

Adoption by the Management Board of the CCC Group strategy for 2021-2025**(Current report no. 70/2021)**

25.11.2021 /Issuer/

Legal basis:

Article 17 sec. 1 MAR - confidential information

The Management Board of CCC S.A. based in Polkowice (hereinafter: the "Issuer") announces that today they have adopted the strategy of CCC Group with the perspective to 2025 "GO.25 | EVERYTHING FASHION, OMNICHANNEL PLATFORM", which includes the main directions of the Group's development. The new CCC Group strategy refers to the "GO.22" strategy published in 2020 and is its natural continuation.

In the last two years, the sector of clothing and footwear trade has undergone numerous changes, caused, among others, by the COVID-19 pandemic. As a result of these changes, selected market trends have accelerated (among others, the growing digital sales segment), elements related to the shopping experience (i.e. new methods of payment, development of the deferred payment market, same-day delivery and express delivery), as well as increased awareness and responsibility towards the environment and the surroundings, have become even more important.

Within the framework of the GO.22 strategy, the CCC Group implemented a number of activities in key areas. The most important of them include: product development and marketing communication, investment in technology and digitisation, development of online sales channels, including new tools and services for customers, as well as elimination of non-strategic assets and projects.

In response to the described changes in the environment and in order to best prepare the CCC Group for the coming years, the Issuer decided to adopt a new strategy.

The goals and strategic aspirations of the CCC Group in the horizon until 2025 include:

- tripling the revenue of the CCC Group compared to the Q3'21 LTM period,
- achieving consolidated EBITDA profitability (from IFRS16) of over 12%,
- share of revenues from new categories (excluding footwear) at the level of at least 1/3,
- share of sales from online channels at the level of over 60% of revenue of the CCC Group (increase from about 45% in Q3'21)
- improvement of the NPS (Net Promoter Score) index by 10 points for each signboard/ sales channel in the CCC Group,
- employee engagement index at least 10 points above the sector average,
- MSCI ESG rating of A+.

The strategy includes plans and objectives for each signboard of CCC Group:

- **CCC** - the leader in omnichannel footwear sales in Central and Eastern Europe, focusing on optimising and digitalising the sales network, developing digital channels, strengthening private labels and further development of advanced analytics; 25-30% share in Group's revenues in 2025;



t: +48 (76) 84 58 400 | t: +48 (76) 84 58 500
f: +48 (76) 84 58 431 | ccc@ccc.eu | www.ccc.eu

- **Eobuwie** - leader in online footwear sales in Central and Eastern Europe, developing operations on foreign markets, strengthening mobile and conversion, creating new sales channels (marketplace); 30-35% share in Group's revenues in 2025;
- **Modivo** - the most inspiring fashion platform in CEE, expanding product offerings, creating innovative services for clients, developing client base; 15-20% share share in Group's revenues in 2025;
- **HalfPrice** - leader of the off-price market in Central and Eastern Europe, scaling the sales network in key markets for the Group, developing e-commerce platform and expanding the product offer; 15-20% share in Group's revenues in 2025;
- **DeeZee** - pan-European fashion brand, leader in social media, continuing overseas expansion and expanding clothing offering; ~5% share of Group revenue in 2025.

CCC Group's business model includes five complementary signboards (CCC, eobuwie.pl, Modivo, HalfPrice, DeeZee) and common foundations and resources, within which key activities have been defined:

- **Culture and people** - customer-centricity, innovation, teamwork, top talent, growing commitment;
- **Product** - a portfolio of complementary strategic own brands for each customer group, enriched by the best foreign brands; development of new categories (except footwear); a unique ecosystem of product circulation in the Group through full-price and off-price channels; modern, engaging 360-degree marketing communications;
- **Communications** - further expansion of customer base and advanced analytics, omnichannel personalisation, customer value building and management across the full lifecycle;
- **Technology** - omnichannel customer experience, modern digitally enabled shops, robotisation and innovation;
- **Supply chain** - holistic end-to-end view, new directions and diversification of supply, development of e-commerce logistics, express delivery, integration of shop and warehouse inventory;
- **Sustainability** - eco-friendly collections, reduction of emissions of scope 1-3, equality and diversity in the workplace, highest standards for suppliers.

The CCC Group brands complement each other, addressing the needs of different customer segments. Through them, the CCC Group will strengthen its position in the home markets, and international development is planned mainly for the e-commerce channel.

The implementation of the strategy will be financed from own resources and credit capacity. Along with the improvement of operating results and the optimisation of working capital, own funds and debt instruments (including bank products or bonds) will be used to finance development needs focused on technology, logistics and the development of the HalfPrice network.

Disclaimer: The Company informs that the information and strategic directions of the CCC Group presented above, including in particular the figures, do not constitute a forecast or estimate of financial results and refer only to the intended courses of action for the period 2021-2025.

Signatures:

1/ Marcin Czyczerski - President of the Management Board

2/ Karol Półtorak - Vice-President of the Management Board