



Atrium's Independent Committee and Gazit Globe announce proposed merger for €3.63 per Atrium share in cash

Ad hoc announcement – Jersey, 18 October 2021, Atrium European Real Estate Limited (VSE/ Euronext: ATRS) (“**Atrium**” or the “**Company**” and together with its subsidiaries, the “**Group**”), a leading owner, operator and redeveloper of shopping centres and retail real estate in Central Europe, announces that the Independent Committee of the Board of Directors (the “**Independent Committee**”) of Atrium and the board of directors of Gazit Hercules 2020 Limited (“**Newco**”), which is an indirect wholly-owned subsidiary of Gazit-Globe Ltd (“**Gazit**”), have signed a definitive merger agreement for a recommended cash acquisition (the “**Acquisition**”) of the entire issued and to be issued ordinary share capital of Atrium that is not already owned directly or indirectly by Gazit or its affiliates for cash at a price of €3.63 per Atrium share (the “**Offer Price**”), including a payment in the amount of €3.03 per share in cash paid by Gazit and €0.60 per share by way of a cash dividend paid by the Company (the “**Special Dividend**”).

In addition to the increase of the Offer Price, the Independent Committee has also negotiated that Atrium shareholders are entitled to receive the pro-rata funds from operations less maintenance capital expenditure generated between the date of the last dividend payment and completion of the Acquisition (the “**AFFO**”). Shareholders will receive both the Offer Price and the AFFO.

The Acquisition is to be implemented by means of a statutory merger between the Company and Newco under Part 18B of the Companies (Jersey) Law 1991, as amended (the “**Merger**”).

The Offer Price reflects an increase of €0.28 per share or 8.4% compared to the initial proposal of Gazit of €3.35 per share submitted on 2 August 2021 (the “**Initial Proposal**”) as well as the inclusion of additional dividends payable up to closing, reflective of AFFO. The Offer Price also implies a 23.9% premium to the unaffected share price as of 30 July 2021 (€2.93 per share), a 22.3% premium to the 30-day volume weighted average price (VWAP) to 30 July 2021 (€2.97 per share) and a 23.9% premium to the 90-day VWAP to 30 July 2021 (€2.93 per share), being the last trading day prior to announcement of the Initial Proposal.

The Offer Price is to be paid in cash. Prior to the effective date of the Merger, the Company expects to pay the Special Dividend to all holders of Atrium shares on the Special Dividend Record Date of €0.60 per Atrium Share in connection with the Merger, provided the Merger is approved by Atrium shareholders at the EGM (as defined below). The Offer Price payable by Newco will be reduced by such Special Dividend.

The Independent Committee has received a fairness opinion from UBS AG London Branch as to the financial terms of the Merger, subject to the terms and conditions set out therein. Having taken into

account the advice received, the Independent Committee unanimously recommends that Atrium shareholders vote in favour of the Merger.

Full details of the Merger, including terms and conditions to the implementation of the Merger, will be set out in a shareholder circular which is expected to be published by the Company within 4 weeks of this announcement (“**Shareholder Circular**”).

The Shareholder Circular shall include an expected timetable of principal events in relation to the Merger and a notice of meeting in respect of an extraordinary general meeting of shareholders (“**EGM**”) which is expected to take place in December 2021. The EGM is required to enable Atrium shareholders to consider, and if thought fit, vote in favour of the resolution to approve the Merger (amongst other ancillary matters). Subject to the conditions of the merger being met, including receiving support of the majority of the minority (i.e excluding Gazit and its affiliates) of Atrium shareholders that vote at the EGM, the transaction is expected to close in early 2022.

The shares of the Company are currently listed and admitted to trading on the Amsterdam Stock Exchange and the Vienna Stock Exchange and will be delisted from both stock exchanges after the effective date of the Merger.

A more detailed announcement will be published and made available on the Company’s website shortly after this announcement.

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About Atrium European Real Estate

Atrium is a leading owner, operator and redeveloper of shopping centres and retail real estate in Central Europe. Atrium specializes in locally dominant food, fashion and entertainment shopping centres in the best urban locations. Atrium owns 26 properties with a total gross leasable area of over 809,000 sqm and with a total market value of approximately €2.5 billion. These properties are located in Poland, the Czech Republic, Slovakia and Russia, and with the exception of one, are all managed by Atrium’s internal team of retail real estate professionals. In February 2020 Atrium announced a strategy to diversify its portfolio by investing in and managing residential for rent real estate, with a primary focus on Warsaw.

The Company is established as a closed-end investment company incorporated and domiciled in Jersey and regulated by the Jersey Financial Services Commission as a certified Jersey listed fund, and is listed on both the Vienna Stock Exchange and the Euronext Amsterdam Stock Exchange. Appropriate professional advice should be sought in the case of any uncertainty as to the scope of the regulatory requirements that apply by reason of the above regulation and listings. All investments are subject to risk. Past performance is no guarantee of future returns. The value of investments may fluctuate. Results achieved in the past are no guarantee of future results.