

**Not for distribution in Australia, Canada and Japan**

## **Pre-announcement of the public exchange offer**

**of**

**Parjointco N.V., Rotterdam, the Netherlands**

**for all publicly held bearer shares with a nominal value of CHF 20 each of**

**Pargesa Holding SA, Geneva, Switzerland**

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Parjointco N.V., Rotterdam, the Netherlands ("**Parjointco**") intends to launch on or about 22 April 2020, a public exchange offer (the "**Offer**") pursuant to articles 125 et seq. of the Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading for all publicly held bearer shares of Pargesa Holding SA, Geneva ("**Pargesa**"), with a nominal value of CHF 20.00 each (the "**Pargesa Shares**").

Parjointco reserves the right to launch the Offer through one of its subsidiaries (the "**Offeror**"), in which case Parjointco would fully guarantee the obligations of the Offeror.

### **Background of the Offer**

Pargesa is a Swiss stock corporation (*société anonyme*) with its registered office in Geneva, Switzerland, and whose bearer shares are listed on SIX Swiss Exchange ("**SIX**"). As of 11 March 2020, Pargesa's main asset consisted of an indirect participation representing 50.00% of the capital and 51.69% of the voting rights in Groupe Bruxelles Lambert ("**GBL**"), a stock corporation with its registered office in Brussels, Belgium, and whose shares are listed on the Euronext Brussels market. GBL acts in various industry and services sectors through its holdings in a number of operating companies.

Parjointco, Pargesa's majority shareholder, is a company incorporated under Dutch law with its registered office in Rotterdam, the Netherlands. Parjointco's shareholders are a group consisting of the Stichting Administratiekantoor Frère-Bourgeois, Rotterdam, the Netherlands (the "**Stichting Frère-Bourgeois**"), and of the Desmarais Family Residuary Trust and of entities controlled by the Stichting Frère-Bourgeois and the Desmarais Family Residuary Trust (the "**Frère-Desmarais Group**").

The current structure of the Frère-Desmarais Group involves the coexistence of two listed companies within the same holding chain: Pargesa, whose bearer shares are listed on SIX, on the one hand, and GBL, whose shares are listed on Euronext Brussels, on the other hand. At present, this structure results in Pargesa Shares being generally traded on the stock exchange at a price more than 39% below the net asset value of the group's underlying assets (discount), whereas at GBL, this discount is lower (around 28% as of 11 March 2020). The Frère-Desmarais Group wishes to simplify this structure and thus

eliminate this difference in discount, by transferring the public shareholding from Pargesa to GBL, then by delisting Pargesa from SIX.

## **Main terms of the Offer**

The main terms of the Offer are expected to be as follows:

**Object of the Offer** The Offer will extend to all publicly held bearer shares with a nominal value of CHF 20 each of Pargesa at the date of this pre-announcement. The Offer will not extend to the Pargesa Shares held by Parjointco or any of its direct or indirect subsidiaries.

**Exchange ratio** It is expected that the Offeror will offer, for each Pargesa Share:

**0.93 existing shares of GBL (the "GBL Shares").**

On the basis of the closing price of the GBL Shares on Euronext Brussels of EUR 73.72 on 11 March 2020 and an EUR/CHF exchange rate of 1.0582 (16:00 GMT Fixing, accessed through Bloomberg (BFIX)), the Offer values each of the Pargesa Shares at CHF 72.55. This represents a premium of 16% over the closing price of the Pargesa Share on 11 March 2020, which was CHF 62.65.

The exchange ratio will be reduced by the gross amount of any dilutive event concerning the Pargesa Shares occurring until settlement of the Offer, in particular in the event of a capital increase at a price per share lower than the value of the Offer, repayment of capital, sale of Pargesa Shares by Pargesa below the value of the Offer, the issuance, allocation or exercise of conversion or option rights or the granting of preferential subscription rights with an intrinsic value relating to Pargesa Shares, the disposal of Pargesa assets at a price below their market value or the acquisition of assets by Pargesa at a price above their market value, as well as in the event of the payment of a dividend by Pargesa.

No adjustment to the exchange ratio will be made (i) as a result of the exercise of the stock options held by members of the senior management, employees and former employees of Pargesa; or (ii) as a result of the dividend of CHF 2.63 per Pargesa Share on the agenda of the annual general meeting of shareholders of Pargesa on 6 May 2020, which has already been taken into account in the exchange ratio.

No fractions of GBL Shares will be issued as part of the Offer. The fractions to which a Pargesa shareholder who has accepted the Offer may be entitled will be aggregated. If a fraction of GBL Shares must still be delivered following such aggregation, the number of GBL Shares to be delivered under the Offer will be rounded down to the first whole number. The GBL Shares corresponding to the sum of the remaining fractions will be sold in the open

market by the Offeror or its agent and converted into Swiss Francs at the EUR/CHF exchange rate determined using the 16:00 GMT Fixing accessed through Bloomberg (BFIX) and published on the trading day preceding the settlement date of the Offer, or if no rate is published on that day, on the last day for which such rate was published. A cash amount corresponding to the net proceeds of the sale of each fraction shall be transferred to the Pargesa shareholders entitled to such fractions.

### **Offer Period**

The offer prospectus is expected to be published on 22 April 2020. Upon expiration of the cooling-off period of 10 trading days, the Offer will remain open for a period of 20 trading days, that is, presumably from 8 May 2020 until 8 June 2020, 4:00 p.m. Central European Summer Time (CEST) (the "**Offer Period**"). The Offeror reserves the right to extend the Offer Period once or several times. If the Offer becomes unconditional, the Offer will be open for acceptance for an additional acceptance period of 10 trading days.

### **Conditions**

The Offer is expected to be subject to the following conditions:

- (a) Upon expiry of the (possibly extended) Offer Period, the Offeror shall have received valid declarations of acceptance for such number of Pargesa Shares which, when combined with the Pargesa Shares and the Pargesa registered shares held by the Offeror and the persons acting in concert with the Offeror, account for at least 90% of Pargesa's voting rights.
- (b) The extraordinary general meeting of shareholders of GBL accepts the amendment to GBL's articles of association relating to the double voting rights for fully paid-up shares, registered for at least two years without interruption in the name of the same shareholder, as provided by the new Belgian Code on Companies and Associations.
- (c) No judicial or administrative authority has issued any decision preventing, prohibiting, or qualifying as inadmissible the Offer or its completion.

The Offeror reserves the right to waive some or all of these conditions, either in whole or in part.

Condition (a) shall be in force and effect until the end of the (possibly extended) Offer Period. Condition (b) shall be in force and effect until the extraordinary general meeting of shareholders of GBL at which the matter in question will be decided, currently scheduled for 28 April 2020. Condition (c) shall be in force and effect until the date of settlement of the Offer.

If condition (a) has not been satisfied or waived by the end of the (possibly extended) Offer Period, the Offer will be declared unsuccessful. If condition (b) has not been satisfied or waived at the extraordinary general meeting of

shareholders of GBL at which the matter in question is decided, the Offer will be declared unsuccessful.

If condition (c) has not been satisfied or waived at the date of settlement of the Offer, the Offeror shall have the right to declare the Offer unsuccessful or to postpone the date of settlement of the Offer by up to four months after the expiration of the additional Offer Period (the "**Postponement**"). During the Postponement, the Offer shall continue to be subject to condition (c), as long as and to the extent that such condition has not been satisfied or waived. Unless the Offeror applies for, and the Swiss Takeover Board approves, an additional postponement of the settlement date, the Offeror will declare the Offer unsuccessful if such condition (c) has not been satisfied or waived during the Postponement.

## **Offer Restrictions**

### **General**

The Offer described in this pre-announcement will not be made, directly or indirectly, in any country or jurisdiction, in which such an Offer would be illegal or would otherwise violate any applicable law or ordinance, or which would require the Offeror to change the terms or conditions of the Offer in any way, to submit any additional filing to, or to perform any additional action in relation to, any governmental, regulatory or legal authority. It is not intended to extend the Offer to any such country or jurisdiction. Documents relating to the Offer must not be distributed in or sent to any such countries or jurisdictions. Any such documents must not be used for the purpose of soliciting the sale or purchase of securities of Pargesa by any person or entity resident or incorporated in any such country or jurisdiction.

### **United States of America**

Subject to certain exceptions, the public tender offer described in this pre-announcement will not be made directly or indirectly in or by use of the mail of, or by any means or instrumentality of interstate or foreign commerce of, or any facilities of a national securities exchange of, the United States of America and may only be accepted outside the United States of America. This includes, but is not limited to, facsimile transmission, electronic mail, telex, telephone, the internet and other forms of electronic communication. This pre-announcement and any other offering materials with respect to the public tender offer described in this pre-announcement are not being, and must not be, directly or indirectly mailed or otherwise transmitted, distributed or forwarded (including, without limitation, by custodians, nominees or trustees) nor sent in or into the United States of America or to any persons located or resident in the United States of America and may not be used for the purpose of soliciting the sale or purchase of any securities of Pargesa from anyone in the United States of America. The Offeror is not soliciting the tender of securities of Pargesa by any holder of such securities located or resident in the United States of America. Securities of Pargesa will not be accepted from holders of such securities located or resident in the United States of America. Any purported acceptance of the offer that the Offeror or its agents believe has

been made in or from the United States of America will be invalidated. The Offeror reserves the absolute right to reject any and all acceptances determined by them not to be in the proper form or the acceptance of which may be unlawful. Notwithstanding the foregoing, holders of Pargesa securities who are both "qualified institutional buyers" and "qualified purchasers" as defined under the U.S. securities laws may participate in the offer contemplated hereby. The tender offer is being made for the securities of Pargesa, a Swiss stock corporation (*société anonyme*), and is subject to Swiss disclosure and procedural requirements, which are different from those of the United States of America. The tender offer will be made in the United States of America on a private placement basis to "qualified institutional buyers" and "qualified purchasers" in compliance with Section 14(e) of the U.S. Securities Exchange Act of 1934, as amended, and the applicable rules and regulations promulgated thereunder, including Regulation 14E (subject to any exemptions or relief therefrom, if applicable) and otherwise in accordance with the requirements of Swiss law. Accordingly, the tender offer will be subject to disclosure and other procedural requirements, including with respect to the tender offer timetable, settlement procedures, withdrawal, waiver of conditions and timing of payments, that are different from those applicable under U.S. domestic tender offer procedures and laws. In addition, any financial information provided with respect to Parjointco, Pargesa or GBL may have been prepared in accordance with non-US accounting standards that may not be comparable to the financial statements of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

The securities to be offered in exchange for Pargesa shares pursuant to the public tender offer described in this pre-announcement have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), nor under any law of any state of the United States of America, and may not be offered, sold, resold or delivered, directly or indirectly, in or into the United States of America, except pursuant to an exemption from the registration requirements of the U.S. Securities Act and the applicable state securities laws. This pre-announcement does not constitute an offer to sell or the solicitation of an offer to buy any securities in the United States of America. GBL will not register or make a public offer of its securities, or otherwise conduct the public tender offer, in the United States of America. In addition, none of Parjointco, Pargesa or GBL shall take any action in connection with the tender offer which would subject any of them to regulation under the US Investment Company Act of 1940, as amended, and the rules and regulations thereunder.

**"United States of America"** means the United States of America, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana

Islands), any state of the United States of America and the District of Columbia.

**United Kingdom**

This communication is directed only at persons in the U.K. who (i) are permitted participants, as defined under "European Economic Area" below, (ii) have professional experience in matters relating to investments and who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"), (iii) are persons falling within article 49(2)(a) to (d) ("high net worth companies, unincorporated associations, etc.") of the Order or (iv) to whom it may otherwise lawfully be communicated (all such persons together being referred to as "relevant persons"). This communication must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this communication relates is available only to relevant persons and will be engaged in only with relevant persons.

**Australia, Canada, Japan**

The public exchange offer described in this pre-announcement is not addressed to shareholders of Pargesa whose place of residence, seat or habitual abode is in Australia, Canada or Japan, and such shareholders may not accept the offer.

**European Economic Area**

The public exchange offer described in this pre-announcement (the "Offer") is only being made within the European Economic Area ("EEA") pursuant to an exemption under Regulation (EU) 2017/1129 (as amended and together with any applicable adopting or amending measures in any relevant member state of the EEA, the "Prospectus Regulation"), from the requirement to publish a prospectus that has been approved by the competent authority in that relevant member state and published in accordance with the Prospectus Regulation or, where appropriate, approved in another relevant member state and notified to the competent authority in that relevant member state, all in accordance with the Prospectus Regulation. Accordingly, in the EEA, the Offer and documents or other materials in relation to the Offer and the shares in GBL are only addressed to, and are only directed at, (i) qualified investors ("qualified investors") in the relevant member state within the meaning of Article 2(1)(e) of the Prospectus Regulation and any relevant implementing measure in each relevant member state, and (ii) persons who hold, and will tender, the equivalent of at least EUR 100,000 worth of shares in Pargesa (the "Target Shares") in exchange for the receipt of GBL Shares (collectively, "permitted participants"). This pre-announcement and the documents and other materials in relation to the Offer may not be acted or relied upon by persons in the EEA who are not permitted participants, and each shareholder of Pargesa seeking to participate in the Offer that is resident in the EEA will be deemed to have represented and agreed that it is a qualified investor or that it is tendering the equivalent of EUR 100,000 worth of Target Shares in exchange of GBL Shares.

## Information

Further information on this Offer is expected to be published electronically through the same media.

This pre-announcement and the other documents relating to the Offer will be available at <https://www.pargesa.ch/en/listed-securities/exchange-offer-offre-dechange/>.

Goldman Sachs International has been appointed as financial advisor. Zürcher Kantonalbank has been appointed as the execution bank responsible for the settlement of the Offer.

<b>Swiss Security Number/ISIN:</b>	Swiss Security Number	ISIN	Ticker Symbol
<b>Pargesa Bearer Shares</b>	2'178'339	CH0021783391	PARG
<b>GBL Shares</b>	N/A	BE0003797140	GBL BB

**Place and Date:** Rotterdam, 11 March 2020

### Financial Advisor



### Offer Manager

