

Engine Capital Nominates Two Highly Qualified Candidates for Election to C&C Group's Board of Directors

Issues Open Letter to Fellow Shareholders Regarding the Need for Boardroom Change Following Years of Underperformance

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NEW YORK--(BUSINESS WIRE)--Engine Capital LP today issued the below letter regarding its decision to nominate two highly qualified candidates for election to the Board of Directors of C&C Group Plc (LSE: CCR) at the 2024 Annual General Meeting.

Fellow Shareholders:

Engine Capital LP (together with its affiliates, "Engine" or "we") is a sizable long-term shareholder of C&C Group Plc ("C&C" or the "Company"), with ownership of just under 5.0% of the Company's outstanding shares. We have been shareholders for more than four years, and during that time, the Company has been a perennial underperformer. We have witnessed succession missteps, strategic mistakes, execution blunders, accounting adjustments due to deficient internal controls, goodwill impairment and the mismanagement of an enterprise resource planning implementation. The Company has consistently disappointed operationally and financially and has been unable to return to its higher historical earnings profile, leading to disappointing stock performance across every relevant period:¹

Total shareholder returns over time

	Total Shareholder Return (YTD)	Total Shareholder Return (1-Year)	Total Shareholder Return (2-Year)	Total Shareholder Return (3-Year)	Total Shareholder Return (Since listed on LSE)
FTSE 250 Index	10.1%	14.4%	15.5%	0.3%	22.7%
Peer Group Average	22.1%	28.7%	29.5%	2.4%	31.1%
C&C Group plc	8.9%	20.1%	(11.0%)	(25.4%)	(49.5%)
C&C Group vs. FTSE 250	(1.2%)	5.7%	(26.6%)	(25.7%)	(72.2%)
C&C Group vs. Peer Group Average	(13.2%)	(8.5%)	(40.6%)	(27.8%)	(80.6%)

Despite these numerous missteps, we continue to believe C&C owns unique and strategic assets that are valuable and not properly valued in the public market. Therefore, a month ago, we [publicly called](#) on the Company to explore strategic alternatives to maximize value. Following this letter, we [privately](#) approached the Board of Directors (the "Board") to discuss board representation. We believe it is critical to add directors with relevant financial skillsets (such as capital allocation, capital markets and M&A) and a shareholder mindset to assist the Company. Unfortunately, the Board has shown absolutely no interest in trying to resolve this matter privately ahead of the 2024 Annual General Meeting (the "2024 Annual Meeting"). We shared the names of several candidates with the Board and suggested the directors interview our candidates. They never followed up. This disappointing engagement with the Board has led us to conclude that shareholder-driven change is urgently needed following years of underperformance.

¹ Total shareholder return data includes dividends and runs through July 26, 2024. Total shareholder return since LSE listing as of October 8, 2019, which represents the first day C&C shares were publicly listed on LSE. Peer group is per the Company's 2024 annual report.

We believe the current directors lack a sense of urgency to resolve the Company's issues and maximize value for shareholders, which is not surprising since they own a de minimis number of shares, as the following table highlights.²

C&C Group Board Ownership				
Director	Appointment Date	Ownership (shares)	Ownership as % of outstanding shares	Open market acquisitions?
Ralph Findlay	3/1/2022	179,510	0.05%	Yes
Andrew Andrea	3/1/2024	0	0.00%	No
Vineet Bhalla	4/27/2021	15,000	0.00%	No
Jill Caseberry	2/7/2019	6,462	0.00%	No
John Gibney	10/26/2022	0	0.00%	No
Angela Bromfield	7/13/2023	0	0.00%	No
Chris Browne OBE	10/2/2023	0	0.00%	No
Sarah Newbitt	8/31/2023	0	0.00%	No
Total		200,972	0.05%	

To help catalyze long overdue improvements at C&C, we are seeking to elect two highly qualified director candidates at the Company's 2024 Annual Meeting on August 15, 2024. Unlike the current Board, our candidates have skin in the game (both candidates have committed to buy shares personally), an ownership mentality and the relevant financial background to help create a sense of urgency and focus on delivering long-term value for all shareholders and stakeholders.

The case for change at C&C is strong. Here is a snapshot of where C&C stands today:

- The Company's shares have underperformed peers and the FTSE 250 Index over the one-year, two-year, and three-year periods and since the Company's listing on the London Stock Exchange in October 2019.
- The Company's shares are trading at a steep discount to relevant transaction multiples.
- The Company is not compliant with the UK Corporate Governance Code 2018 by virtue of the roles of Chair and CEO being exercised by the same individual.
- Most of the directors own no shares, and the Board cumulatively owns 0.05% of the shares outstanding. Directors have no skin in the game.
- We believe the Board in the aggregate has insufficient financial skillsets, especially in the areas of capital allocation, capital markets and M&A.
- The Company's underlying business segments are not achieving their potential.
- With the recent appointment of Ralph Findlay, C&C has now had four CEOs in less than four years, with the prospect of a fifth chief executive in 12 to 18 months.

THE STATUS QUO CANNOT PERSIST IN THE BOARDROOM – SHAREHOLDER-DRIVEN CHANGE IS NEEDED NOW

Given this background, we believe shareholders would be well served by electing our two highly qualified candidates. Shareholders don't have to choose between our candidates or the Company's candidates. Shareholders can simply elect our two candidates in addition to the eight candidates presented by the

² Data per 2024 annual report and RNS filings.

Company and appoint 10 individuals to the Board. Our directors are committed to entering the boardroom with an open mind, a sense of urgency and a focus on creating long-term shareholder value. As a large shareholder, our incentives are aligned with yours. Our goal is to enable the Company to finally maximize value for its owners. With the election of our two highly qualified directors, I believe we can do just that.

Our highly qualified nominees include:

Ryan Dubin

Mr. Dubin is a representative of the nominating shareholder, an investor and a former investment banker with over a decade of relevant experience in finance, capital allocation, capital markets and M&A.

Ryan Dubin is an investment professional and former investment banker with over a decade of experience working with management teams and company boards to maximize value. Mr. Dubin is an investor at Engine Capital Management, a top C&C shareholder and value-oriented special situations fund with a track record of helping companies implement value-enhancing initiatives, including M&A transactions, operational and cost improvements, and optimization of capital allocation policies. Mr. Dubin has been at Engine Capital since 2020. His responsibilities include sourcing and evaluating investment opportunities as well as monitoring portfolio risk and position sizing. Prior to joining Engine Capital, Mr. Dubin spent his career in investment banking, where he focused on helping companies unlock value through M&A, restructuring and capital market transactions across multiple industries at both Perella Weinberg Partners and Deutsche Bank. Mr. Dubin received a Bachelor of Science in Accounting from The Pennsylvania State University.

Alan Hibben

Mr. Hibben is a corporate director with a strong track record of value creation. He has decades of experience as a former investment banker and private equity executive with significant expertise in capital allocation, corporate governance and M&A.

Alan Hibben is a former Managing Director in the Mergers and Acquisitions Group of RBC Capital Markets. Mr. Hibben also previously held the position of Head, Strategy & Development at RBC Financial Group. In this role, he was responsible for corporate strategy as well as M&A and development activities for the bank. Mr. Hibben was also Chief Executive Officer of RBC Capital Partners, the private equity investment arm of RBC Financial Group. Since December 2014, Mr. Hibben has been an advisor to governments and to several large public and private companies on strategic and other matters. Through his advisory and investment company, Shakerhill Partners Ltd., Mr. Hibben provides financial and strategic advisory services, as well as expert witness services. Mr. Hibben is currently a director of Matr Corp. (TSX: MATR) (formerly Shawcor Ltd.). Previously, he was Chair of Home Capital Group (TSX: HCG) and HudBay Minerals Inc. (TSX and NYSE: HBM) and a director of Extendicare Inc. (TSX: EXE), Wild Brain Inc. (TSX: WILD) and the Mount Sinai Hospital Foundation. Mr. Hibben received his B.Com. from the University of Toronto. He is qualified as a Canadian CPA and holds the CFA designation. He is an Institute Certified Director (ICD.D) of the Institute of Corporate Directors.

Thank you in advance for your consideration of our director candidates. We look forward to engaging with you in the next couple of weeks regarding the opportunity we collectively have to set C&C on a better path at this year's Annual Meeting.

Sincerely,

Arnaud Ajdler

Managing Partner
Engine Capital LP

About Engine Capital

Engine Capital LP is a value-oriented special situations fund that invests both actively and passively in companies undergoing change.

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