

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

**Parjointco N.V.**

**Pargesa Holding SA**

Rotterdam and Geneva, 11 March 2020

**Joint Press Release**

## **Parjointco launches a public exchange offer for all Pargesa shares to simplify the current holding structures**

---

- **Parjointco, jointly controlled by the Desmarais and Frère family groups, currently owns 55% of Pargesa Holding SA while Pargesa's assets today exclusively consist of its 50% stake in GBL.**
- **Pargesa shareholders to receive 0.93x GBL share for each Pargesa bearer share, implying a premium of 16% based on the closing prices of Pargesa and GBL shares as of 11 March 2020.**
- **Transaction should result in double-digit DPS increase for Pargesa's shareholders.**
- **Transaction supported by Pargesa's Board of Directors.**
- **Exchange offer expected to be published on 22 April 2020. Transaction closing by Q3 2020.**
- **Pargesa to be delisted post completion of transaction.**

Parjointco N.V. ("**Parjointco**") and Pargesa Holding SA ("**Pargesa**") have reached an agreement on the terms and conditions of a simplification of their group structure by way of a public exchange offer initiated by Pargesa for all Pargesa shares not already owned, with Pargesa shareholders to receive 0.93x Groupe Bruxelles Lambert ("**GBL**") share for each Pargesa bearer share. The Board of Directors of Pargesa have reviewed and approved the proposed transaction.

As a result of the strategic initiatives and restructuring implemented over the years, Pargesa's assets today almost exclusively consist of its 50% stake owned in GBL, representing nearly 100% of Pargesa's net asset value (NAV). As such, there is no longer a need for a separate listed Pargesa holding company. The current holding structure results in a double holding discount for Pargesa shareholders, increasing the overall discount on Pargesa's shares compared to the net asset value of GBL's portfolio, with Pargesa currently trading at 39%<sup>1</sup> discount to NAV compared to 28%<sup>1</sup> for GBL.

---

<sup>1</sup> As of 11 March 2020.

As a result of the transaction, Parjointco, jointly controlled by the Desmarais and Frère family groups, is expected to retain *de facto* control of GBL. The agreement between the two family groups was last extended in 2012 to 31 December 2029 with provision for further extension.

Key benefits of the simplified group structure include:

- Significant value creation for Pargesa shareholders with an exchange ratio implying a premium of 16% based on the closing prices of Pargesa and GBL shares as of 11 March 2020.
- Attractive financial terms for all Pargesa shareholders. With an exchange ratio of 0.93x, Pargesa shareholders will receive GBL shares approximately equivalent to their current indirect ownership in GBL, adjusted for Pargesa net debt and transaction related costs.
- Transaction expected to result in a double-digit DPS increase for Pargesa shareholders<sup>2</sup>.
- Increase in public float and associated trading liquidity for shareholders.

“This reorganization will simplify the group's corporate structure and serve as a catalyst in delivering value to shareholders. Our two families, working together for 30 years, will maintain continuity and *de facto* control of the group and support strategic initiatives to enhance shareholder value,” said Paul Desmarais Jr., Pargesa's Chairman.

The proposed transaction will be subject to Parjointco holding or having received shareholder acceptances with respect to at least 90% of Pargesa's total voting rights<sup>3</sup> and will be conditional upon GBL shareholders approving the implementation of double-voting rights at a GBL Extraordinary Shareholders Meeting to be held on 28 April 2020. In full alignment with the new Belgian Companies Code (BCC), double-voting rights would be granted to all GBL shareholders having held their shares in registered form for an uninterrupted period of at least two years.

A pre-announcement of Parjointco's public exchange offer can be reviewed at <https://www.pargesa.ch/en/listed-securities/exchange-offer-offre-dechange/>. The offer prospectus, together with the report of the Board of Directors of Pargesa on the offer, are expected to be published on 22 April 2020 and to be made available at the same address. The offer prospectus will include a summary of the main terms and conditions of the transaction agreement entered into between Parjointco and Pargesa in relation to the public exchange offer. The offer period is planned to be from 8 May 2020 to 8 June 2020. The transaction is expected to close in Q3 2020. Pargesa is to be delisted after successful completion of the offer and subsequent cancellation of the remaining bearer shares of Pargesa.

Goldman Sachs is acting as exclusive financial advisor to Parjointco. Freshfields Bruckhaus Deringer, Lenz & Staehelin, Loyens & Loeff and Oberson Abels are acting as legal advisors to Parjointco. Zürcher Kantonalbank is acting as offer manager.

Rothschild & Co Bank AG acted as financial advisor to Pargesa and provided a fairness opinion on the terms of the transaction. Rothschild & Co Bank AG has also been retained by Pargesa's Board of

---

<sup>2</sup> GBL and Pargesa FY2019 dividends will be paid in ordinary course in May 2020. Illustratively, based on (i) an exchange ratio of 0.93x for the proposed transaction and (ii) proposed FY2019 dividend per share of €3.15 for GBL and CHF 2.63 (~€2.49 based on EUR/CHF exchange rate of 1.0582) for Pargesa, transaction would represent an 18% DPS increase for Pargesa shareholders.

<sup>3</sup> Implying an acceptance level of the exchange offer of approximately 60%.

Directors to provide a fairness opinion in the context of the public exchange offer. Professor Peter Nobel acted as legal counsel to the board of directors of Pargesa.

### **About Parjointco**

Parjointco N.V. ("Parjointco") is an investment holding company created in 1990 by the Power Corporation group of Canada (controlled by the Desmarais family) and the Frère group of Belgium. Pursuant to the initial agreement signed in 1990 by the two family groups, each group controls Parjointco on an equal basis. The initial agreement was last extended in 2012 to 31 December 2029, with provision for possible further extension. Parjointco is incorporated under the laws of the Netherlands and at 31 December 2019 held a 55.5% equity interest in Pargesa.

### **About Pargesa Holding**

Pargesa Holding SA ("Pargesa") is the parent company of the Pargesa Group. Benefiting from the support and stability of the partnership created in 1990 between its two controlling shareholders (the Power Corporation group in Canada and the Frère group in Belgium), the Pargesa Group aims to create value over long-term for the benefit of all its shareholders, by building a portfolio of shareholdings in companies that are market leaders in various industry and service sectors, and acting as a professional shareholder. Today, Pargesa Group's portfolio is held through Pargesa's subsidiary Groupe Bruxelles Lambert ("GBL"). Pargesa holds 51.69% of the voting rights of GBL. Pargesa is listed at the SIX Swiss Exchange (Ticker: PARG; ISIN: CH0021783391) and is included in the SPI and EURO STOXX 600 indices.

### **About Groupe Bruxelles Lambert**

Groupe Bruxelles Lambert ("GBL") is an established investment holding company, with over sixty years of stock exchange listing. GBL is a leading investor in Europe, focusing on long-term value creation and relying on a stable and supportive family shareholder base. GBL strives to maintain a diversified high-quality portfolio composed of global companies, leaders in their sector, in which it can contribute to value creation by being an active professional investor. GBL seeks to provide attractive returns to its shareholders through a combination of a sustainable dividend and growth in its net asset value. GBL is listed on the Euronext Brussels stock exchange (Ticker: GBL BB, ISIN: BE0003797140) and is part of the BEL20 index.

### **Contact**

Marie-Hélène Hancock  
Hirzel.Neef.Schmid.Counselors  
Phone +41 22 340 28 45  
Email [marie-helene.hancock@konsulenten.ch](mailto:marie-helene.hancock@konsulenten.ch)

## **IMPORTANT INFORMATION**

### **General**

The offer described in this press release 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 press release 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 press release and any other offering materials with respect to the public tender offer described in this press release 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 press release 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 press release 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 press release 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 press release must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this press release relates is available only to relevant persons and will be engaged in only with relevant persons.

#### **Australia, Canada, Japan**

The public tender offer described in this press release 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 tender offer described in this press release 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 press release 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.