ROBYG
the Art of Building

Current Report No 48/2017

Number and Date of the Current Report:
Current Report no. 48/2017 dated 1 December 2017
Time of disclosure: 6.21 CET

Subject of the Current Report:
ROBYG S.A. - Conclusion of an agreement with Bricks Acquisitions Limited (owned by the investment funds of Goldman Sachs International) regarding the announcement of a tender offer to subscribe for the sale of 100% of the shares in the Company and the disclosure of delayed inside information regarding the granting to a financial investor of the exclusive right to conduct negotiations with the Company and to carry out a due diligence of the Company and its assets, and the commencement by the financial investor of negotiations with the Company and a due diligence of the Company

Legal basis:
Article 17(1) of the MAR Regulation

Contents of the Current Report:

Further to current report No. 49 of 13 May 2015 regarding the commencement of the search for a strategic investor for the Company, the management board of ROBYG S.A. (the "**Company**") announces that the search has been concluded by entering by the Company on 1 December 2017, following negotiations with Bricks Acquisitions Limited with its registered office in London, the United Kingdom, an entity owned by the investment funds of Goldman Sachs International (the "**Investor**") and European Special Situations Group of the Securities Division of Goldman Sachs International ("**ESSG**") into an agreement (the "**Agreement**") whereby the Investor agreed to announce, within one day of the date of the announcement of the transaction by the Company, a tender offer to subscribe for the sale of all the shares in the Company pursuant to Article 74 Section 1 of the Act of 29 July 2005 on Public Offering and the Conditions Governing the Introduction of Financial Instruments to Organised Trading (the "**Offering Act**") (the "**Tender Offer**").

The Agreement provides that the price per one Company share in the Tender Offer will be PLN 3.55. The Tender Offer will be subject to certain conditions precedent: (i) the Investor will obtain an unconditional consent to a concentration from the President of the Competition and Consumer Protection Office or the statutory term for issuing such consent lapses, (ii) the subscriptions will cover the minimum number of the shares amounting to 66% of the total number of the shares in the Company (i.e. 191,004,791 shares in the Company), (iii) the general meeting of the Company will adopt a resolution on the change in the composition of the supervisory board of the Company by the appointment to the supervisory board of the Company of three persons indicated by the Investor, with effect from the date of acquisition by the Bidder of at least 51% of the total number of Shares under the Tender Offer, (iv) the general meeting of the Company will adopt a resolution on amendment to the Company's Articles of Association whereby the manner of appointment of the supervisory board of the Company will be amended in such a way that three members of the supervisory board of the Company will be appointed and dismissed by the Investor and the remaining members of the supervisory board of the Company will be appointed and dismissed by the general meeting of the Company, with effect from the date of acquisition by the Bidder of at least 51% of the total number of Shares under the Tender Offer, and (v) the Investor and the Company will enter into an agreement on strategic cooperation and integration of the Company within the Investor's capital group. Under the Agreement, the Company consented to release the ESSG and the Investor from the prohibition to acquire the Company shares (such consent was required in connection with the confidentiality agreement concluded with ESSG as part of a process of the search of the strategic investor for the Company).

After the Tender Offer has been announced, the management board of the Company will present its position in compliance with the Offering Act. Under the Agreement, the Company is also subject to certain obligations in the period between the conclusion of the Agreement and the acquisition of the Company shares by the Investor as a result of the final settlement of the Tender Offer; *inter alia*, the Company agreed to obtain the Investor's consent to specific actions to be taken in that period.

In connection with the conclusion of the Agreement, the Company and certain members of the management board of the Company, the chairman of the supervisory board and the chairman of the supervisory board of the Company's subsidiary granted the Investor in a separate understanding a number of warranties, among other things, regarding the Company's operations, and, regulated the responsibility of the warrantors and the Company for warranties that would prove to be untrue, inaccurate or misleading at the date of the Agreement.

At the same time, members of the Company's management board, Oscar Kazanelson, chairman of the supervisory board and Alex Goor, chairman of the supervisory board of ROBYG Construction sp. z o.o. (the "**Entitled Persons**") and certain vehicles controlled by the Entitled Persons have entered into an agreement with the Investor and its direct dominant entity, ELQ Investors VIII Limited, on the basis of which, the Entitled Persons undertook to sell (and to procure that respective holding vehicles controlled by the Entitled Persons sell) to the Investor their shares in the Company within the Tender Offer. Moreover, the above-mentioned agreement sets forth the terms and conditions of an incentive programme for the Entitled Persons. Also, pursuant to the agreement, certain of the Entitled Persons undertook to invest, conditionally upon the successful completion of the Tender Offer, in the shares of Bricks Acquisitions Limited - an investment which will be financed by the Entitled Persons from the proceeds of sale of shares within the Tender Offer and partially accelerated payment by the Company's group to the Entitled Persons of a long-term incentive programme based on the net profit of the capital group of the Company for years 2015, 2016, 2017 and 2018. The partially accelerated payment of a long-term incentive programme is conditional upon the adoption of the relevant resolutions by the relevant corporate bodies of the Company.

Additionally, pursuant to Articles 17(1) and 17(4) of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC (the "**MAR**

Regulation"), the management board of the Company hereby publicises the inside information whose public disclosure was delayed by the Company on 6 October 2017.

The content of the inside information whose publication was delayed:

The management board of the Company announces that, in connection with the Company's search for a strategic investor for the Company (cf. current report No. 49 of 13 May 2015), on 6 October 2017 (i) the management board of the Company granted the financial investor the exclusive right to carry out a due diligence of the Company and of its assets and to hold negotiations with the management board of the Company regarding a transaction whose purpose would be to have the Investor acquire 100% of the shares in the Company, as well as to cancel the dematerialisation of the shares in the Company and to delist the Company shares from the regulated market operated by Giełda Papierów Wartościowych w Warszawie S.A. (the Warsaw Stock Exchange) (the "**Transaction**"), (ii) the management board of the Company commenced negotiations with the Investor regarding the Transaction, and (iii) the Investor commenced the due diligence of the Company and of its assets.

Legal basis: Articles 17(1) and 17(4) of the MAR Regulation – inside information.

<u>Signatures of the Management Board:</u>
Artur Ceglarz – Vice-President of the Management Board
Eyal Keltsh – Vice-President of the Management Board