

Stock acquisition deal **eobuwie.pl S.A.**

Financial terms, synergies and development plans



- Eobuwie.pl SA is an **undisputed leader** of the Polish e-commerce shoe market.
- CCC acquires 74,99% stock of eobuwie.pl S.A. **rapidly improving its market share and customer base.**
- **Numerous synergies and ambitious joint development plans** will give the CCC Group a position of a **major european player**.



Marcin Grzymkowski – CEO



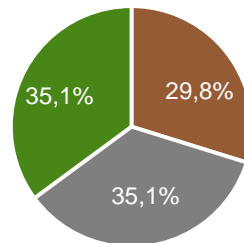
- CEO and shareholder of eobuwie.pl, running the biggest online shoe shop in Poland
- Developing the online shoe sales in Poland for 9 years, also responsible for foreign expansion
- Thorough knowledge of the shoe and leather goods markets
- Managing a team of ca. 180 employees
- Graduate of e-commerce studies at University of Wales in Cardiff (2008)

eobuwie.pl SA – undisputed leader of Polish shoe e-commerce.



- eobuwie.pl S.A. is a high margin company specializing in **retail sales of medium and high quality shoes of well known brands** and accessories, in **multibrand formula**, using **e-commerce**.
- eobuwie.pl sells shoes in **Poland, Czech Republic, Slovakia, Romania and Germany**, making profits in each of the above markets.
- After investment in a new logistic hub, further dynamic development in CEE and Austria is planned.
- eobuwie.pl is an undisputed **leader of Polish online stores**, working in the shoe market (market share of ca.16%)
- Average order value at eobuwie.pl S.A. in 2015 YTD has been 294 PLN. Average receipt value at CCC in the same period was 65 PLN.

Shareholder and key management information



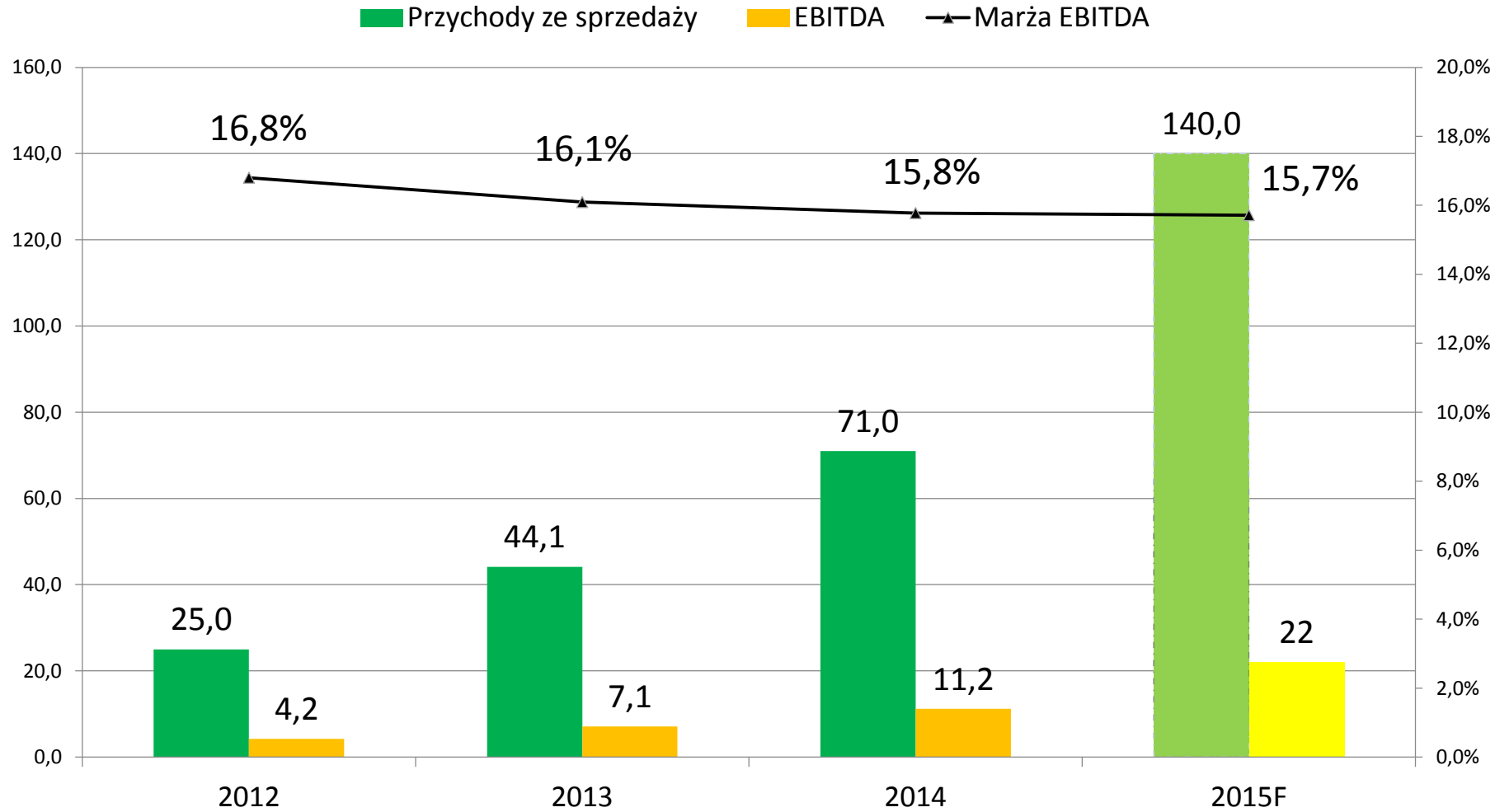
- Marcin Grzymkowski
- Katarzyna Grzymkowska
- Krzysztof Grzymkowski

Management Board

Marcin Grzymkowski
President/CEO

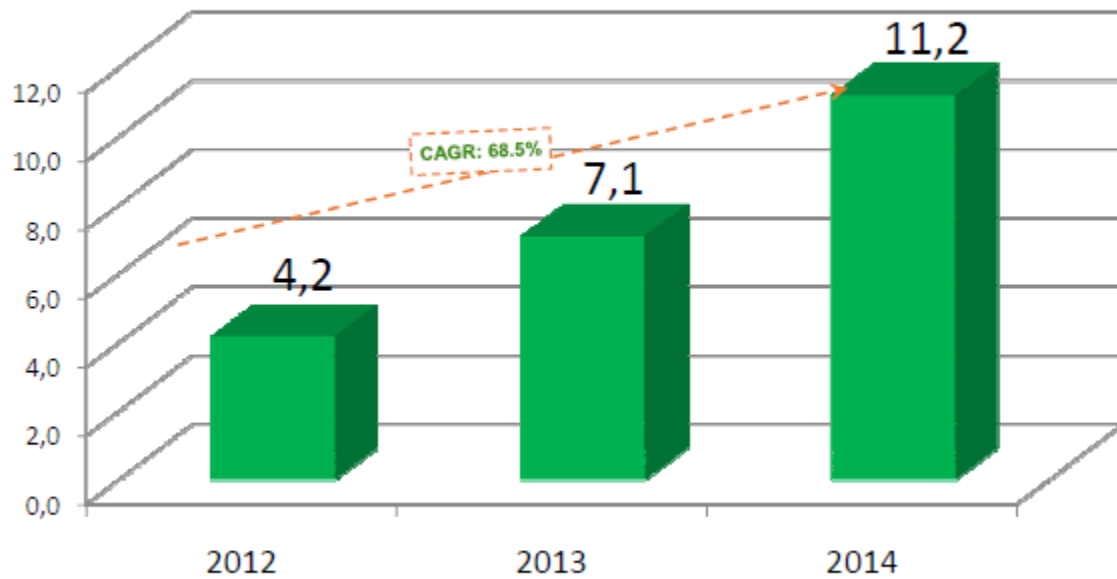
Krzysztof Grzymkowski
Vicepresident

eobuwie.pl SA – undisputed leader of Polish shoe e-commerce.

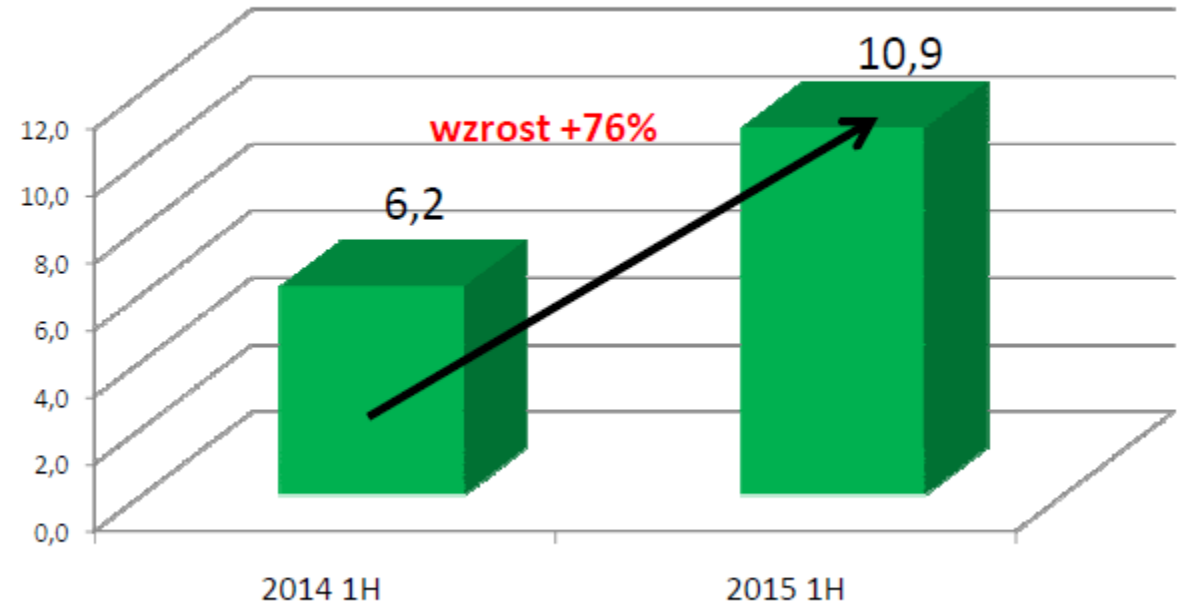


eobuwie.pl SA – undisputed leader of Polish shoe e-commerce.

EBITDA 2012 - 2014



EBITDA H1_2014 – H1_2015



Expected EBITDA in 2015 – at least 20.000.000 - 22.000.000 PLN

eobuwie.pl SA – undisputed leader of Polish shoe e-commerce.



Foreign brands

- Armani Jeans
- Asics
- Caterpillar
- Caprice
- Clarks
- Converse
- Crocs
- Ecco
- Emu
- Furla
- Geox
- Guess
- Liu Jo
- Lloyd
- Love Moschino
- Napapijri
- Nike
- Pepe Jeans
- Rieker
- Tamaris
- Tommy Hilfiger

Polish brands

- Badura
- Bartek
- Gino Rossi
- Nord
- Venezia
- Wojas

**Over 20 000 products
Of 330 brands**

eobuwie.pl SA – undisputed leader of Polish shoe e-commerce.

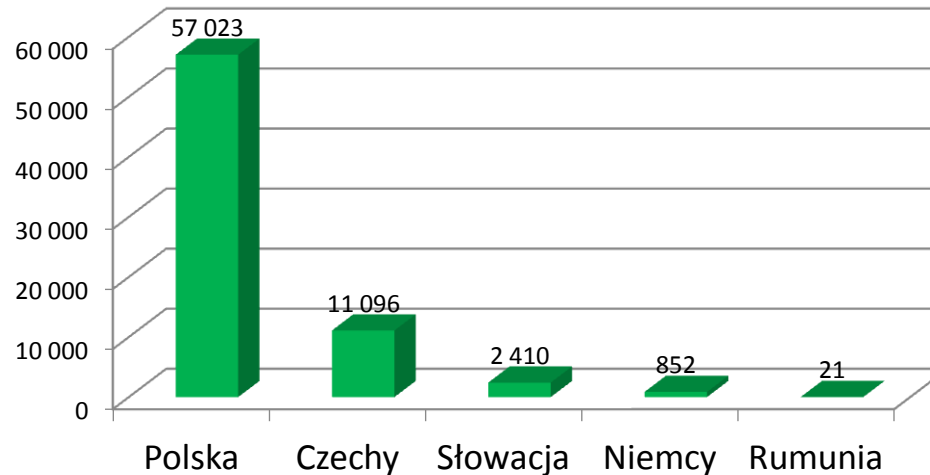
- Operations conducted in **Poland, Czech Republic, Slovakia, Romania and Germany.**



- Operations to be commenced this year in Hungary and Lithuania



Struktura geograficzna sprzedaży 2015



eobuwie.pl SA – undisputed leader of Polish shoe e-commerce.

Target – to acquire the leader’s position in online retail market of medium and high quality shoes in CEE region as well as significant position in German speaking countries

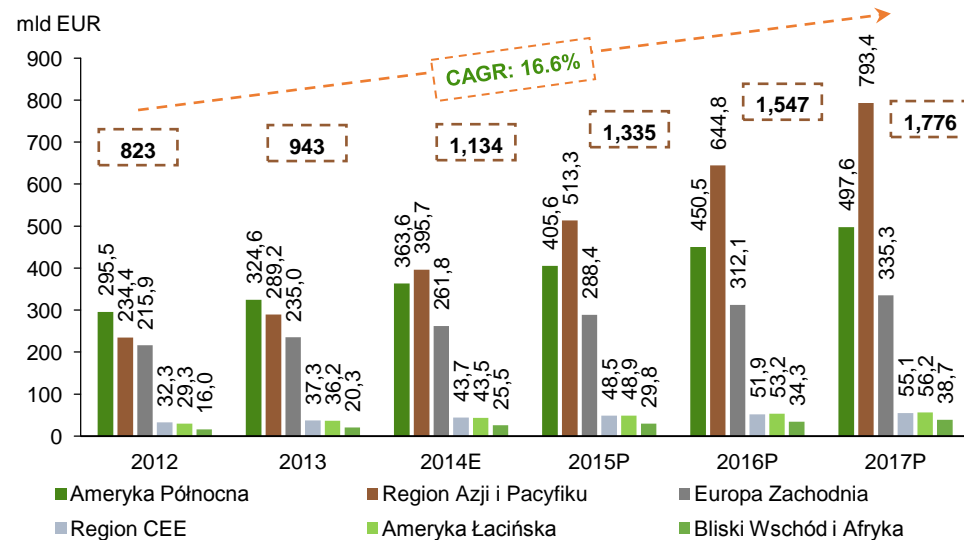
Strategic management	Implementing of a developed, scalable business model in expansion on new markets in the region	Human Resources	Management by a competent, experienced and well motivated team
	Further development of the omnichannel notion		Utilization of the shoe market expertise as well as ability to identify fashion trends
Operational and logistics management	Investment in a modern logistics center	Image development	Constant improvement of credibility among customers
	Further automation and development of technological and logistical edge over smaller competitors		Continuation of growth of eobuwie.pl brand awareness among customers
	Optimisation of logistics, decrease in distribution costs based on economy of scale	Financial results	High margins together with high growth rate
	Minimal indebtedness		

eobuwie.pl SA – undisputed leader of Polish shoe e-commerce.

Global e-commerce market

- Global e-commerce market grew by **14.5%** in **2013**, reaching **943 mld EUR** at the end of 2013. In **2014** r. market's value was estimated at **1,134 mld EUR** (up 20.3%)¹
- The rising trend is forecasted to remain the main factor throughout the coming years. According to business forecasts, the average yearly growth of **CAGR, in years 2012-2017P**, should reach **16.6%**, and the global e-commerce market in **2017** r. will be worth **1,776 mld EUR**²

Global e-commerce market value, mld EUR, 2012-2017P



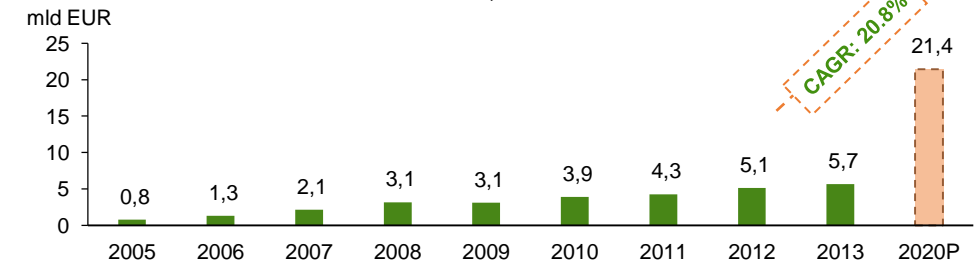
Source: emarketer.com

Noty: (1,2) – emarketer.com; (3,4) – Raport Euromonitor International

E-commerce market in Europe and Poland

- According to the data published by E-commerce Europe, **e-commerce market in the CEE region** reached the value of **37.3 mld EUR** in **2013**.
- E-commerce market value in **Czech Republic** in 2013 r. reached **2.1 mld EUR**, while in **Slovakia** it was **0.3 mld EUR**
- **Since 2005** r. the e-commerce market in **Poland** has been growing dynamically, at the rate above **average 25% y/y**. Its value in **2013** reached **5.7 mld EUR**, and in **2014** it was estimated at **6.9 mld EUR**³
- According to the same publication, the e-commerce market in **Poland** will have a value of **25 mld EUR** in **2020**.
- **The number of e-stores has risen in 2014 by 7.0%**, reaching an estimated number of **14.1 thousand**. In **2013**, on the Polish market there were ca. **1,300 e-shops** active in clothing and shoe market⁴

Total value of Polish e-commerce market, mld EUR 2005-2020P



Source: Raport e-commerce, interaktywnie.com, na podstawie SMG, Kelkoo, Forrester Research, PMR;

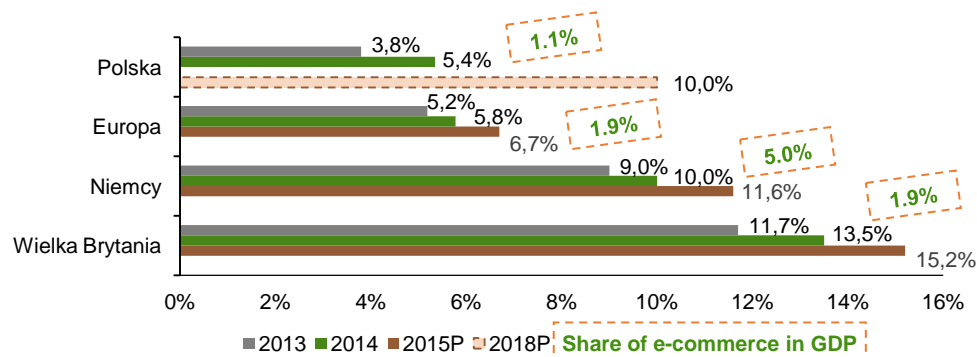
eobuwie.pl SA – undisputed leader of Polish shoe e-commerce.

Market environment

E-commerce vs retail¹

- The market share of IT in Europe's GNP equaled 3.5% in 2012. According to forecasts, it is about to **double by 2016 and triple by 2020**. The share of e-commerce in Europe's GDP in 2012 was 1.9%, while in Poland it equaled 1.1%
- The e-commerce market is much smaller than traditional. Its share in total retail market in 2013 equaled 3.8%, compared to European average of 5.8%
- According to forecasts, there is a substantial growth potential for e-commerce in Poland, its value is estimated to keep on growing until it reaches the size it has in Western Europe. The graph below shows comparison to Great Britain and Germany, countries with the highest turnover in e-commerce branch in Europe

E-commerce share in retail market and GDP in Europe, Poland, Germany and Great Britain, 2013-2018P²



Nota: (1,2) – emarketer.com, retailsearch.org, zapis debaty „Rynek e-commerce. Perspektywy rozwoju w Polsce, potencjał rynku i szanse dla firm z różnych branż”, Raport e-commerce, interaktywnie.com, 2014r., web.gov.pl, Raport European B2C E-commerce report 2014

Polish market compared developed markets

		Europa		
Number of Internet users (mln)	26.9	529.0	69.5	52.8
Internet users as % of citizens	69.8%	71.3%	86.2%	82.4%
Number of electronic shops customers	9.0	250.0	37.0	39.0
Numbers of electronic shops customers, as % of citizens	23.4%	33.7%	45.9%	60.8%
Average yearly spending on online shopping ¹	465€	1402€	1351€	2466€

Nota (!): Baza jest liczba osób robiących zakupy online
Źródło: Raport European B2C E-commerce report 2013, dane za rok 2012

M-commerce market in Poland

- M-commerce is one of the fastest growing branches of e-commerce, and its growth is 3 times higher than the growth of e-commerce
- Between 2013 and 2016, the average yearly growth rate of mobile retail in Poland is about to reach 32,8%, while the value of the whole branch in 2016 r. is estimated at 2.5 mld PLN
- The value of the market in Poland in 2014 reached 1 mld PLN

Źródło: Badanie PayPal oraz Ipsos

eobuwie.pl SA – undisputed leader of Polish shoe e-commerce.

Awards and prizes



Award of **star of Customer Service Quality 2015** – consumers' choice – website jakoscobslugi.pl

2015



Multiple winner of Forbes' Diamond – ranking of the most dynamic Polish companies

2015, 2014, 2012, 2011



Perfection in Fashion 2014 from magazine „Twój Styl”, in category Perfect online store

2014



Best ranked shop by financial website money.pl – first place in Ranking of the online stores in category Fashion

2014



Customer's Golden Laurel 2014 – awarded by the customers satisfied with quality and speed of customer service as well as wide choice of products available

2014



Laureate of Gazeta Biznesu – a ranking of the most dynamically growing small and medium companies

2014



First place in category clothes and shoes in Ranking of Online Shops – choice of customers on website opineo.pl

2014



First place in ranking in category Fashion in „Polish e-commerce in 2014 r.

2014

eobuwie.pl has been establishing a stable market leader position for over 8 years in Polish shoe retail e-commerce

Stock acquisition deal **eobuwie.pl S.A.** Financial terms and characteristics



eobuwie.pl S.A. – financial terms and characteristics

- CCC and Shareholders of eobuwie.pl S.A. have signed an Investment Agreement on 26.08.2015.
- After meeting of the Conditions Precedent, which are a market standard for this kind of deals, including receipt of consent from President of Office of Competition and Consumer Protection, the deal will be finalised.
- CCC will acquire 7.499.000 shares of eobuwie.pl S.A. equal to 74,99% of share capital and votes on General Meeting of Shareholders for the amount of 129.982.000 PLN. Apart from that, after the approval of audited financial report for 2015, CCC will pay extra the amount calculated as $12 \times (\text{EBITDA } 2015 - 15.000.000 \text{ PLN}) \times 74,99\%$.
- Two Shareholders – Marcin Grzymkowski (President/CEO) and Krzysztof Grzymkowski (Vicepresident) will keep hold of operational management of eobuwie.pl S.A.
- CCC has a call option for the remaining 2.501.000 shares equaling to 25,01% votes on General Meeting of Shareholders, which constitute 25,01% of share capital after accepting the financial statement for year 2018.

eobuwie.pl S.A. in CCC Capital Group means synergies and ambitious joint development plans



eobuwie.pl SA – synergies and joint development plans

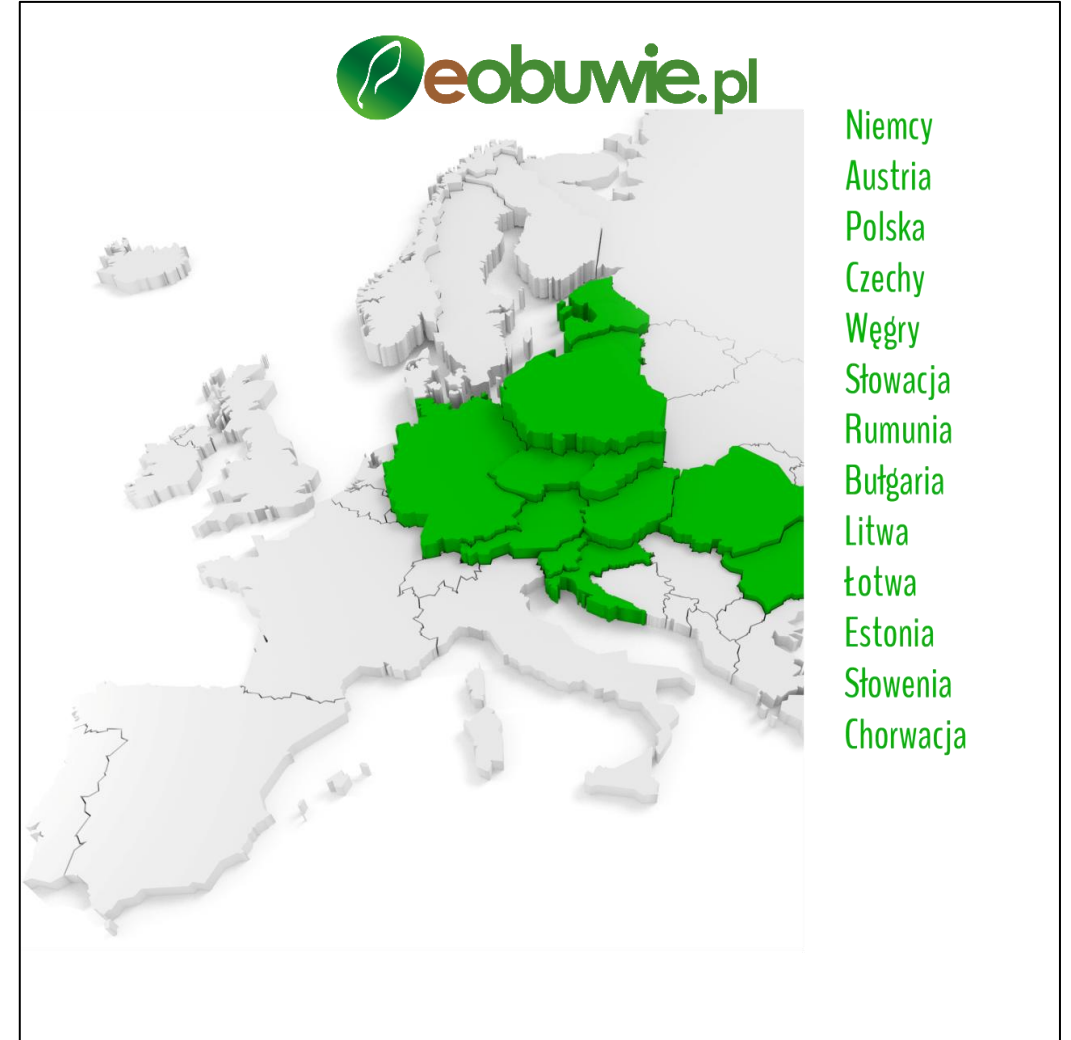
- **No risk of market cannibalization.**
- CCC is purchasing shares in a company which is:
 - active **on a very different market**, (products of well established brands),
 - using **different channels of distribution** (mobile devices, tablet, computer);
- After the acquisition **eobuwie.pl S.A. retains autonomy within CCC Group. It is still managed by the current Shareholders and CCC doesn't plan to interfere with the present business model.**
CCC acquires top class **know-how in e-commerce management** for its Capital Group.

eobuwie.pl SA – synergies and joint development plans

- After the transaction eobuwie.pl S.A. gains **access to capital and financial resources of CCC**.
- CCC funds **a new state of art distribution centre** in Special Economic Zone (Zielona Góra area, to be finished in spring of 2016).
- eobuwie.pl S.A. gains direct **operational benefits** from:
 - Joint dispatches to logistic hubs nad lower transportation costs to Central European countries
 - Advertisement in CCC stores (500 mln customer entries a year)
 - New possibilities for customers to return or pick up ordered goods in CCC stores
 - Cost synergy in management and administration areas in the new markets
- Gradually eobuwie.pl S.A. will expand its range of goods with **a part of CCC's assortment (Lasocki, Sprandi, Disney)**

eobuwie.pl SA – synergies and joint development plans

Zalando vs eobuwie.pl – geografical range and expansion plans



The expansion and development plans of eobuwie.pl S.A. are in line with the geographical expansion strategy of CCC S.A.

eobuwie.pl SA – synergies and joint development plans

- CCC Capital Group through investments in logistics and financial support plans on building eobuwie.pl S.A. into **the biggest e-commerce shoe retailer in Central Europe.**
- We are expecting that within three years eobuwie.pl S.A. will reach the sales income level of over **500.000.000 PLN.**
- The premium brands from CCC portfolio (Lasocki, Sprandi, Disney) will be available on e-commerce platforms of eobuwie.pl S.A. in all the Central Europe countries, in Germany and in Austria since this autumn.