

Report no 5/2017

Disclosure of confidential information

EMC Instytut Medyczny SA with its registered office in Wroclaw (the Issuer), acting pursuant to Art. 17 (1) and (4) of the Regulation of the European Parliament and the Council (EU) No 596/2014 of 16th April 2014. (MAR Regulation) announces the following confidential information on the signing by the Issuer of the document that specifies the Issuer's intention to acquire 100% of the shares of Private clinic Certus limited liability company with its registered office in Poznań (Confidential Information).

The publication of this confidential information was delayed on 11th August 2016, then 5th December 2016 based on art. 17 (4) MAR.

The content of the confidential information of 11th August 2016 :

"The Management Board of the Company announces that as a result of the negotiations to acquire 100% of the shares company under the name Private clinic Certus limited liability company with its registered office in Poznań ("Certus"), a document that specifies the intention of the parties regarding the purchase 100 % of shares in Certus ("Term Sheet") was signed on 11th August 2016.

The issuer has decided to delay announcing the confidential information regarding the signing of the Term Sheet, the content of which is not binding to the parties and it is only to determine the intentions of the parties to enter a purchase transaction of 100% of the shares of Private clinic Certus limited liability company with its registered office in Poznan by the Issuer.

Parties to the Term Sheet are: EMC Instytut Medyczny SA and Private clinic Certus limited liability company with its registered office in Poznan and Mr. Mariusz Kozierowski - the sole shareholder of Certus. Based on the Term Sheet the Parties agreed on the terms for further negotiations that aimed at signing an investment agreement - an agreement to purchase 100% of shares in Certus: 102 (PLN one hundred and two) shares with a nominal value of PLN 500.00 (say: PLN five hundred) each, with a total nominal value of PLN 51,000 00 (PLN fifty one thousand).

According to the main assumptions of the Term Sheet, Certus shares shall be purchased by the Issuer at the price of PLN 11, 95,000(PLN eleven million nine hundred fifty thousand), which could be adjusted (reduced) by the amount of net debt calculated as of 30th November 2016 or on the date of signing the investment agreement, if the date of signing the contract falls after 30th November 2016, where the net debt of Certus exceeds the amount of PLN 1, 000,000 (PLN one million), the price will be adjusted by the value of net debt that exceeds PLN 1,000,000 (PLN one million).

Under the Term Sheet, the parties agreed to continue the negotiations to purchase 100% of shares in Certus on an exclusive basis in the period to 31st October 2016. In accordance with the Term Sheet the purchase transaction of shares in Certus shall be concluded and executed if the following requirements have been met:

- a due diligence examination of the company Certus will have been performed by 30th September 2016, as long as the result are satisfactory to the Issuer. The Due diligence investigation of the company Certus will be the basis on which the scope of the transaction and the fixed purchase price of the shares and the conclusion of the investment agreement will be confirmed,
- the final terms of the investment agreement have be determined,
- all the necessary corporate consent has been obtained.

It must be emphasized that provisions of the Term Sheet, concerning the terms of the forecast transaction, are not binding and therefore the conclusion of the final agreement is not certain, what is more, the final terms of the investment agreement may vary from the framework guidelines set out in the Term Sheet as well.

The Issuer informs that it has decided to delay announcing the information on the grounds that once disclosed, it could have significantly affected the process of negotiations, in particular the price of the transaction in question that has been specified in the Term Sheet. "

The content of confidential information of 5th December 2016:

"The Management Board, in reference to the report 3/2016 DIA-S, announces that as a result of negotiations on the acquisition of 100% of the shares of the company Private clinic Certus limited liability company with its registered office in Poznań (" Certus "), the parties agreed that they will have carried on negotiating the acquisition of 100% of shares in Certus on an exclusive basis by 31st January 2017. Pursuant to the Agreement that amends the basic conditions of the Term Sheet of 5th December 2016 all the other provisions of the Parties with respect to the terms of the proposed transaction have not changed. "

The issuer explains that the main a reason for postponing the publication of the confidential information was to protect the legitimate interests of the Company, i.e. prevent a potentially negative impact the disclosing of the Confidential Information would have had on the possibility of carrying out the Transaction. Due to the fact that the talks on the acquisition of the shares of the Company have been completed, there is no reason to continue to delay announcing the confidential information. Pursuant to Art. 17 (4) (3) of MAR, immediately after the publication of this report, the Company shall inform the Financial Supervision Commission about the delay in the disclosure of the Confidential Information, pointing out that the conditions for such a delay have been met.