PLN 186.3m.

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

For detailed information on impairment losses recognised on trade receivables, lease receivables, other receivables, loans, sureties and guarantees, see Note 10.2.

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

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

Other accounting matters and issues

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

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

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

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

On August 31st 2023, the General Meeting of CCC S.A. passed a resolution to transfer an organised part of business of CCC S.A. engaged in logistics operations to CCC.eu Sp. z o.o., with effect from September 1st 2023. As a result, CCC S.A. acquired new shares issued by CCC.eu Sp. z o.o. in exchange for the transferred non-cash contribution (the organised part of business). The transaction is discussed in greater detail in the section 'Factors with material bearing on the interim condensed separate financial statements'.

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

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

STATEMENT OF ACCOUNTING POLICIES

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

New and amended accounting standards

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

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

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

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

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

FACTORS WITH MATERIAL BEARING ON THE INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME

Revenue

The year-on-year 2% decline in revenue was attributable to deteriorating consumer sentiment and inflation levels, offset by the positive impact of discount campaigns and increased sales at second prices.

Cost of sales

Cost of sales remained largely unchanged year on year. In the three months to October 31st 2023, gross margin was 29% of revenue and remained relatively stable year on year (October 31st 2023: 30%).

Costs of points of purchase and distribution

Costs of points of purchase and distribution decreased by 12% year on year, driven mainly by:

- PLN 38.4m decrease in salaries, wages and employee benefits expense, attributable to a headcount reduction;
- PLN 28.4m decrease in depreciation expense on right-of-use assets due to renegotiation of lease contracts;
- PLN 17.0m increase in other rental costs (sales-based rents and variable costs: utilities, electricity, etc.) with simultaneous renegotiation of lease contracts, shifting from fixed rents to variable, sales-based rents that are more favourable in terms of cost efficiency;
- PLN 11.6m year-on-year reduction in other costs (costs of outsourcing and advisory services).

Administrative expenses

The 4% year-on-year rise in administrative expenses was a combined effect of an increase in rental costs and costs of utilities by PLN 5.2m following renegotiation of lease contracts, and a decrease in salaries, wages and employee benefits by 3.4m resulting from a headcount reduction.

Other income and expenses

Other income fell by PLN 20.7m year on year, to PLN 24.9m. The decrease was mainly attributable to late payment interest of PLN 21.8m that was recognised last year, and a lower gain on settlement of lease contracts as at October 31st 2023, of PLN 2.8m (October 31st 2022: PLN 14.7m). Other income comprised mainly the reversal of the provision for guarantees related to CCC Germany, amounting to PLN 9.1m.

Other expenses fell by PLN 8.8m year on year, to PLN 4.1m. The decrease in other expenses was mainly due to a lower loss on disposal of property, plant and equipment. There was also a PLN 10.0m reversal of an impairment loss on trade, lease and other receivables.

In effect, the operating result for the nine months ended October 31st 2023 was PLN 50.3m, up by PLN 2.9m year on year.

Finance costs and income

In the reporting period, finance income was PLN 174.6m and comprised mainly:

- gain on the liquidation of CCC Austria Ges.m.b.H. and cancellation of CCC S.A.'s liabilities towards that subsidiary, of PLN 62.7m;
- interest income on cash in current account and other interest income of PLN 83.9m;
- foreign exchange gains of PLN 23.8m.

Finance costs amounted to PLN 97.2m and included mainly interest expense on borrowings and bonds of PLN 68.4m, cost of modification of the financial liability under the loan from CCC Shoes & Bags Sp. z o.o. of PLN 9.0m and interest expense on leases of PLN 15.5m.

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

Income tax amounted to PLN 15.7m, increasing profit before tax. The primary factor contributing to the positive impact on income tax was the recognition of deferred tax assets on capital losses realised in previous years, amounting to PLN 28.4m, and deferred tax assets on capital losses realised in the current year, amounting to PLN 11.1m.

CCC S.A.'s net profit for the nine months to October 31st 2023 was PLN 179.6m, compared with a loss of PLN 48.3m in the previous year.

(all amounts in PLN million unless stated otherwise)

STATEMENT OF FINANCIAL POSITION

As at October 31st 2023, CCC S.A.'s total assets amounted to PLN 3,723.5m, up by PLN 529.7m on January 31st 2023.

Assets

As at October 31st 2023, non-current assets amounted to PLN 3,026.7m, up by PLN 442.6m on the end of the previous year.

Property, plant and equipment – leasehold improvements amounted to PLN 267.3m as at October 31st 2023, down PLN 7.3m on January 31st 2023. The change included primarily depreciation of PLN 29.8m, and expenditure on stores of PLN 23.3m.

On August 31st 2023, the General Meeting of CCC S.A. passed a resolution to transfer an organised part of business of CCC S.A. engaged in logistics operations to CCC.eu Sp. z o.o., with effect from September 1st 2023. As a result, CCC S.A. acquired new shares issued by CCC.eu Sp. z o.o. in exchange for the transferred non-cash contribution (the organised part of business). The transaction was initiated with the objective of transferring the logistics operations currently conducted within CCC S.A. to CCC.eu Sp. z o.o., where all logistics operations of the entire CCC Group will be consolidated. The market value of the in-kind contributions was determined using the multiplier and asset-based methods. The key details of the transactions are presented below.

	CCC S.A.
Transaction type	Contribution of organised part of business
Transferee	CCC.eu Sp. z o.o.
OPB* fair value	237.0
OPB carrying amount	202.5
Number of shares issued by CCC.eu in exchange for in-kind contribution	109,628.0
Par value of CCC.eu share	PLN 50

*OPB – Organised Part of Business

The transaction lacked economic substance under IFRSs, as CCC S.A. separated the OPB and contributed it to CCC.eu Sp. z o.o., a subsidiary in which it directly and indirectly holds 100% of shares. Consequently, cash flows remained unchanged from the Company's perspective, given that CCC S.A. controlled 100% of the OPB's cash flows both before and after the transaction. Therefore, the Company recognised the shares in CCC.eu Sp. z o.o. acquired in exchange for the OPB at the carrying amount of the transferred assets, totalling PLN 202.5m.

The table below presents the carrying amounts of assets and liabilities transferred as part of the OPB as at August 31st 2023.

Carrying amounts of the Company's assets and liabilities transferred as part of the OPB as at the transfer date	CCC S.A.
Property, plant and equipment – manufacturing and distribution	192.4
Property, plant and equipment – other	32.9
Total non-current assets	**225.3**
Inventories	3.9
Trade receivables	15.8
Other receivables	1.1
Total current assets	**20.8**
Total assets	**246.1**
Provisions	1.0
Grants received	14.9
Total non-current liabilities	**15.9**
Trade payables	16.2
Other liabilities	10.5
Provisions	0.6
Grants received	0.4
Total current liabilities	**27.7**
Total liabilities	**43.6**
Net assets	**202.5**

Following the transfer of the organised part of business comprising logistics operations to CCC.eu, the value of property, plant and equipment in the distribution and other segments decreased by PLN 168.7m and PLN 22.1m, respectively.

As at the reporting date, the right-of-use assets were PLN 376.8m, down PLN 42.2m on January 31st 2023. The change reflected settlements made under existing lease contracts and contract modifications, totalling PLN 40.8m. As at October 31st 2023, depreciation of right-of-use assets stood at PLN 83.0m.

(all amounts in PLN million unless stated otherwise)

On February 8th 2023, following fulfilment of the conditions precedent under a preliminary share purchase agreement, the Company acquired control of CCC Ukraina Sp. z o.o. of Lviv as part of a transaction to settle the CCC Group's claims against CCC Ukraina Sp. z o.o.'s existing shareholder. In the transaction, CCC S.A. acquired 75.1% of shares in CCC Ukraina Sp. z o.o. for a price of PLN 12.2m, which was paid on a non-cash basis through an offset of claims between a CCC Group entity and the existing shareholder of CCC Ukraina Sp. z o.o. Under the agreement signed between the parties, the Company has the right to purchase, and the existing shareholder has the right to sell, the remaining shareholding in CCC Ukraina Sp z o.o., i.e. 23.9% of its shares, following approval of the financial statements of CCC Ukraina Sp z o.o. for the financial year ended January 31st 2028, at a price equal to six times EBITDA for the year ended January 31st 2028 multiplied by the 23.9% interest. The gross value of the investment was PLN 12.2m, with an impairment loss recognised for PLN 2.8m.

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

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

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

As at the reporting date, long-term and short-term loans amounted to PLN 1,546.7m, up PLN 539.8m on the end of the previous year. The increase resulted from the advancement (under the terms of existing agreements) of additional tranches of loans to HalfPrice Sp. z o.o. (PLN 108.0m) and to CCC.eu Sp. z o.o. (PLN 394.8m), as well as interest accrued totalling PLN 83.2m. In 2023, interest payments and offsets totalled PLN 43.9m, while foreign exchange losses on loans amounted to PLN 2.6m. The amount reversed under an impairment loss on loans was PLN 13.0m. For a summary of movements in impairment losses on assets, see Note 10.

Long-term and short-term lease receivables amounted to PLN 128.3m, down PLN 9.8m on January 31st 2023. The change was attributable to the settlement of existing receivables, execution of new lease contracts, and modifications to existing sublease contracts.

Current assets rose PLN 87.1m relative to January 31st 2023, Reflecting mainly a PLN 57.6m increase in cash, a rise in short-term loans, and a decrease in other receivables.

Trade receivables rose by PLN 15.6m year on year. A decrease in other receivables by PLN 26.6m relative to January 31st 2023 was due mainly to the offsetting of a loan received from Gino Rossi S.A. and trade payables of PLN 21.9m against a claim arising on the repurchase of Gino Rossi's own shares from CCC S.A. Other receivables included prepayments for deliveries of PLN 3.7m, prepaid expenses of PLN 5.3m, receivables related to sale of property, plant and equipment of PLN 2.3m, other receivables (security deposits) of PLN 7.0m, and tax receivables other than under income tax, of PLN 0.4m.

Liabilities

Other non-current financial liabilities include a liability related to the equity kicker under 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). For details, see Note 12.

For detailed information on non-current financial liabilities and liabilities under borrowings and bonds, see Note 11.2.

Current and non-current lease liabilities amounted to PLN 632.9m, down by PLN 87.7m on January 31st 2023. The change resulted from the addition of new contracts and modifications and amendments to existing contracts, which led to an increase in the liabilities by PLN 48.6m, with accrued interest amounting to PLN 18.5m. Payments of liabilities over the period amounted to PLN 120.9m, exchange differences on contracts denominated in foreign currencies were positive, reducing the liability by PLN 33.9m.

Long-term and short-term grants decreased following the transfer of assets constituting an organised part of business comprising logistics operations to CCC.eu Sp. z o.o., as described above.

Trade and other payables rose by PLN 34.2m on January 31st 2023, which was attributable to the seasonal stocking-up effect.

Other liabilities increased by PLN 22.5m. The largest items were accrued expenses of PLN 46.7m, indirect taxes, customs duties and other public charges payable of PLN 38.5m, and liabilities associated with returns and contracts with customers of PLN 26.3m.

The decrease in short-term provisions resulted from recognised provisions for returns and complaints (down PLN 1.8m), provisions for jubilee and retirement benefits (down PLN 1.2m), and provisions for allowances for expected credit losses on sureties (financial guarantees), as discussed in more detail in Note 10.2. A PLN 35.1m reversal of loss allowance on sureties was attributable to a reduction in the Company's debt covered by the sureties.

(all amounts in PLN million unless stated otherwise)

As at October 31st 2023, equity stood at PLN 1,906.3m, having increased PLN 681.2m on January 31st 2023. The increase was attributable mainly to the net profit generated for the nine months ended October 31st 2023, of PLN 179.6m, and the issuance of own shares. Pursuant to resolutions of the Extraordinary General Meeting of CCC S.A. of November 17th 2022, on May 9th 2023 the share capital of CCC S.A. was increased through the issue of 14 million shares with a par value of PLN 0.1 and an issue price of PLN 36.11. The issue proceeds of PLN 505.5m were reduced by the issue costs of PLN 3.9m. The share capital was increased by PLN 1.4m, while the balance raised was allocated to the Company's statutory reserve funds.

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

Feb 1–Oct 31 2023 unaudited, unreviewed	COST OF SALES	COSTS OF POINTS OF PURCHASE AND DISTRIBUTION	ADMINISTRATIVE EXPENSES	TOTAL
Cost of merchandise sold	-1,432.7	–	–	-1,432.7
Raw material and consumables used	–	-12.8	-4.8	-17.6
Inventory write-downs	1.3	–	–	1.3
Salaries, wages and employee benefits	–	-173.0	-13.8	-186.8
Transport services	–	-31.7	-0.6	-32.3
Rental costs – utilities and other variable costs	–	-115.1	-6.8	-121.9
Advertising	–	-0.4	-0.3	-0.7
Depreciation/amortisation	–	-102.7	-8.8	-111.5
Taxes and charges	–	-14.7	-0.8	-15.5
Other expenses	–	-28.5	-20.8	-49.3
Total	**-1,431.4**	**-478.9**	**-56.7**	**-1,967.0**

Feb 1–Oct 31 2022 unaudited, unreviewed	COST OF SALES	COSTS OF POINTS OF PURCHASE AND DISTRIBUTION	ADMINISTRATIVE EXPENSES	TOTAL
Cost of merchandise sold	-1,427.6	–	–	-1,427.6
Raw material and consumables used	–	-16.3	-6.0	-22.3
Inventory write-downs	-6.9	–	–	-6.9
Salaries, wages and employee benefits	–	-211.4	-17.2	-228.6
Transport services	–	-30.5	-0.1	-30.6
Rental costs – utilities and other variable costs	–	-98.1	-1.6	-99.7
Advertising	–	-1.6	-1.0	-2.6
Depreciation/amortisation	–	-131.1	-8.1	-139.2
Taxes and charges	–	-14.5	-1.3	-15.8
Other expenses	–	-40.1	-19.2	-59.3
Total	**-1,434.5**	**-543.6**	**-54.5**	**-2,032.6**

(all amounts in PLN million unless stated otherwise)

Aug 1–Oct 31 2023 unaudited, unreviewed	COST OF SALES	COSTS OF POINTS OF PURCHASE AND DISTRIBUTION	ADMINISTRATIVE EXPENSES	TOTAL
Cost of merchandise sold	-507.5	–	–	-507.5
Raw material and consumables used	–	-4.7	-1.0	-5.7
Inventory write-downs	-0.4	–	–	-0.4
Salaries, wages and employee benefits	–	-58.0	-4.7	-62.7
Transport services	–	-10.5	-0.2	-10.7
Rental costs – utilities and other variable costs	–	-40.9	-2.0	-42.9
Advertising	–	-0.1	-0.1	-0.2
Depreciation/amortisation	–	-36.3	-2.9	-39.2
Taxes and charges	–	-5.6	-0.3	-5.9
Other expenses	–	-8.3	-6.6	-14.9
Total	**-507.9**	**-164.4**	**-17.8**	**-690.1**

Aug 1–Oct 31 2022 unaudited, unreviewed	COST OF SALES	COSTS OF POINTS OF PURCHASE AND DISTRIBUTION	ADMINISTRATIVE EXPENSES	TOTAL
Cost of merchandise sold	-514.4	–	–	-514.4
Raw material and consumables used	–	-6.5	-1.6	-8.1
Inventory write-downs	-0.5	–	–	-0.5
Salaries, wages and employee benefits	–	-70.5	-5.8	-76.3
Transport services	–	-10.2	–	-10.2
Rental costs – utilities and other variable costs	–	-40.8	-0.7	-41.5
Advertising	–	-0.3	–	-0.3
Depreciation/amortisation	–	-43.5	-2.5	-46.0
Taxes and charges	–	-5.3	-0.6	-5.9
Other expenses	–	-18.0	-6.6	-24.6
Total	**-514.9**	**-195.1**	**-17.8**	**-727.8**

(all amounts in PLN million unless stated otherwise)

9.1 OTHER INCOME AND EXPENSES, FINANCE INCOME AND COSTS

	Feb 1–Oct 31 2023	Feb 1–Oct 31 2022	Aug 1–Oct 31 2023	Aug 1–Oct 31 2022
	unaudited, unreviewed	unaudited, unreviewed	unaudited, unreviewed	unaudited, unreviewed
Other income				
Compensation	1.0	0.7	0.4	0.2
PFRON wage subsidies	0.4	2.3	0.4	0.7
Grants	0.3	0.4	0.1	0.1
Gain on settlement of contracts with landlords	8.5	2.3	2.6	0.9
Gain on settlement of lease contracts	2.8	14.7	0.5	1.3
Late payment interest	0.1	21.8	0.1	–
Other	11.8	3.4	0.1	2.0
Total other income	**24.9**	**45.6**	**4.2**	**5.2**

	Feb 1–Oct 31 2023	Feb 1–Oct 31 2022	Aug 1–Oct 31 2023	Aug 1–Oct 31 2022
	unaudited, unreviewed	unaudited, unreviewed	unaudited, unreviewed	unaudited, unreviewed
Other expenses				
Loss on disposal of property, plant and equipment	-0.7	-7.9	-0.2	-1.0
Other	-3.4	-5.0	-1.6	-1.3
Foreign exchange losses on items other than debt	–	–	0.2	–
Total other expenses	**-4.1**	**-12.9**	**-1.6**	**-2.3**

	Feb 1–Oct 31 2023	Feb 1–Oct 31 2022	Aug 1–Oct 31 2023	Aug 1–Oct 31 2022
	unaudited, unreviewed	unaudited, unreviewed	unaudited, unreviewed	unaudited, unreviewed
(Recognition)/Reversal of loss allowances (impairment losses on receivables)				
(Recognition)/Reversal of impairment losses on trade receivables	-11.0	-1.5	0.1	-0.7
(Recognition)/Reversal of impairment losses on other receivables	–	-0.3	–	6.5
(Recognition)/Reversal of impairment losses on lease receivables	1.0	-2.7	–	0.1
(Recognition)/reversal of total loss allowances	**-10.0**	**-4.5**	**0.1**	**5.9**

	Feb 1–Oct 31 2023	Feb 1–Oct 31 2022	Aug 1–Oct 31 2023	Aug 1–Oct 31 2022
	unaudited, unreviewed	unaudited, unreviewed	unaudited, unreviewed	unaudited, unreviewed
Finance income				
Interest income on cash in current account and other interest income	83.9	24.2	36.2	8.2
Foreign exchange gains (losses)	23.8	–	-2.2	–
Income on liquidation of CCC Austria	62.7	–	–	–
Gain (loss) on sale of Gino Rossi S.A. shares	–	21.9	–	–
Derivative financial instruments embedded in bonds issued to PFR – Equity Kicker	1.5	10.5	–	–
Other finance income	0.1	0.2	-0.1	0.1
Guarantees and sureties provided	2.6	4.8	0.7	1.2
Total finance income	**174.6**	**61.6**	**34.6**	**9.5**

(all amounts in PLN million unless stated otherwise)

	Feb 1–Oct 31 2023	Feb 1–Oct 31 2022	Aug 1–Oct 31 2023	Aug 1–Oct 31 2022
	unaudited, unreviewed	unaudited, unreviewed	unaudited, unreviewed	unaudited, unreviewed
Finance costs				
Interest on borrowings and bonds	-68.4	-61.6	-26.7	-24.6
Gain (loss) on modification of financial liability	-9.0	–	–	–
Interest on leases	-15.5	-9.3	-5.7	-3.2
Foreign exchange gains (losses)	–	-7.6	–	3.9
Commission fees paid	-1.9	-1.4	-1.5	-1.2
Guarantees received	-2.4	-2.4	-0.7	-0.8
Total finance costs	**-97.2**	**-82.3**	**-34.6**	**-25.9**

	Feb 1–Oct 31 2023	Feb 1–Oct 31 2022	Aug 1–Oct 31 2023	Aug 1–Oct 31 2022
	unaudited, unreviewed	unaudited, unreviewed	unaudited, unreviewed	unaudited, unreviewed
(Recognition)/reversal of loss allowances				
(Recognition)/reversal of provisions for sureties provided for credit facilities used by subsidiaries	35.1	-36.1	–	–
(Recognition)/reversal of impairment losses on loans and other financial receivables	10.3	-41.0	–	–
(Recognition) / reversal of provisions for guarantee of trade payables of subsidiary	–	–	–	–
(Recognition)/reversal of total loss allowances	**45.4**	**-77.1**	**–**	**–**

	Feb 1–Oct 31 2023	Feb 1–Oct 31 2022	Aug 1–Oct 31 2023	Aug 1–Oct 31 2022
	unaudited, unreviewed	unaudited, unreviewed	unaudited, unreviewed	unaudited, unreviewed
Impairment losses on shares				
Impairment losses on shares	-9.2	–	–	–
Total impairment losses on shares	**-9.2**	**–**	**–**	**–**

(all amounts in PLN million unless stated otherwise)

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

10.1. TAXATION

unaudited, unreviewed	Oct 31 2023	RECOGNISED / (CHARGED) ON PROFIT OR LOSS	Feb 1 2023
Assets			
Impairment of assets	2.5	0.5	2.0
Provisions for liabilities	11.7	-5.2	16.9
Other	4.1	-1.6	5.7
Accelerated tax depreciation of property, plant and equipment	-0.4	-1.4	1.0
Tax losses	43.4	43.4	–
Measurement of lease contracts	115.7	-3.8	23.9
Measurement of financial instruments	-0.3	1.1	-1.4
Total before offset	**176.7**	**33.0**	**48.1**
Liabilities			
Other	9.2	5.8	3.4
Settlement under contracts with landlords	3.8	-1.0	4.8
Measurement of lease contracts	95.6		
Total before offset	**108.6**	**4.8**	**8.2**
Offset	-108.6	-4.8	-8.2
Deferred tax balances as disclosed in statement of financial position			
Assets	68.1	28.2	39.9

unaudited, unreviewed	Jan 31 2023	RECOGNISED / (CHARGED) ON PROFIT OR LOSS	Feb 1 2022
Assets			
Impairment of assets: inventories and receivables	2.0	0.9	1.1
Provisions for liabilities	16.9	6.3	10.6
Other	5.7	5.4	0.3
Accelerated tax depreciation of property, plant and equipment	1.0	0.3	0.7
Tax losses	–	-0.3	0.3
Measurement of lease contracts	23.9	-5.2	29.1
Measurement of financial instruments	-1.4	-1.4	–
Total before offset	**48.1**	**6.0**	**42.1**
Liabilities			
Other	3.4	2.0	1.4
Settlement under contracts with landlords	4.8	0.9	3.9
Measurement of financial instruments			
Total before offset	**8.2**	**2.9**	**5.3**
Offset	-8.2	-2.9	-5.3
Deferred tax balances as disclosed in statement of financial position			
Assets	39.9	3.1	36.8

(all amounts in PLN million unless stated otherwise)

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

Impairment losses unaudited, unreviewed	INVENTORIES	TRADE RECEIVABLES	LEASE RECEIVABLES	LOANS	INTERESTS IN SUBSIDIARIES	LOAN SURETIES OF SUBSIDIARIES
As at Feb 1 2023	**7.3**	**1.9**	**3.3**	**196.6**	**74.1**	**55.9**
Increase	–	11.0	–	2.7	9.2	–
Used	–	–	–	–	-74.1	–
Reversed	-1.3	–	-1.0	-13.0	–	-35.1
As at Oct 31 2023	**6.0**	**12.9**	**2.3**	**186.3**	**9.2**	**20.8**

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

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

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

The test was based on the following rates and assumptions:

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

11. DEBT; CAPITAL AND LIQUIDITY MANAGEMENT

11.1. CAPITAL MANAGEMENT

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

In 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 New Financing Agreement, dividend may be paid on satisfaction of certain conditions, including: The Net Exposure / EBITDA ratio for the CCC Business Unit (the CCC Group excluding the Modivo Group i.e. the Modivo Business Unit) lower than 2.5, with the proviso that the dividend may not be paid earlier than two years after the execution of the said agreement. For detailed information on the dividend policy and covenants, refer to the annual Directors' Report on the Group's operations. To maintain or adjust the capital structure, the Group may adjust the amount of dividends declared to be paid to shareholders, return capital to shareholders, issue new shares or sell assets in order to reduce debt.

Similarly to other entities in the industry, the 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 nine months ended October 31st 2023, basic and diluted earnings per share were PLN 2.75. In the nine months ended October 31st 2022, basic and diluted loss per share was PLN 0.88.

(all amounts in PLN million unless stated otherwise)

11.2. DEBT UNDER BORROWINGS AND NOTES

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

unaudited, unreviewed	LIABILITIES UNDER BORROWINGS AND BONDS			
	BANK BORROWINGS	OTHER BORROWINGS	BONDS	TOTAL
As at Feb 1 2023	**249.2**	**401.7**	**211.3**	**862.2**
short-term	0.1	33.0	21.9	55.0
long-term	249.1	368.7	189.4	807.2
As at Feb 1 2023	**249.2**	**401.7**	**211.3**	**862.2**
Interest accrued	0.3	40.0	18.3	58.6
Debt-related payments				
- principal payments	–	–	-20.6	-20.6
- interest paid	–	-58.8	-12.7	-71.5
Other non-cash changes	0.1	-31.2	–	-31.1
As at Oct 31 2023	**249.6**	**351.7**	**196.3**	**797.6**
short-term	**249.6**	**5.8**	**7.4**	**262.8**
Credit facility with surety from BGK	*249.4*	–	–	*249.4*
CCC0626 bond	–	–	*7.4*	*7.4*
Borrowings from subsidiaries	–	*5.8*	–	*5.8*
Other	*0.2*	–	–	*0.2*
long-term	**–**	**345.9**	**188.9**	**534.8**
CCC0626 bond	–	–	*188.9*	*188.9*
Borrowings from subsidiaries	–	*345.9*	–	*345.9*

(all amounts in PLN million unless stated otherwise)

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

(all amounts in PLN million unless stated otherwise)

11.3. CONTRACTUAL MATURITIES

As at Oct 31 2023	CONTRACTUAL MATURITIES FROM THE END OF THE REPORTING PERIOD					TOTAL UNDISCOUNTED	CARRYING AMOUNT
unaudited, unreviewed	UP TO 3 MONTHS	3–12 MONTHS	1–3 YEARS	3–5 YEARS	OVER 5 YEARS		
Bank borrowings	5.7	266.7	–	–	–	272.4	249.6
Other borrowings	8.3	10.6	32.2	575.9	–	627.0	351.7
Bonds	11.1	11.0	233.4	–	–	255.5	196.3
Derivative financial instruments embedded in bonds issued to PFR –	–	–	–	5.0	–	5.0	5.0
Trade and other payables	169.0	36.3	–	–	–	205.3	205.3
Sureties provided for credit facilities	576.2	–	–	–	–	576.2	–
Returns liabilities	12.9	–	–	–	–	12.9	12.9
Lease liabilities	40.3	127.9	294.3	147.1	66.6	676.2	632.9
Total financial liabilities	**823.5**	**452.5**	**559.9**	**728.0**	**66.6**	**2,630.5**	**1,653.7**

As at Jan 31 2023	CONTRACTUAL MATURITIES FROM THE END OF THE REPORTING PERIOD					TOTAL UNDISCOUNTED	CARRYING AMOUNT
audited	UP TO 3 MONTHS	3–12 MONTHS	1–3 YEARS	3–5 YEARS	OVER 5 YEARS		
Bank borrowings	6.0	18.1	268.1	–	–	292.2	249.2
Other borrowings	50.2	43.8	131.2	111.6	383.1	719.9	401.7
Bonds	8.5	18.7	49.9	220.4	–	297.5	211.3
Derivative financial instruments embedded in bonds issued to PFR – Equity Kicker	–	–	–	–	6.5	6.5	6.5
Trade and other payables	132.4	38.7	–	–	–	171.1	171.1
Sureties provided for credit facilities	911.7	–	–	–	–	911.7	–
Returns liabilities	10.7	–	–	–	–	10.7	10.7
Lease liabilities	73.8	139.8	328.3	164.1	76.0	782.0	720.6
Total financial liabilities	**1,193.3**	**259.1**	**777.5**	**496.1**	**465.6**	**3,191.6**	**1,771.1**

(all amounts in PLN million unless stated otherwise)

12. OTHER NOTES

12.1. FINANCIAL INSTRUMENTS

	Oct 31 2023		Jan 31 2023	
	unaudited, unreviewed		audited	
	FINANCIAL ASSETS	FINANCIAL LIABILITIES	FINANCIAL ASSETS	FINANCIAL LIABILITIES
Financial assets at amortised cost	**1,860.6**	**–**	**1,282.9**	**–**
Loans	1,546.7	–	1,006.9	–
Trade receivables	87.7	–	72.1	–
Other financial receivables	–	–	0.3	–
Receivables from sale of property, plant and equipment	2.3	–	5.6	–
Other receivables from Gino Rossi	–	–	21.9	–
Lease receivables	128.3	–	138.1	–
Cash and cash equivalents	95.6	–	38.0	–
Financial liabilities at amortised cost	**–**	**1,648.7**	**–**	**1,764.6**
Liabilities under borrowings and bonds	–	797.6	–	862.2
Trade and other payables	–	205.3	–	171.1
Returns liabilities	–	12.9	–	10.7
Lease liabilities	–	632.9	–	720.6
Financial liabilities measured at fair value through profit or loss	**–**	**5.0**	**–**	**6.5**
Derivative financial instruments embedded in bonds issued to PFR – Equity Kicker	–	5.0	–	6.5

For detailed information on the valuation of the derivative financial instrument embedded in bonds issued to PFR – Equity Kicker, see Note 12.1. 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 181.1m (carrying amount: PLN 196.3m).

(all amounts in PLN million unless stated otherwise)

12.2. OTHER NON-CURRENT FINANCIAL LIABILITIES

Derivative financial instruments embedded in bonds issued to PFR – Equity	Feb 1–Oct 31 2023	Feb 1 2022–Jan 31 2023
	unaudited, unreviewed	audited
At beginning of period	**6.5**	**19.9**
Remeasurement	-1.5	-23.4
At end of period	**5.0**	**6.5**

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

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

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

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

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

(all amounts in PLN million unless stated otherwise)

12.3. RELATED-PARTY TRANSACTIONS

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

	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)
	Oct 31 2023	Oct 31 2023	Jan 31 2023	Jan 31 2023
	unaudited, unreviewed	unaudited, unreviewed	audited	audited
SUBSIDIARIES	523.2	1,664.1	520.9	1,142.8
ASSOCIATES	0.5	0.2	0.6	–
ENTITIES RELATED TO KEY MANAGEMENT PERSONNEL	0.8	–	-0.3	–
Total	**524.5**	**1,664.3**	**521.2**	**1,142.8**

	Proceeds from related-party transactions	Purchases from related parties	Proceeds from related-party transactions	Purchases from related parties
	Feb 1–Oct 31 2023	Feb 1–Oct 31 2023	Feb 1–Oct 31 2022	Feb 1–Oct 31 2022
	unaudited, unreviewed	unaudited, unreviewed	unaudited, reviewed, restated	unaudited, reviewed, restated
SUBSIDIARIES	216.3	1,480.3	146.0	1,504.0
ASSOCIATES	0.3	0.3	–	–
ENTITIES RELATED TO KEY MANAGEMENT PERSONNEL	–	3.1	–	15.4
Total	**216.6**	**1,483.7**	**146.0**	**1,519.4**

	Proceeds from related-party transactions	Purchases from related parties	Proceeds from related-party transactions	Purchases from related parties
	Aug 1–Oct 31 2023	Aug 1–Oct 31 2023	Aug 1–Oct 31 2022	Aug 1–Oct 31 2022
	unaudited, unreviewed	unaudited, unreviewed	unaudited, reviewed, restated	unaudited, reviewed, restated
SUBSIDIARIES	75.5	550.6	53.9	610.4
ASSOCIATES	0.1	0.1	–	–
ENTITIES RELATED TO KEY MANAGEMENT PERSONNEL	–	-0.5	–	4.3
Total	**75.6**	**550.2**	**53.9**	**614.7**

12.4. SHARE-BASED PAYMENTS

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

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

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

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

12.5. EVENTS AFTER THE REPORTING DATE

On November 8th 2023, the Company, as the sole shareholder of CCC Factory Sp. z o.o. of Polkowice (the "Acquiree"), passed a resolution to merge CCC Factory Sp. z o.o. with CCC.eu Sp. z o.o., and the Extraordinary General Meeting of CCC.eu Sp. z o.o. of Polkowice (the "Acquirer") passed a resolution to merge CCC Factory Sp. z o.o. with CCC.eu Sp. z o.o. By way of the resolutions, the shareholders of the Acquiree and the Acquirer granted their consent to the merger plan of September 28th 2023, which was agreed upon and signed by the management boards of the merging companies, and ratified the merger of the Acquirer and the Acquiree (the "Merger"). On November 14th 2023, the merger resolutions were filed with the National Court Register (KRS), requesting deletion of CCC Factory Sp. z o.o. from the National Court Register and requesting a modification of the company details for CCC.eu Sp. z o.o. in the relevant business register. The merger will take effect on the date of registration of the merger with the National Court Register.

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

from February 1st to October 31st 2023

ABOUT THIS REPORT

(all amounts in PLN million unless stated otherwise)

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

CCC IN NUMBERS

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

		Feb 1–Oct 31 2023	y/y change
CCC GROUP	**Revenue**	**6,919.0**	**+4%**
	E-commerce contribution to sales	52%	+1pp
	Number of markets	31	–
	Number of stores	993	+18
CCC	**Revenue**	**2,948.8**	**-6%**
	Contribution to the CCC Group's revenue	43%	-4pp
	E-commerce contribution to sales	26%	+6pp
	Number of markets	24	+1
	Number of stores	822	-2
HalfPrice	**Revenue**	**982.0**	**+76%**
	Contribution to the CCC Group's revenue	14%	+6pp
	E-commerce contribution to sales	4%	–
	Number of markets	10	+4
	Number of stores	121	+37
eobuwie	**Revenue**	**2,145.9**	**-7%**
	Contribution to the CCC Group's revenue	31%	-4pp
	E-commerce contribution to sales	90%	–
	Number of markets	19	+1
	Number of stores	50	+15
MODIVO	**Revenue**	**774.3**	**+34%**
	Contribution to the CCC Group's revenue	11%	+3pp
	E-commerce contribution to sales	95%	-5pp
	Number of markets	19	+2
	GMV	955.2	+35.9%

13. BUSINESS OF THE CCC GROUP

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

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

The CCC Group encompasses a total of 993 offline stores, including CCC, HalfPrice, eobuwie, and MODIVO chain stores, the vast majority of which are located in modern shopping centres and malls. In addition, the Group operates numerous online sales platforms in Poland and 30 other countries across Europe and the Middle East.

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

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

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

Products at brick-and-mortar stores are mainly sold under the CCC business line, which offers chiefly well-known private labels (e.g. Lasocki, Jenny Fairy, Gino Rossi) and under the off-price concept called HalfPrice (launched in 2021). In the nine months to October 31st 2023, the Group's revenue generated through the offline channel accounted for 49% of the total.

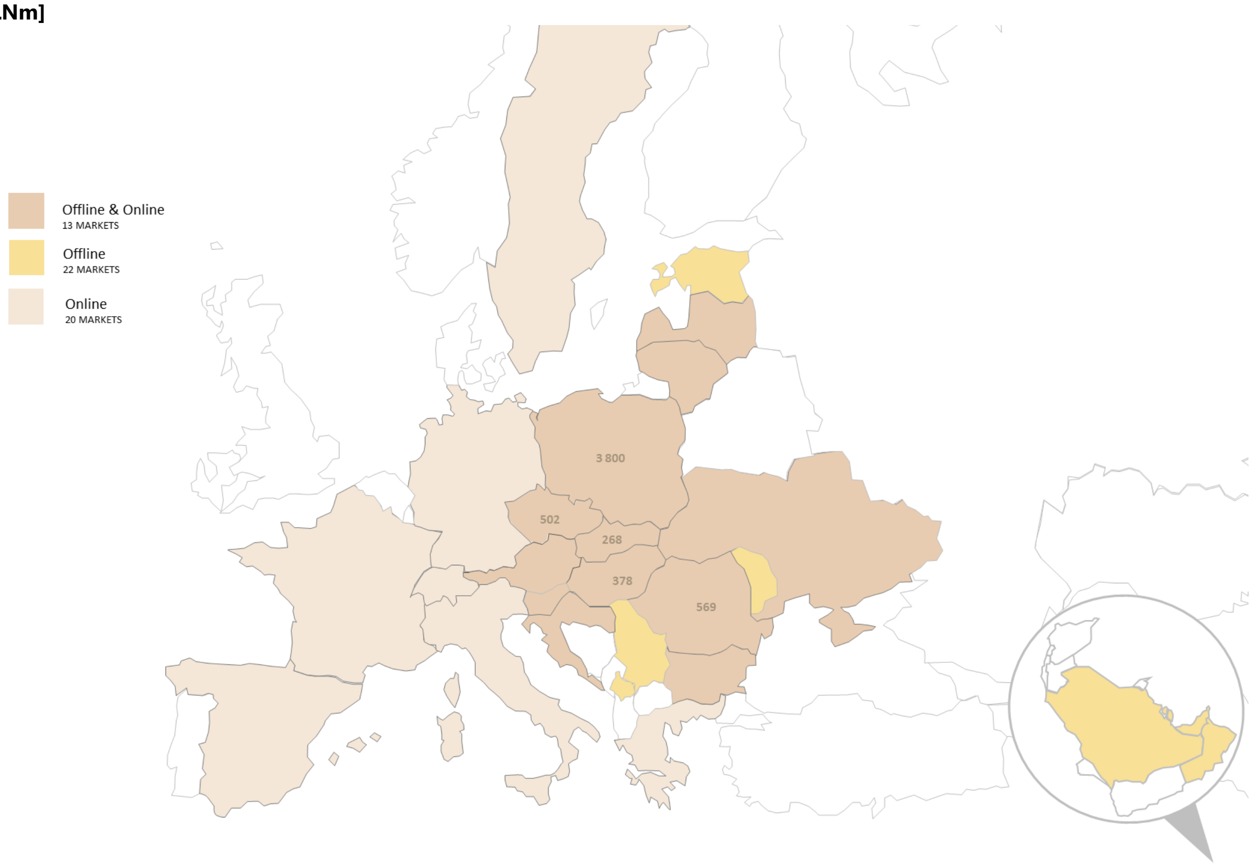
The Group is ramping up sales in the fast-growing e-commerce channel. The Group's revenue from this channel, accounting for 51% of the total, is generated through the CCC and HalfPrice online stores, as well as through the pure online platforms, i.e., the eobuwie and MODIVO platforms and DeeZee.

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

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

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

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



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

15. KEY EVENTS FROM FEBRUARY 1ST TO OCTOBER 31ST 2023

Q1

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

Q2

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

Q3

- The CCC Group underwent a reorganisation after the logistics operations of the CCC and HalfPrice business lines were consolidated within CCC.eu Sp. z o.o.

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

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	TYPE	Oct 31 2023		Jan 31 2023	
		m^2	NUMBER	m^2	NUMBER
CCC	Poland	279,987	443	281,929	444
	Hungary	48,191	68	53,543	77
	Czech Republic	47,959	79	48,507	82
	Romania	46,850	74	48,340	76
	Slovakia	31,569	47	32,628	50
	Croatia	18,696	25	20,624	28
	Bulgaria	13,528	21	12,976	20
	Slovenia	10,396	15	11,763	17
	Ukraine	9,190	15	–	–
	Serbia	7,618	9	11,050	14
	Latvia	4,445	6	4,621	6
	Estonia	2,879	3	2,879	3
	Lithuania	1,420	2	1,420	2
TOTAL		**522,728**	**807**	**530,280**	**819**
HalfPrice	Poland	165,293	93	124,689	75
	Czech Republic	17,741	7	5,000	3
	Slovakia	9,346	5	4,787	3
	Romania	7,763	4	1,486	1
	Austria	7,586	4	5,038	3
	Hungary	5,633	3	5,633	3
	Slovenia	4,752	3	3,515	2
	Croatia	1,955	1	1,955	1
	Latvia	1,580	1	–	–
TOTAL		**221,649**	**121**	**152,103**	**91**
Modivo	Modivo	35,562	50	27,968	38
TOTAL OWN STORES		**779,939**	**978**	**710,351**	**948**

CHAIN	TYPE	Oct 31 2023		Jan 31 2023	
		m^2	NUMBER	m^2	NUMBER
CCC FRANCHISE	Ukraine	–	–	9,415	16
	UAE*	5,302	6	5,302	6
	Saudi Arabia	2,420	3	2,420	3
	Kosovo	1,958	2	1,958	2
	Oman	1,223	1	1,223	1
	Qatar	1,002	1	1,002	1
	Bahrain	929	1	929	1
	Moldova	740	1	740	1
TOTAL FRANCHISE		**13,574**	**15**	**22,989**	**31**
TOTAL CCC GROUP		**793,513**	**993**	**733,340**	**979**

*United Arab Emirates

(all amounts in PLN million unless stated otherwise)

CHANGES IN EXCHANGE RATES

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

PERIOD (USD/PLN)	HIGH	LOW	END OF PERIOD	MID
Feb 1–Oct 31 2023	4.4888	3.9451	4.1684	4.2137
Feb 1 2022–Jan 31 2023	5.0381	3.9218	4.3480	4.4873
Feb 1–Oct 31 2022	5.0381	3.9218	4.7340	4.5101

PERIOD (EUR/PLN)	HIGH	LOW	END OF PERIOD	MID
Feb 1–Oct 31 2023	4.7895	4.4135	4.4475	4.5483
Feb 1 2022–Jan 31 2023	4.9647	4.4879	4.7089	4.6975
Feb 1–Oct 31 2022	4.9647	4.4879	4.7089	4.7003

16. MARKET ENVIRONMENT AND COMPETITION IN OUR KEY REGIONS

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

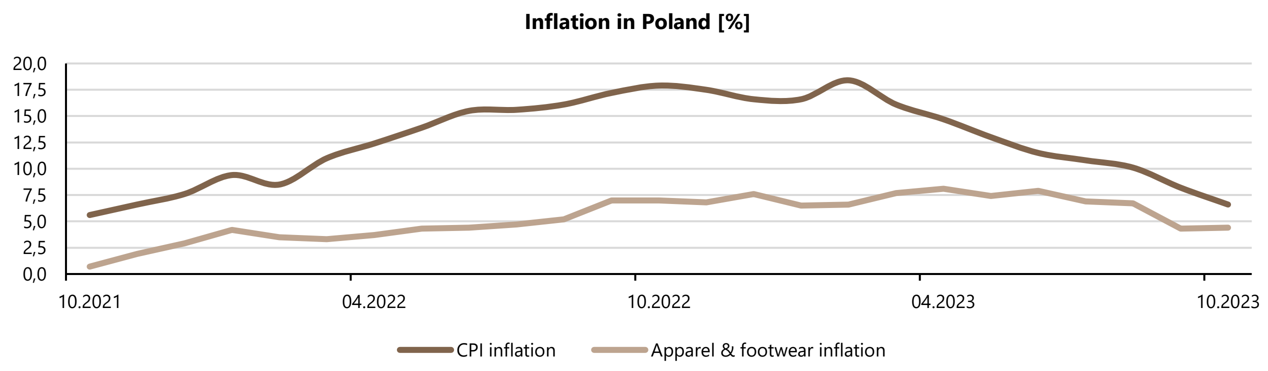
MACROECONOMIC DEVELOPMENTS IN POLAND AND CENTRAL AND EASTERN EUROPE

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

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

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

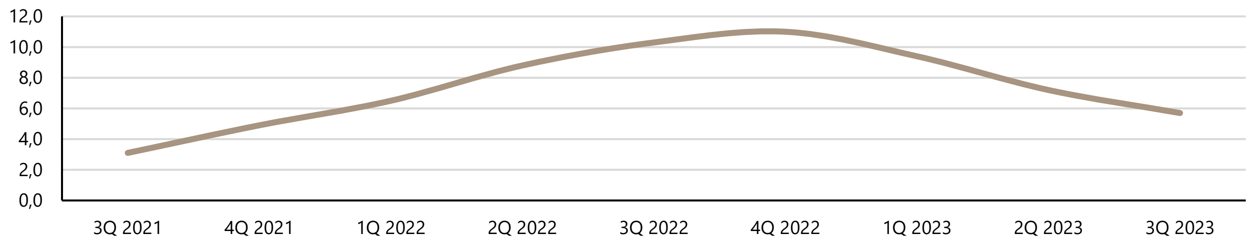
Inflation was rising fast over the past months, peaking in February. Currently, we are seeing the process of disinflation.



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) [%]



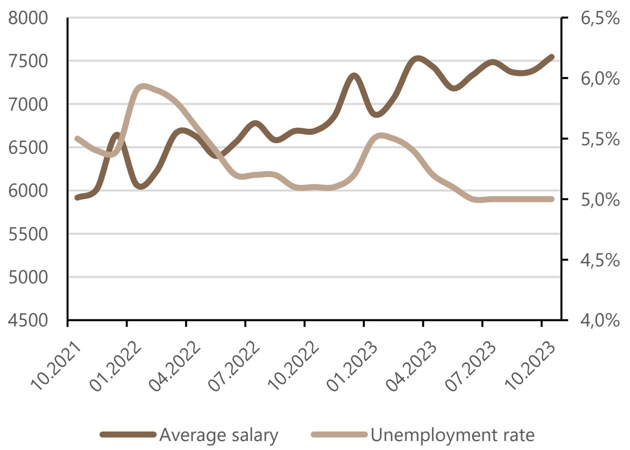
Source: EC

Although inflation has already passed its peak across the European Union, However, it still remains above the target range. According to European Commission data, the HICP inflation rate was approximately 5.7% for all member states in the third quarter of 2023.

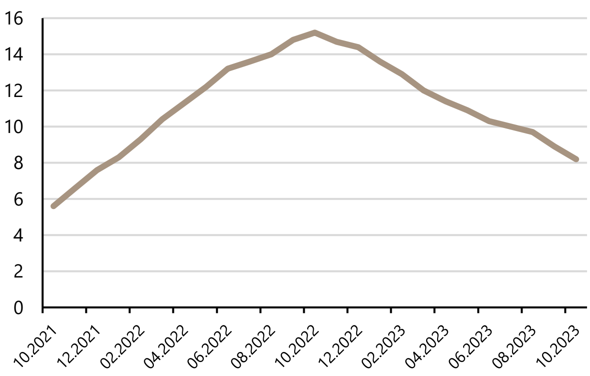
– **cost pressures**

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

Unemployment rate and wage growth [%]



Increase in construction and assembly prices [%]

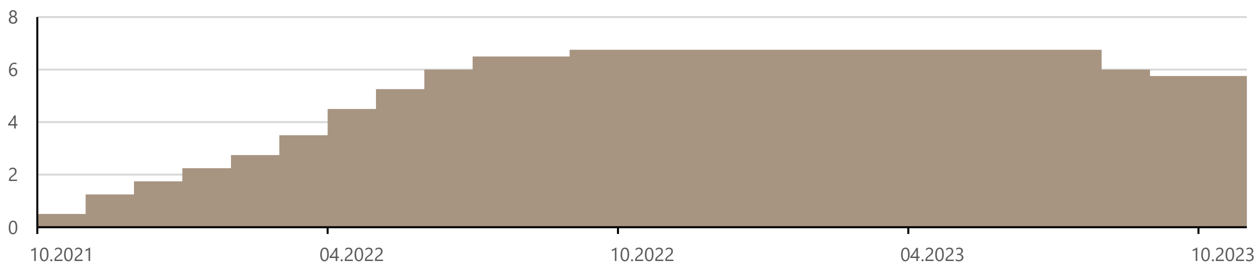


Source: Statistics Poland, National Bank of Poland

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

– **interest rate development**

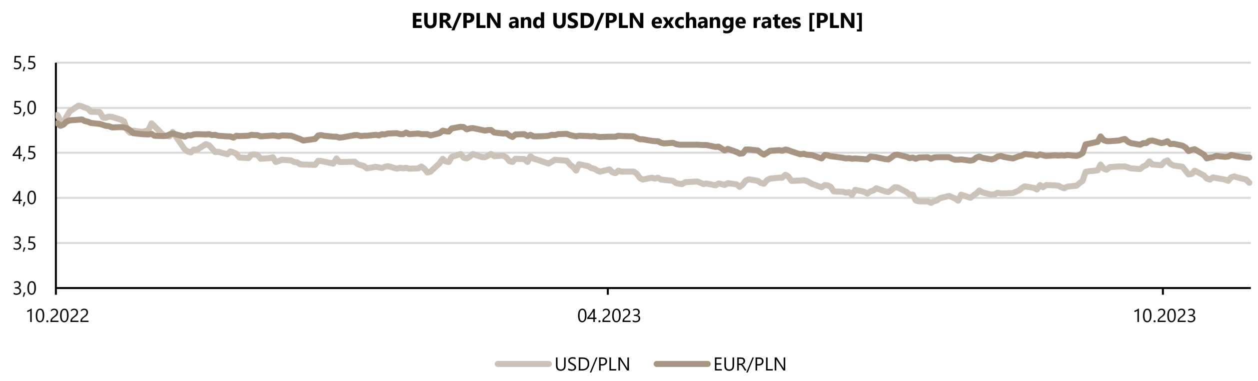
Reference rate in Poland [%]



Source: NBP

Due to the strong growth of inflation in Poland, in October 2021 the Monetary Policy Council of the National Bank of Poland started a series of reference rate rises. 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%. The interest rate hikes lead to higher debt service costs for the Group.

– **foreign exchange**

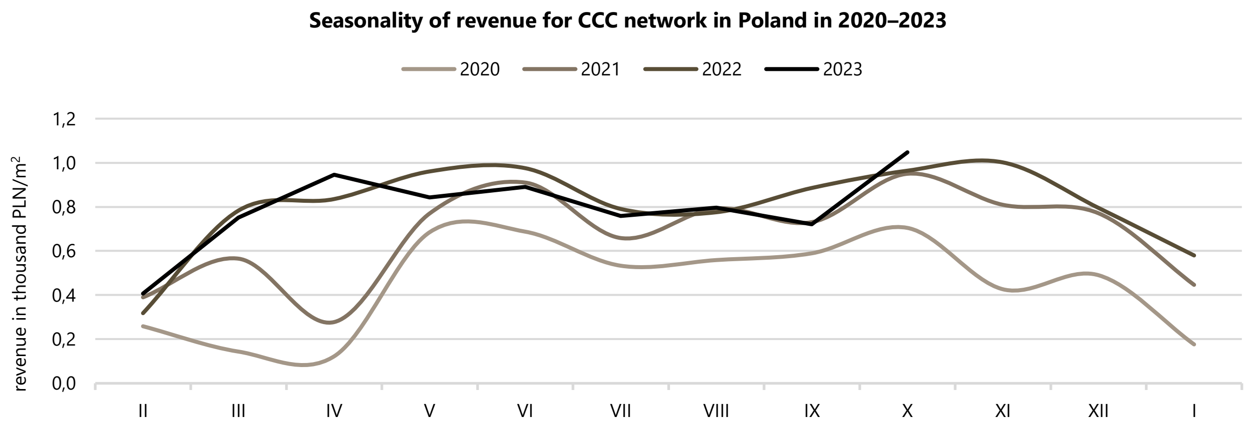


Source: NBP

In late 2021 and early 2022, the geopolitical situation contributed to a strengthening of foreign currencies – the euro and US dollar – against the Polish złoty. The situation normalised in late 2022 and early 2023. In recent months, we have been seeing a gradual appreciation of the Polish złoty against the major foreign currencies. A depreciation or appreciation of the złoty has an impact on gross margin (USD, EUR) and rental costs (EUR). The Group mitigates the impact of 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.

17. SEASONALITY

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



18. OPERATIONAL DATA ON MODIVO S.A. SALES

KPI	Unit	Business line	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023
Share of mobile visits	%	eobuwie	78.8%	77.6%	79.1%	79.9%	80.5%	83.3%	83.4%	82.6%	81.5%	84.7%
		MODIVO	77.7%	79.4%	79.3%	78.4%	79.1%	80.2%	81.2%	80.5%	77.4%	80.3%
Conversion rate	%	eobuwie	2.2%	1.8%	1.7%	1.9%	2.3%	2.0%	1.7%	1.7%	2.1%	1.80%
		MODIVO	1.5%	1.3%	1.6%	1.5%	1.8%	1.6%	1.5%	1.4%	1.7%	1.44%
Active customers	‘000	eobuwie	6,968.2	7,356.4	7,591.0	7,813.9	8,101.8	8,264.9	8,219.1	8,099.0	7,926.4	7,740.8
		MODIVO	722.8	878.9	1,200.3	1,386.0	1,669.0	1,908.1	2,164.5	2,315.4	2,445.5	2,495.0
Number of SKUs	‘000	eobuwie	106.0	120.0	125.0	132.0	137.0	140.0	145.0	159.0	150.0	125.0
		MODIVO	53.0	64.0	75.0	91.0	103.0	130.0	117.0	132.0	124.0	132.0
		MODIVO + Marketplace	53.0	64.0	75.0	91.0	103.0	130.0	174.0	190.0	292.0	347.0

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)

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

19.1. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (KEY ITEMS)

REVENUE BY DISTRIBUTION CHANNELS

REVENUE [1]						
	Feb 1–Oct 31 2023 unaudited, unreviewed	Feb 1–Oct 31 2022 unaudited, unreviewed	Change [%]	Aug 1–Oct 31 2023 unaudited, unreviewed	Aug 1–Oct 31 2022 unaudited, unreviewed	Change [%]
CCC	2,948.8	3,138.9	-6.1%	1,059.7	1,138.6	-6.9%
HalfPrice	982.0	558.0	76.0%	393.0	257.7	52.5%
eobuwie	2,145.9	2,306.5	-7.0%	676.3	763.9	-11.5%
MODIVO	774.3	578.2	33.9%	277.0	228.8	21.1%
DeeZee	68.0	87.1	-21.9%	24.4	33.2	-26.5%
Total	**6,919.0**	**6,668.7**	**3.8%**	**2,430.4**	**2,422.1**	**0.3%**
Not allocated to segments/discontinued operations	–	12.8	-100.0%	–	–	–
Total	**6,919.0**	**6,681.5**	**3.6%**	**2,430.4**	**2,422.1**	**0.3%**

REVENUE BY GEOGRAPHICAL SEGMENTS

REVENUE [1]						
	Feb 1–Oct 31 2023 unaudited, unreviewed	Feb 1–Oct 31 2022 unaudited, unreviewed	Change [%]	Aug 1–Oct 31 2023 unaudited, unreviewed	Aug 1–Oct 31 2022 unaudited, unreviewed	Change [%]
Poland	3,799.6	3,576.8	6.2%	1,367.5	1,306.4	4.7%
Central and Eastern Europe	2,486.8	2,423.5	2.6%	856.1	901.1	-5.0%
Western Europe	632.6	668.4	-5.4%	206.8	214.6	-3.6%
Total	**6,919.0**	**6,668.7**	**3.8%**	**2,430.4**	**2,422.1**	**0.3%**
Not allocated to segments/discontinued operations	–	12.8	-100.0%	–	–	–
Total	**6,919.0**	**6,681.5**	**3.6%**	**2,430.4**	**2,422.1**	**0.3%**

[1] Only revenue from external customers.

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

(all amounts in PLN million unless stated otherwise)

LIKE-FOR-LIKE STORES

		LIKE-FOR-LIKE STORES [1]			Change [%]	OTHER STORES [2]		Change [%]
BUSINESS LINE	SALES CHANNEL	NUMBER	Feb 1–Oct 31 2023	Feb 1–Oct 31 2022		Feb 1–Oct 31 2023	Feb 1–Oct 31 2022	
CCC	Offline	644.0	1,692.0	1,906.8	-11.3%	464.4	535.6	-3.3%
HalfPrice	Offline	40.0	352.8	299.4	17.8%	596.2	239.3	>100%
Total		**684.0**	**2,044.8**	**2,206.2**	**-7.3%**	**1,060.6**	**774.9**	**36.9%**

		LIKE-FOR-LIKE STORES [1]			Change [%]	OTHER STORES [2]		Change [%]
BUSINESS LINE	SALES CHANNEL	NUMBER	Aug 1–Oct 31 2023	Aug 1–Oct 31 2022		Aug 1–Oct 31 2023	Aug 1–Oct 31 2022	
CCC	Offline	676.0	654.2	726.0	-9.9%	129.9	166.1	-21.8%
HalfPrice	Offline	68.0	217.4	210.4	3.3%	163.5	39.3	>100%
Total		**744.0**	**871.7**	**936.4**	**-6.9%**	**293.3**	**205.4**	**42.8%**

[1] Like-for-like stores are stores that operated without interruption in the financial year 2023 and in the comparative period of the financial year 2022.
[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.

CCC business line

CCC	Feb 1–Oct 31 2023 unaudited, unreviewed	Feb 1–Oct 31 2022 unaudited, unreviewed	Change [%]	Aug 1–Oct 31 2023 unaudited, unreviewed	Aug 1–Oct 31 2022 unaudited, unreviewed	Change [%]
Revenue from sales to external customers	2,948.8	3,138.9	-6.1%	1,059.7	1,138.6	-6.9%
Gross profit	**1,634.0**	**1,688.3**	**-3.2%**	**616.1**	**612.7**	**0.6%**
Gross margin (gross profit on sales/revenue from sales to external customers)	*55%*	*54%*	*n/a*	*58%*	*54%*	*n/a*
Costs of points of purchase and distribution	-1,279.0	-1,444.3	-11.4%	-420.4	-515.7	-18.5%
Administrative expenses	-188.5	-196.4	-4.0%	-60.2	-66.9	-10.0%
Other income and expenses, and (recognition) / reversal of loss allowances	14.0	-111.0	*n/a*	-28.4	-18.7	51.9%
EBIT	**180.5**	**-63.4**	***n/a***	**107.1**	**11.4**	**>100%**
Depreciation/amortisation	-301.5	-328.1	-8.1%	-94.5	-107.8	-12.3%
Segment profit (EBITDA)	**482.0**	**264.7**	**82.1%**	**201.6**	**119.2**	**69.1%**

Segment assets:	**Oct 31 2023**	**Jan 31 2023**	Change [%]
	unaudited, unreviewed	audited	
Inventories	**1,072.2**	**1,044.8**	**2.6%**
in stores	627.5	617.7	1.6%
in the central warehouse	444.7	427.1	4.1%

(all amounts in PLN million unless stated otherwise)

HalfPrice business line

HalfPrice	Feb 1–Oct 31 2023	Feb 1–Oct 31 2022	Change [%]	Aug 1–Oct 31 2023	Aug 1–Oct 31 2022	Change [%]
	unaudited, unreviewed	unaudited, unreviewed		unaudited, unreviewed	unaudited, unreviewed	
Revenue from sales to external customers	982.0	558.0	76.0%	393.0	257.7	52.5%
Gross profit	**409.1**	**267.0**	**53.2%**	**181.6**	**130.2**	**39.5%**
Gross margin (gross profit on sales/revenue from sales to external customers)	*42%*	*48%*	*n/a*	*46%*	*51%*	*n/a*
Costs of points of purchase and distribution	-399.7	-262.9	52.0%	-150.3	-106.3	41.4%
Administrative expenses	-20.9	-13.8	51.4%	-6.4	-5.1	25.5%
Other income and expenses, and (recognition) / reversal of loss allowances	1.4	2.9	-51.7%	0.2	0.5	-60.0%
EBIT	**-10.1**	**-6.8**	**48.5%**	**25.1**	**19.3**	**30.1%**
Depreciation/amortisation	-78.5	-59.3	32.4%	-31.1	-21.4	45.3%
Segment profit (EBITDA)	**68.4**	**52.5**	**30.3%**	**56.2**	**40.7**	**38.1%**

Segment assets:	**Oct 31 2023**	**Jan 31 2023**	Change [%]
	unaudited, reviewed	audited	
Inventories	**635.3**	**328.3**	**93.5%**
in stores	300.2	162.6	84.6%
in the central warehouse	335.1	165.7	>100%

eobuwie business line

eobuwie	Feb 1–Oct 31 2023	Feb 1–Oct 31 2022	Change [%]	Aug 1–Oct 31 2023	Aug 1–Oct 31 2022	Change [%]
	unaudited, unreviewed	unaudited, unreviewed		unaudited, unreviewed	unaudited, unreviewed	
Revenue from sales to external customers	2,145.9	2,306.5	-7.0%	676.3	763.9	-11.5%
Gross profit	**859.5**	**975.7**	**-11.9%**	**261.1**	**309.9**	**-15.7%**
Gross margin (gross profit on sales/revenue from sales to external customers)	*40%*	*42%*	*n/a*	*39%*	*41%*	*n/a*
Costs of points of purchase and distribution	-866.7	-845.5	2.5%	-280.5	-296.4	-5.4%
Administrative expenses	-61.5	-56.2	9.4%	-24.7	-20.0	23.5%
Other income and expenses, and (recognition) / reversal of loss allowances	0.6	-11.9	n/a	-6.7	-9.6	-30.2%
EBIT	**-68.1**	**62.1**	***n/a***	**-50.8**	**-16.1**	**>100%**
Depreciation/amortisation	-59.7	-44.7	33.6%	-22.9	-17.3	32.4%
Segment profit (EBITDA)	**-8.4**	**106.8**	***n/a***	**-27.9**	**1.2**	***n/a***

Segment assets:	**Oct 31 2023**	**Jan 31 2023**	Change [%]
	unaudited, reviewed	audited	
Inventories	**1,001.2**	**962.2**	**4.1%**
in stores	107.8	98.6	9.3%
in the central warehouse	893.4	863.6	3.5%

(all amounts in PLN million unless stated otherwise)

MODIVO business line

MODIVO	Feb 1–Oct 31 2023	Feb 1–Oct 31 2022	Change [%]	Aug 1–Oct 31 2023	Aug 1–Oct 31 2022	Change [%]
	unaudited, unreviewed	unaudited, unreviewed		unaudited, unreviewed	unaudited, unreviewed	
Revenue from sales to external customers	774.3	578.2	33.9%	277.0	228.8	21.1%
Gross profit	**295.1**	**240.1**	**22.9%**	**102.0**	**94.9**	**7.5%**
Gross margin (gross profit on sales/revenue from sales to external customers)	*38%*	*42%*	*n/a*	*37%*	*41%*	*n/a*
Costs of points of purchase and distribution	-292.8	-222.0	31.9%	-101.0	-90.2	12.0%
Administrative expenses	-19.7	-14.7	34.0%	-8.1	-5.9	37.3%
Other income and expenses, and (recognition) / reversal of loss allowances	–	-3.1	*n/a*	–	7.2	*n/a*
EBIT	**-17.4**	**0.3**	***n/a***	**-7.1**	**6.0**	***n/a***
Depreciation/amortisation	-13.1	-5.0	>100%	-4.7	-2.1	>100%
Segment profit (EBITDA)	**-4.3**	**5.3**	***n/a***	**-2.4**	**8.1**	***n/a***

Segment assets:	**Oct 31 2023**	**Jan 31 2023**	Change [%]
	unaudited, reviewed	audited	
Inventories	**349.6**	**335.7**	**4.1%**
in stores	6.2	4.5	37.8%
in the central warehouse	343.4	331.2	3.7%

DeeZee business line

DeeZee	Feb 1–Oct 31 2023	Feb 1–Oct 31 2022	Change [%]	Aug 1–Oct 31 2023	Aug 1–Oct 31 2022	Change [%]
	unaudited, unreviewed	unaudited, unreviewed		unaudited, unreviewed	unaudited, unreviewed	
Revenue from sales to external customers	68.0	87.1	-21.9%	24.4	33.2	-26.5%
Gross profit	**37.2**	**44.2**	**-15.8%**	**13.2**	**15.4**	**-14.3%**
Gross margin (gross profit on sales/revenue from sales to external customers)	*55%*	*51%*	*n/a*	*54%*	*46%*	*n/a*
Costs of points of purchase and distribution	-28.9	-33.6	-14.0%	-9.4	-10.3	-8.7%
Administrative expenses	-3.7	-3.9	-5.1%	-1.2	-1.4	-14.3%
Other income and expenses, and (recognition) / reversal of loss allowances	-1.0	-0.1	–	-0.7	-0.3	>100%
EBIT	**3.6**	**6.6**	**-45.5%**	**1.9**	**3.4**	**-44.1%**
Depreciation/amortisation	-0.5	-1.0	-50.0%	-0.1	-0.3	-66.7%
Segment profit (EBITDA)	**4.1**	**7.6**	**-46.1%**	**2.0**	**3.7**	**-45.9%**

Segment assets:	**Oct 31 2023**	**Jan 31 2023**	Change [%]
	unaudited, reviewed	audited	
Inventories	**20.1**	**20.1**	–
in stores	–	–	–
in the central warehouse	20.1	20.1	–

EFFECT OF OTHER INCOME AND EXPENSES

Operating income and expenses

In the reporting period, other income and other expenses attributable to continuing operations were PLN 50.4m and PLN 27.0m, respectively. On a net basis, the Group generated PLN 23.4m of other income, compared with PLN 89.1m of other expenses in the corresponding period of the previous year. The change was mainly attributable to foreign exchange differences on items other than debt, with foreign exchange gains of PLN 2.6m recognised in the reporting period, compared to foreign exchange losses of PLN 88.0m recognised in the comparative period.

Operating profit (loss)

Operating profit in the reporting period was PLN 88.5m, having increased by PLN 89.7m year on year. The improvement was mainly attributable to foreign exchange gains on items other than debt and lower allowances for expected credit losses.

Finance income and costs

In the reporting period, finance income and finance costs attributable to continuing operations were PLN 72.6m and PLN 318.0m, respectively. On a net basis, the Group generated PLN 245.4m of finance costs, compared with PLN 275.6m of finance costs in the corresponding period of 2022. The largest items of finance costs were interest expense on borrowings and bonds (PLN 232.1m, compared with PLN 209.4m in the same period of the previous year), and interest expense on leases (PLN 55.7m compared with PLN 27.9m in the same period last year). The largest items of finance income included foreign exchange gains (PLN 35.6m compared with foreign exchange losses of PLN 32.0m in the corresponding period of the previous year), a gain on the measurement of options to purchase non-controlling interests (PLN 20.4m compared with PLN 6.3m in the corresponding period of the previous year), and derivative financial instruments embedded in bonds convertible into Modivo shares (a voluntary conversion option) (PLN 9.1m compared with PLN 0.0m in the same period last year).

Income tax

In the reporting period, income tax recognised in the statement of comprehensive income reduced pre-tax loss by PLN 2.8m.

Net profit or loss

After accounting for finance income and costs, loss allowances, share in the loss of an associate and income tax expense, net loss from continuing operations in the reporting period was PLN 154.1m, which represents a PLN 177.9m decrease year on year.

(all amounts in PLN million unless stated otherwise)

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

	Oct 31 2023	Jan 31 2023	Change [%]
unaudited, unreviewed	unaudited, unreviewed	audited	
Non-current assets, including:	**3,701.6**	**3,601.3**	**2.8%**
Total property, plant and equipment	1,421.9	1,441.9	-1.4%
Right-of-use assets	1,420.8	1,379.9	3.0%
Deferred tax assets	219.1	184.1	19.0%
Current assets, including:	**4,152.0**	**3,462.8**	**19.9%**
Inventories	3,078.4	2,691.1	14.4%
Cash and cash equivalents	570.3	395.4	44.2%
TOTAL ASSETS	**7,878.2**	**7,064.1**	**11.5%**
Non-current liabilities, including:	**2,053.9**	**2,741.4**	**-25.1%**
Bank borrowings and bonds	734.3	1,370.5	-46.4%
Lease liabilities	1,251.8	1,266.8	-1.2%
Current liabilities, including:	**4,891.3**	**3,740.0**	**30.8%**
Bank borrowings and bonds	1,444.4	1,155.7	25.0%
Trade and other payables	2,180.7	1,389.5	56.9%
TOTAL LIABILITIES	**6,945.2**	**6,481.4**	**7.2%**
EQUITY	**933.0**	**582.7**	**60.1%**

	PROPERTY, PLANT AND EQUIPMENT		CHANGE [%]	
	Oct 31 2023	Jan 31 2023	PROPERTY, PLANT AND EQUIPMENT	IN RETAIL SPACE
	unaudited, unreviewed	audited		
Leasehold improvements	**669.5**	**656.7**	**1.9%**	**4.1%**
Manufacturing and distribution	**694.1**	**692.0**	**0.3%**	
Land, buildings and structures	453.5	423.7	7.0%	
Machinery and equipment	182.8	173.7	5.2%	
Property, plant and equipment under construction	57.8	94.6	-38.9%	
Other	**58.3**	**93.2**	**-37.4%**	
Total	**1,421.9**	**1,441.9**	**-1.4%**	

INVENTORIES			
	Oct 31 2023	Jan 31 2023	Change [%]
	unaudited, unreviewed	audited	
CCC	1,072.2	1,044.8	2.6%
HalfPrice	635.3	328.3	93.5%
eobuwie	1,001.2	962.2	4.1%
Modivo	349.6	335.7	4.1%
DeeZee	20.1	20.1	–
Total	**3,078.4**	**2,691.1**	**14.4%**

(all amounts in PLN million unless stated otherwise)

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

	Feb 1–Oct 31 2023 unaudited, unreviewed	Feb 1–Oct 31 2022 unaudited, unreviewed	Change [%]	Aug 1–Oct 31 2023 unaudited, unreviewed	Aug 1–Oct 31 2022 unaudited, unreviewed	Change [%]
Profit (loss) before tax from continuing operations	**-156.9**	**-276.8**	**-43.3%**	**-28.8**	**-153.9**	**-81.3%**
Adjustments	662.4	715.1	-7.4%	268.1	610.7	-56.1%
Income tax paid	-19.9	-70.3	-71.7%	20.4	-95.7	*n/a*
Cash flow before changes in working capital	**485.6**	**329.8**	**47.2%**	**259.7**	**389.4**	**-33.3%**
Changes in working capital	335.5	-60.7	*n/a*	27.1	-339.1	*n/a*
Cash flows from operating activities	**821.1**	**269.1**	**>100%**	**286.8**	**50.3**	**>100%**
Cash flows from investing activities	**-237.9**	**-296.3**	**-19.7%**	**-46.3**	**-221.2**	**-79.1%**
Cash flows from financing activities, including:	**-408.3**	**-438.3**	**-6.8%**	**-93.3**	**649.2**	***n/a***
Repayment of borrowings	-541.0	-64.3	>100%	-53.1	-978.8	-94.6%
Lease payments	-292.0	-324.1	-9.9%	-91.6	-346.0	-73.5%
Interest paid	-197.8	-127.5	55.1%	-40.2	-92.7	-56.6%
Net proceeds from share issue	501.6	–	*n/a*	–	–	–
TOTAL CASH FLOWS	**174.9**	**-465.5**	***n/a***	**147.2**	**478.3**	**-69.2%**
Cash and cash equivalents at end of period	**570.3**	**475.6**	**19.9%**	**570.3**	**941.1**	**-39.4%**

(all amounts in PLN million unless stated otherwise)

19.4. INDICATORS

Profitability ratios	Feb 1–Oct 31 2023	Feb 1–Oct 31 2022	Change [%]	change [% qoq]
Gross margin	46.8%	48.1%	-1.4%	0.8%
Operating profit/(loss) margin	1.3%	–	1.3%	1.4%
Net profit/(loss) margin	-2.2%	-5.0%	2.7%	0.8%

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	Oct 31 2023	Jan 31 2023	change	change [qoq]
Current ratio	0.8	0.9	-0.1	–
Quick ratio	0.2	0.2	–	–
Inventory cycle (days)	157.7	215.9	-58.2	-56.1
Average collection period (days)	4.6	7.6	-3.0	-1.7
Average payment period (days)	99.6	117.7	-18.1	-28.2

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

In the third quarter, the inventory turnover period at the Group shortened by 18 days. This was mainly attributable to continued efforts to optimise the inventory structure in the CCC segment. These included basing purchase decisions on historical turnover data for individual products, appropriate timing of deliveries, adjusting of the sales calendar, and pursuing operational excellence.

Operating efficiency ratios	Oct 31 2023	Jan 31 2023	Change [%]	change [% qoq]
Equity to non-current assets ratio	25.2%	16.2%	9.0%	-0.4%
Debt ratio	27.7%	35.8%	-8.1%	-1.0%
Short-term debt ratio	18.3%	16.4%	2.0%	3.4%
Long-term debt ratio	9.3%	19.4%	-10.1%	-4.4%

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.

19.5. CURRENT SALES TRENDS

In the period from November 1st to November 25th 2023 (marking the beginning of the fourth quarter of the financial year 2023), the CCC Group's sales went up 10% year on year. Revenue growth was reported across all business lines, with CCC up by 6%, HalfPrice by 75%, eobuwie by 2%, and Modivo by 3%.

In addition, CCC and HalfPrice recorded positive sales growth in like-for-like (LFL) stores.

The CCC business line is experiencing rapid year-on-year growth in gross margin. Year-on-year and quarter-on-quarter growth in gross margin was delivered by HalfPrice as well.

November 2023 stands out as the best month in the CCC Group's history in terms of revenue and gross profit, promising strong performance for the entire fourth quarter of 2023. The CCC Group is currently in the crucial period of the AW2023 season, with sales generated during the final days of Black Weeks and the lead-up to Christmas (particularly in HalfPrice) being of key importance to its revenue and profit figures.

19.6. 2023 PERFORMANCE OUTLOOK

The Management Board of the CCC Group assessed its 2023 performance outlook, as outlined in the consolidated Directors' Report on the operations of the CCC Group in the financial year 2022/2023, against actual performance in the nine months to October 31st 2023, taking into account sales in the first month of the fourth quarter and the Management Board's best knowledge of potential performance development during the period.

The Management Board is of the opinion that the performance targets set for the CCC segment can be achieved. While the current market environment poses challenges in terms of demand, the EBITDA margin of the CCC business line is expected to reach or exceed the upper end of the estimated range thanks to a wider gross margin and tight cost discipline.

Throughout 2023, the e-commerce multibrand industry faced challenges due to low consumer purchasing power and an intense competitive environment resulting from industry-wide overstocking (prompted by a market slowdown observed since the second half of 2022). These factors, coupled with the ongoing technological transformation in 2023, contributed to the Modivo Group falling short of its budgetary objectives. The Management Board expects the Modivo Group's full-year EBITDA margin to range between 0.2% and 1.0%. The Modivo Group's inventory optimisation process, slated for completion by the end of 2023, is unlocking the potential for improved profitability in the upcoming financial year.

The robust growth observed in HalfPrice is expected to propel its revenue toward the upper end of the estimated range. Lower-than-expected gross margin delivered by HalfPrice was partially offset by rigorous cost discipline, potentially resulting in HalfPrice's EBITDA margin meeting the target. HalfPrice is currently in the pre-Christmas selling season, traditionally the best time of the year for the off-price industry in terms of revenue and profits.

Therefore, the Management Board believes that the CCC Group is likely to achieve EBITDA (IFRS 16) in the range of PLN 800m–850m, with an EBITDA margin surpassing 8% for the current year.

Additionally, the Management Board anticipates meeting its CAPEX targets.

In the Management Board's opinion, the ongoing efforts to strengthen the gross margin and maintain cost discipline offer promising prospects for the Group's financial performance in the upcoming financial year.

(all amounts in PLN million unless stated otherwise)

20. COVENANTS / FINANCIAL RATIOS

CCC GROUP

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

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

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

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

MODIVO Business Unit	Oct 31 2023	Jan 31 2023	Δ Oct 31–Jan 31 2023	Change [%]
Gross debt*	**1,066.3**	**860.0**	**206.3**	**24.0%**
(-) Cash	144.0	152.0	-8.0	-5.3%
(-) Convertible bonds issued to Softbank	734.5	630.0	104.5	16.6%
Net financial debt	**187.8**	**78.0**	**109.8**	**>100%**
(+) Reverse factoring	319.5	158.7	160.8	>100%

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

Predominant share in Modivo Group's debt of Modivo S.A. convertible bonds issued for Softbank. Qoq change in Modivo Group's debt due mainly to bond interest capitalisation.

Modivo Group's net financial debt excluding the convertible bonds at PLN 188.0 million.

Increased use of reverse factoring products reflecting contracts signed for the upcoming AW23 season.

CCC Business Unit	Oct 31 2023	Jan 31 2023	Δ Oct 31–Jan 31 2023	Change [%]
Gross debt	**1,112.5**	**1,666.0**	**-553.5**	**-33.2%**
(-) Cash	426.3	243.0	183.3	75.4%
Net debt	**686.2**	**1,423.0**	**-736.8**	**-51.8%**
(-) Bonds issued to PFR*	351.4	376.0	-24.6	-6.5%
(+/-) other adjustments **	-1.0	12.0	-13.0	<-100%
Net financial debt	**333.8**	**1,059.0**	**-725.2**	**-68.5%**
(+) Reverse factoring	219.0	92.0	127.0	>100%
(+) Bank guarantees	131.7	120.0	11.7	9.7%
Net exposure	**684.5**	**1,271.0**	**-586.5**	**-46.1%**

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

Fourth consecutive quarter of consistent debt reduction at CCC Group (excluding Modivo Group). Gross debt down by approximately 40% yoy.

Qoq decrease in the use of credit facilities as a result of:

- continued working capital optimisation,
- renegotiation of business terms with suppliers,
- PLN 93 million reduction in debt (credit facilities and bonds),
- consistent implementation of savings schemes in the CCC segment.

(all amounts in PLN million unless stated otherwise)

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

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

Under the refinancing agreements of June 2nd 2021 and the ordinary bonds issue agreement (ISIN:PLCCC0000081) of May 17th 2021, as amended, the CCC Business Unit is required, among other obligations, to test the following ratios as at October 31st 2023:

a) **EBITDA for the CCC Business Unit** not less than PLN 200.0m;

b) **Net Exposure/EBITDA for the CCC Business Unit** not higher than 3.9x.

CCC BUSINESS UNIT'S RATIOS REVIEWED AFTER THE REPORTING DATE

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

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

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

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

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

Definitions:

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

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

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

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

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

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

The Modivo Business Unit comprises MODIVO S.A. and all its subsidiaries. As at October 31st 2023, in the Management Board's opinion, none of the financial covenants were breached during the reporting period and up to 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:

No financial ratios were reviewed as at the reporting date.

MODIVO BUSINESS UNIT'S RATIOS REVIEWED AFTER THE REPORTING DATE

In accordance with the annex signed on November 21st 2023 between MODIVO S.A. and its financing institutions, the MODIVO Business Unit is required to test the following financial ratios subsequent to the reporting date:

a. **Net Financial Debt/EBITDA** not higher than 3.5.

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

b. **DSCR** of >= 1.2

The ratio is tested on a quarterly basis, with the initial test scheduled for July 31st 2024.

c. **EBITDA** of PLN 98,000,000

The ratio will undergo a one-off test as at April 30th 2024, with the proviso that the Bank will accept a negative variance of no more than 15%.

d. **Net Financial Debt** not higher than PLN 548.0m.

For the Modivo Business Unit, the financial ratio subject to testing after the reporting date is the Net Financial Debt as at January 31st 2024, which replaced the net financial debt/EBITDA ratio as at January 31st 2024 as a result of consent from the finance providers (PKO BP S.A. and Bank Polska Kasa Opieki S.A. as well as Pekao Faktoring Sp. z o.o.) obtained on October 9th 2023 that the conditions for covenant testing as at July 31st 2023 may be maintained as at January 31st 2024.

The ratio will undergo a one-off test as at January 31st 2024.

PKO BP S.A. permits a return to the original contractual obligations as they were prior to the execution of the annex, 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 Net Financial Debt/EBITDA ratio was set at a level not higher than 5.0, to be tested every six months, as at two consecutive testing dates. In the Management Board's opinion, as at the first testing date (January 31st 2023) the ratio exceeded the prescribed limit. Following the banks' approval, MODIVO S.A. secured conditional consent from the bondholder Softbank to waive the right to demand early redemption in the event of covenant breach as at the second testing date of July 31st 2023, with the waiver effective upon execution of the credit documentation extending the availability period of the PLN 260.0m credit facility, as per the binding offer received from Bank Polska Kasa Opieki S.A. on April 13th 2023.

With Softbank's consent, a ratio exceeding the limit prescribed for January 31st 2023 and July 31st 2023 (two consecutive testing dates) was not considered an event of default under that or any other financing agreement of the MODIVO Business Unit or any other Business Units.

On November 24th 2023, an agreement was signed to the agreement for the issue of bonds to Softbank. The annex extended the redemption date for the bonds until April 5th 2026. Changes were also made to the interest rate on the bonds and the level of adjustment of the share price to be paid in the event of mandatory conversion of the bonds into shares if Modivo S.A. carries out an IPO. For more information, see section 6.5 'Events after the reporting date' in the interim condensed consolidated financial statements of the CCC Group.

In addition, the agreement introduced an exemption from testing the Net Financial Indebtedness/EBITDA ratio of <5 as at January 31st 2024.

All amendments made under the agreement with Softbank are contingent upon obtaining all necessary approvals, including those from the relevant Modivo governing bodies, including its General Meeting.

Definitions:

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

(all amounts in PLN million unless stated otherwise)

EBITDA is defined as operating profit increased by depreciation and amortisation (excluding amounts resulting from the implementation of IFRS 16), decreased by any gains or increased by any losses from the disposal of non-financial non-current assets, and increased by costs related to the incentive scheme for the 12 months ended on the ratio calculation date.

DSCR is defined as (EBITDA decreased by corporate income tax) divided by the sum of interest and principal payments on borrowings and leases (excluding amounts resulting from the implementation of IFRS 16) and other credit 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), a derivative financial instrument embedded in bonds convertible into Modivo shares (voluntary conversion option), and put options to purchase minority interests in DeeZee Sp. z o.o and MODIVO S.A. For a detailed description of the financial instruments, see Note 6.1 to the interim condensed consolidated financial statements.

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.

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 interim condensed consolidated financial statements.

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 October 31st 2023 were:

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

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

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

(all amounts in PLN million unless stated otherwise)

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

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

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

COMPANY SHAREHOLDERS HOLDING SPECIAL CONTROL RIGHTS

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

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

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

(all amounts in PLN million unless stated otherwise)

21. MANAGEMENT BOARD AND SUPERVISORY BOARD

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

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

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

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

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

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

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

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

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

22. OTHER INFORMATION

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

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

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

Impairment losses, provisions and deferred tax

See "Interim condensed consolidated financial statements".

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

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

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

Not applicable.

Material litigation settlements

Not applicable.

Corrections of prior period errors

Not applicable.

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

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

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

Not applicable.

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

Not applicable.

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

Not applicable.

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

Not applicable.

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

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

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

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

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

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

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

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

Not applicable.

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

Not applicable.

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

Not applicable.

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

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

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

Not applicable.

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

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

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

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

Contracts/agreements between the Company and the management staff

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

Share buy-back

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

Restrictions on voting rights at the Company

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

Parent's branches (establishments)

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

Major R&D achievements

Not applicable.

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

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

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

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

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

On November 8th 2023, the Extraordinary General Meeting of CCC Factory Sp. z o.o. of Polkowice (the "Acquiree") passed a resolution to merge CCC Factory Sp. z o.o. with CCC.eu Sp. z o.o., and the Extraordinary General Meeting of CCC.eu Sp. z o.o. of Polkowice (the "Acquirer") passed a resolution to merge CCC Factory Sp. z o.o. with CCC.eu Sp. z o.o. By way of the resolutions, the shareholders of the Acquiree and the Acquirer granted their consent to the merger plan of September 28th 2023, which was agreed upon and signed by the management boards of the merging companies, and ratified the merger of the Acquirer and the Acquiree (the "Merger"). On November 14th 2023, the merger resolutions were filed with the National Court Register (KRS), requesting deletion of CCC Factory Sp. z o.o. from the National Court Register and requesting a modification of the company details for CCC.eu Sp. z o.o. in the relevant business register. The merger will take effect on the date of registration of the merger with the National Court Register.

On November 21st 2023, the Management Board of the Modivo Business Unit signed an annex with PKO BP S.A. extending the availability period of the multipurpose credit facility until November 21st 2025. The facility amount remained unchanged, with the sublimit of PLN 180m on the overdraft facility and the sublimit of PLN 50m on guarantees and letters of credit. The annex introduced new financial covenants for the Modivo Business Unit: EBITDA as at April 30th 2024 and DSCR as at July 31st 2024 and subsequent quarters.

On November 24th 2023, Modivo S.A. ("Modivo") entered into an agreement with SVF II Motion SubCo (DE) LLC, a Softbank Group company ("Softbank") to amend the terms and conditions of the bonds issued by Modivo on October 5th 2021, with a nominal value of PLN 500m, containing a clause mandating conversion into Modivo shares.

The Parties agreed to extend the maturity of the bonds from August 23rd 2024 to April 5th 2026 and to adjust the fixed interest rate on the bonds to 10.99% per annum, applicable during the period from October 2024 to April 2026 (the "Extension Period").

As was the case before the Extension Period, the interest on the bonds is of a non-cash nature and will be capitalised. The bonds will be automatically converted into Modivo shares in the event of Modivo's initial public offering (IPO) or any similar transaction specified in the terms and conditions of the bonds ("Mandatory Conversion"). Softbank will retain the right to voluntarily convert the bonds into shares prior to the Mandatory Conversion or repurchase of the bonds, based on Modivo's value set at PLN 6bn. Concurrently, Modivo's right to demand early repayment of the bonds will expire (prior to the amendment, this right could be exercised 24 months after the issue date).

As was before the Extension Period, the Modivo shares subscribed for by the investor in the exercise of the mandatory conversion option, will be issued at their market price and at an agreed discount on their market value following the first public offering, which will be contingent on the conversion date.

The other terms and conditions of the bonds remained unchanged.

The formal amendment to the terms and conditions of the convertible bonds is contingent upon obtaining all necessary approvals, including those from the relevant Modivo governing bodies, including its General Meeting.

Under the agreement, Softbank has also agreed to refrain from testing the Net Financial Debt/EBITDA ratio as at January 31st 2024 (a covenant) on the condition that Modivo submits an application to the National Court Register, incorporating the amendments related to the convertible bonds approved by the General Meeting.

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 November 29th 2023.

The consolidated financial statements were authorised for issue by the Management Board on November 29th 2023.	
Edyta Skrzypiec - Rychlik	Chief Accountant
Signatures of all Management Board members:	
Dariusz Miłek	President of the Management Board
Karol Półtorak	Vice President
Igor Matus	Vice President