

CCC S.A. announces a tender offer for the sale of all the shares in Gino Rossi S.A. and the execution of a conditional agreement on the sale of Gino Rossi S.A. receivables with bank PKO BP S.A.

(Current Report No. 55/2018)

07.12.2018 /the Issuer/

Legal basis:

Article 17 Section 1 of MAR - confidential information

The Management Board of CCC S.A. (the "Issuer", the "Tenderor") gives notice that on 7 December 2018 the Tenderor, acting via Powszechna Kasa Oszczędności Bank Polski S.A. Oddział – Dom Maklerski PKO Banku Polskiego in Warsaw announced a tender offer ("Tender Offer") for the sale of 50,333,095 ordinary bearer shares (the "Shares") of Gino Rossi S.A. (the "Company"), i.e., all the shares issued by the Company, carrying the right to 100% of the aggregate number of votes at the general meeting of the Company, at PLN 0.55 PLN (fifty-five groszy) per Share. The Tenderor is also the entity acquiring the Shares under the Tender Offer.

The Tender Offer was announced pursuant to Article 74 Section 1 of the Act of 29 July 2005 on the public offer and the conditions governing the introduction of financial instruments to an organized trading system and on public companies (Dz.U. of 2018, item 512) and to the Regulation of the Minister of Development and Finance of 14 September 2017 on the forms of tender offers to place subscriptions for the sale or exchange of shares in a public company, the detailed procedures of the announcement thereof, and the conditions for acquiring shares pursuant to such tender offers (Dz.U. of 2017, item 1748).

The Tender Offer is subject to the conditions defined in Clauses 29 and 30 of the Tender Offer, i.e.:

- (i) the placing of subscriptions under the Tender Offer for the sale of at least 33,219,842 (thirty-three thousand two hundred and nineteen thousand eight hundred and forty-two) Shares, i.e., at least 66% of the total number of Shares, vesting the right to at least 33,219,842 (thirty-three thousand two hundred and nineteen thousand eight hundred and forty-two) votes at the general meeting of the Company, constituting at least 66% of the total number of votes at the Company's general meeting;
- (ii) the *conditio iuris* for the Tender Offer is satisfied, i.e. the President of the Competition and Consumer Protection Office grants an unconditional consent to a concentration consisting in the takeover of control over the Company as a result of the Tenderor acquiring the Shares, or the statutory period in which such consent should be issued elapses;
- (iii) the execution by the Tenderor and the Company of an organizational agreement concerning the commencement of strategic cooperation, the ensuring of financial support by the Tenderor to maintain the liquidity of the Company as well as ensuring its integration within the Tenderor's capital group, as well as: (i) containing an undertaking of the Management Board of the Company that it shall not adopt a resolution with regard to the authorization referred to in § 6c of the articles of association of the Company, i.e., the power of the Management Board of the Company to increase the Company's share capital by an amount not exceeding PLN 20,000,000 by way of one or more share capital increases through the issue of shares of common stock within the framework of the authorized capital; (ii) containing the Company's consent to undergo a due diligence review performed by the Tenderor, (iii) containing a plan of restructuring of the Company, that will ensure a 50% reduction of the Company's existing liabilities (with the exception of liabilities related to the lease of commercial premises) vis-a-vis such creditors whose total receivables as at the date of the Tender Offer exceed PLN 100,000 (one hundred thousand) per creditor through a partial redemption thereof, and (iv) indicating the amounts and dates when the Tenderor shall support the Company's liquidity;
- (iv) the execution of agreements by the Company with all the creditors of the Company, whose total amount of claims concerning the Company's liabilities (with the exception of liabilities



related to the lease of commercial premises) as at the date of the Tender Offer exceeds PLN 100,000 (one hundred thousand) per creditor, on a 50% reduction of such liabilities as a result of a partial redemption thereof;

- (v) in the event of Management Board of the Company adopting a decision on an increase of the share capital of the Company pursuant to § 6c of the articles of association of the Company - the adoption of a Supervisory Board resolution refusing to consent to the share capital increase within the authorized capital.

Unless the subscription period under the Tender Offer is extended, the subscriptions may be placed from 2 January 2019 to 31 January 2019.

Furthermore, the Tenderor gives notice that on 7 December 2018 it entered into an agreement with the minority shareholders of the Company, that is: (i) Mr. Jan Pilch, holding indirectly (i.e. through FRM 4E Capital spółka z ograniczoną odpowiedzialnością spółka komandytowo-akcyjna with its registered office in Kraków and FORUM XXIII Fundusz Inwestycyjny Zamknięty with its registered office in Kraków) a total of 10,334,997 Shares in the Company, representing 20.53% of the its share capital and carrying the right to 20.53% of the total number of votes at the general meeting of the Company ("Shareholder 1") and (ii) Mr. Krzysztof Bajolek, holding directly 70,615 Shares in the Company and indirectly (i.e. through FORUM X Fundusz Inwestycyjny Zamknięty with its registered office in Kraków) 4,770,000 Shares in the Company, that is a total of 4,840,615 Shares in the Company, representing 9.62% of its share capital and carrying the right to 9.62% of the total number of votes at the general meeting of the Company ("Shareholder 2", collectively "Shareholders"), whereby Shareholder 1 and Shareholder 2 agreed to procure that their subsidiaries or affiliates which directly hold shares in the Company place subscriptions for the sale, under the Tender Offer, of the total of 15,104,997 Shares in the Company, representing 30.01% of its share capital and carrying the right to 30.01% votes at the general meeting of the Company. Additionally, Shareholder 2 agreed to place subscriptions for the sale of 70,615 Shares in the Company under the Tender Offer, which Shares represent 0.14% of the its share capital and carry the right to 0.14% of the total number of votes at the general meeting of the Company (i.e. for a total of 15,175,612 Shares, representing 30.15% of the share capital of the Company and carrying the right to 30.15% of the total number of votes at its general meeting). Shareholder 1 and Shareholder 2 also agreed that the said subscriptions for the sale of Shares under the Tender Offer will not be withdrawn or cancelled, also if another entity announces a tender offer for the sale or exchange of the Shares before the day ending the subscription period for the Shares under the Tender Offer.

Furthermore, under the same agreement, subject to a condition precedent consisting in the completion and settlement of the Tender Offer and the effective acquisition of all the Shares held directly and indirectly by the Shareholders, the Tenderor agreed to acquire from the subsidiaries or affiliates of Shareholder 1 and Shareholder 2, receivables under promissory notes with a total nominal value of PLN 5,280,000.

The Tenderor also gives notice that on 7 December 2018 it entered into a conditional sale agreement (the "Agreement") with Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna (the "Bank"), whereby upon satisfaction of certain conditions precedent set forth in the Agreement and completion of certain closing actions, the Tenderor shall acquire all cash receivables (whether due now or in future) existing as at the date of the transfer of the Bank from the Company under the loan agreements between the Bank and the Company in a total amount of PLN 70 million.

The Price of the receivables to be acquired has been agreed between the parties taking into account the financial condition of the Company. Along with the transferred receivables the Tenderor shall acquire all rights that are accessory or related thereto, in particular any security for such receivables.

Considering that the Company and members of its group are parties to certain security agreements, which also secure the liabilities of Simple Creative Products S.A. and companies within its group, the structure of such security will be modified (by amending or releasing the relevant instruments) so that



any security established over the assets of the Company or companies within its group will only secure the Company's liabilities (i.e. the receivables acquired from the Bank).

The terms set forth in the Agreement are typical for this type of transactions, and the transfer of the ownership title to the receivables being transferred is planned to occur on 18 December 2018.

The full text of the announcement was published in the relevant Polish Press Agency service.

Signatures:

1/ Karol Półtorak - Vice President of the Management Board

2/ Marcin Czyczerski - Vice President of the Management Board

