## Very good sales results of the CCC Group in June 2019 -60% growth thanks to, among others, good weather, wider assortment, promotions and development of e-commerce

The CCC Group recorded very good sales results in June 2019, generating revenues of PLN 621 million, thus piercing the 600 million mark for the first time in one month. This represents an increase of 60% compared to the previous year. This result was made up of both dynamically growing year-on-year sales revenues from retail network as well as increasing sales in the e-commerce segment. Eobuwie.pl recorded another consecutive month of very dynamic increase in sales. Like-for-like sales growth in brick and mortar stores in June amounted to 39% at the Group level, which is a very satisfactory result.

After disappointing, due to unfavourable weather conditions, April and May, sales of the retail segment picked up dynamically in June, with the improvement of weather conditions. It amounted to PLN 502m, growing by 60% year over year. Temperatures oscillating around 30 degrees Celsius favoured the sale of the summer collection, which customers reached for this year slightly later than usually. Sales in June were additionally supported by a promotional campaign lasting from mid-June until the end of July, assuming a 50% discount on the second cheaper product or the third cheapest for a penny. Retail sales grew on the foreign markets at the highest rate in Serbia (+107%), Bulgaria (+69%) and Romania (+55%), which is in line with the strategic assumption of further expansion concentrating in this part of Europe. The footwear market in the above mentioned countries is characterized by high dynamics of growth, which supports the development of retail space in this region assumed by CCC. CCC revenues in Poland grew by 61% y/y. June brought also confirmation of positive effects of current strategy of expanding product range. The range of branded sports shoes, which enjoy great popularity, is constantly increasing. The hit in June sales was the DeeZee brand introduced with the spring-summer collection.

The CCC Group also continues its expansion in the GCC region through a franchise model. At the end of June, a new store with floorspace of over 800 sqm was opened in the DALMA MALL Shopping Centre in the United Arab Emirates in Abu Dhabi. It is the third CCC stationary store in the region, and the second one in the capital of the UAE. By the end of the year the opening of 6 more stores is planned: in Oman, Saudi Arabia, Bahrain, Qatar and UAE.

Sales results of June confirm the importance of e-commerce in the CCC Group and strategic direction of building position of regional omnichannel leader. Its largest and most important component is eobuwie.pl, whose sales amounted to ca. 100 million PLN and grew by 43%, in eobuwie.pl's e-commerce sales channel only. The largest markets of eobuwie.pl are Poland, Romania and Hungary. The development of the eobuwie.pl chain of omnichannel stores is also continued. The stores reached a high Ifl sales growth and on 28 of June twelfth store of this type was opened. The new opening took place at the Forum Gdańsk Mall, where 40 tablets were made available to customers, offering 70,000 products available on the spot. Inhabitants of Pomerania will now be able to receive the ordered products with home delivery in 3 hours. The opening of the new eobuwie.pl store in Gdańsk was accompanied by the debut of the so-called Foot Truck, a mobile eobuwie.pl store. In summer 2019 it

will visit the most popular spots of the Polish sea coast. It has over 2,000 pairs of shoes on board, esize.me scanners and all the functionalities of the eobuwie.pl omnichannel store.

In the e-commerce segment, DeeZee's sales results are also noteworthy. In June, it reached the level of PLN 3.7 million, which means almost doubling year over year. This result is mainly due to the very good reception of the spring-summer collection. The interest in the offer remains at a very high level.

One of the most important events of June was the launch of CCC online store in full functionality - offering the delivery of ordered products to the address chosen by the customer. The internal tests of the ccc.eu online store were successfully completed, which allowed it to be opened for the customers.

"The online store is a milestone in our way to omnichannel and new quality of shopping. Within a few days of its official launch, more than 5,000 orders were generated, with a total revenue of over PLN 1 million. This is a very important first step" - stresses the Director of CCC e-commerce/omnichannel, Jakub Jasiński.

"The recent launch of the CCC online store, the CCC mobile application, the introduction of the DeeZee online brand to our stationary stores, or other projects in the pipeline - all these factors will help us to better connect the world of stationary and online trade in CCC. We meet the expectations of customers, whom we want to offer what they want, where they want and when they want, and that is why we provide them with further digital points of contact with our brand. What also makes us happy is the fact that we do it harmoniously using both internal resources and strategic competences of the companies from our Group, which results in the fastest benefit and builds value" - adds Karol Półtorak, Vice-President of CCC.

CCC online store is currently operating in Poland, but the plans are to launch it by the end of the first quarter of 2020 on 5 other markets where CCC already operates. The online store, as well as expanding the product range, is an element of opening the CCC Group to new groups of customers. Through e-commerce CCC reaches people who prefer shopping online, who appreciate the convenience of ordering products with home delivery. Despite the start in the last days of June, sales through the CCC platform exceeded 1,2 M PLN, which confirms its key importance for the brand's customers.

This is not the end of the e-commerce expansion on the road to becoming the leader of omnichannel in Europe. In June, the Modivo platform (online store with clothes, shoes and accessories in the premium segment) was launched to a wide range of customers, in Poland and in the Czech Republic. CCC Group will continue its offensive in the e-commerce channel.

In accordance with the decision taken by the Management Board of CCC S.A. (communicated already during the conference after the publication of the results of the first quarter of 2019), the current report published today is the last one presenting sales data on a monthly basis. Taking into account the seasonality of business, feedback from capital market participants, as well as good practices of reporting in the industry, the Company decided to stop monthly sales reporting and switch to quarterly publication of preliminary, estimated financial results. The new reporting format will be published on the first working day after the end of the reporting quarter (October 1st 2019 for the third quarter of this year). It will also replace the so called "prelim" report (the last one will be published about two weeks before the publication of the report for the first half of 2019).

The total floorspace of the CCC sales network at the end of Q2 2019 amounted to over 703,000 m<sup>2</sup> and included over 1200 stores, over a half of them abroad. CCC Group was present in 26 countries (20 offline and 15 online).

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