

Execution of the non-binding term sheet concerning the acquisition of the enterprise operating stores under the CCC brand in Romania from the franchisee and the letter of intent concerning the opening of the CCC stores in Georgia and Kazakhstan

(Current report No. 66/2017)

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Legal basis:

Article 17 Section 1 of MAR – confidential information

The Management Board of CCC S.A. ("**Issuer**") informs, that on December 22nd, 2017 the Issuer, Peeraj Brands International SRL (an operator of CCC stores in Romania under the franchise agreement entered into with the Issuer) ("**Peeraj**") and individuals being shareholders of Peeraj (jointly with Peeraj, the "**Sellers**") executed:

- (i) the non-binding term sheet concerning the acquisition of the enterprise operating stores under the CCC brand in Romania and a company linked to such activity - Shoe Express SRL ("**Peeraj CCC**") ("**Transaction**") ("**Term Sheet**"),
- (ii) the letter of intent concerning the opening of CCC stores in Georgia and Kazakhstan by Peeraj under the franchise agreement to be concluded with the Issuer during the first half of 2018, before the completion of the Transaction ("**Letter of Intent**").

The total amount to be paid by the Issuer under the Transaction has been set at EUR 33 million. This amount may be further adjusted depending on the evolution of the business of Peeraj CCC after January 1st, 2018. The Letter of Intent provides that the Issuer will be entitled to retain EUR 1 million from the price of the Transaction against the price for goods intended for sale in Kazakhstan and Georgia.

The completion of the Transaction is conditional upon the fulfillment of a number of conditions, such as relevant corporate transformation of Peeraj CCC, obtaining required corporate and regulatory approvals, including approval from the relevant competition authority, finalizing the due diligence and other standard conditions for this type of transaction. The closing of the Transaction is envisaged for the second quarter of 2018.

As of the date of the Term Sheet, Peeraj CCC comprises a network of 54 stores operated by Peeraj under the CCC brand. According to pro forma data received from the Sellers, the sales of Peeraj CCC in 2016 amounted to RON 178 million (approx. EUR 38 million) with a net profit RON 25 million (at the then current terms of trade between Peeraj CCC and the Issuer). According to data received from the Sellers, revenues for the period January-October 2017 were higher vs. Jan-Oct 2016 by 28%.

Signatures:

1/ Karol Półtorak – Vice President of the Management Board

2/ Marcin Czyczerski – Vice President of the Management Board