

**FAQ**  
**IN RELATION TO THE PROPOSED MERGER OF**  
**ATRIUM WITH GAZIT HERCULES 2020 LIMITED**

## FAQ

### Transaction

#### 1. What are the benefits for Atrium's minority shareholders?

The proposed transaction represents the opportunity for Atrium's minority shareholders to monetize their holdings in the Company at a significant premium to the unaffected share price.

#### 2. Could you provide some insights on valuation and the offered price?

The offer price of €3.63 per share 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). In addition to the offer price of €3.63 per share, Atrium shareholders are also entitled to receive dividends equal to pro-rata adjusted funds from operations (AFFO) generated between the date of the last dividend payment and completion of the transaction. The dividend will be determined by AFFO, which is estimated to approximate adjusted EPRA earnings less recurring capex (i.e. maintenance capex), in line with commonly used real estate market practice. For context, the Q3 2021 quarterly dividend that would have been paid based on AFFO would have been approximately €0.03 per share.

#### 3. Is the premium attractive for Atrium shareholders?

The €3.63 offer price per share (excluding incremental AFFO dividends) implies a premium of 23.9% to the unaffected share price as of 30 July 2021 (€2.93 per share), a 22.3% premium to the 30-day 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). The transaction premium compares favourably to precedent REIT transactions and current equity market developments. Further, the Independent Committee received a fairness opinion from its financial advisor that the financial terms of the offer are fair to Atrium's minority shareholders. The Independent Committee considers the offer fair for Atrium shareholders and recommends voting in favour of the transaction.

#### 4. Please explain the dividend components of the Gazit offer as well as the exact timing of dividends?

Atrium is expected to pay a special dividend and AFFO dividends to all shareholders. The special dividend of €0.60 per share is expected to be paid shortly prior to the close of the transaction and will, if paid, reduce the effective offer price from €3.63 to €3.03. Shareholders will also be entitled to AFFO dividends. For context, the Q3 2021 quarterly dividend that would have been paid based on AFFO would have been approximately €0.03 per share. The transaction is expected to close in Q1 2022.

#### 5. What are the key improvements between this offer and the initial Gazit proposal on 2 August 2021?

**Improved Offer Price:** The Independent Committee negotiated three separate price increases from Gazit's initial proposal on 2 August 2021 of €3.35 per share. The offer price of €3.63 per share represents an increase of €0.28 per share or 8.4%, compared to Gazit's initial proposal.

**Inclusion of AFFO Dividend:** In addition to €3.63 per share, Atrium shareholders will also be entitled to AFFO dividends generated between the date of the last dividend payment and completion of the transaction, compared to Gazit's initial proposal that halted all dividend payments.

**Majority of Minority Voting Requirement:** Under the terms negotiated by the Independent Committee in the merger agreement ("**Merger Agreement**"), the transaction requires approval by the majority of the voting rights exercised by Atrium's minority shareholders (that is, Atrium's shareholders excluding Gazit and its affiliates) that vote at the EGM (50% +1 vote).

#### 6. Why is the Independent Committee of the Board of Directors recommending the Transaction?

The agreement is the result of weeks of intense negotiations with Gazit, during which the Independent Committee negotiated three increases from Gazit's initial proposal of €3.35 per share and is subject to, among other things, approval by the majority of the voting rights exercised by Atrium's minority shareholders that vote at the EGM (50% + 1 vote). The Independent Committee, having received a fairness opinion from its financial advisor that the financial terms of the offer are fair to Atrium's minority shareholders, believes that the acquisition is in the best interests of Atrium's minority shareholders and unanimously recommends that the minority shareholders of Atrium vote in favour of the acquisition. In the event the Independent Committee receives a proposal from a third party that is determined to be a superior proposal, the Independent Committee has the ability to withdraw its recommendation of the Transaction in favour of a superior proposal without a break fee.

#### **7. Is the transaction subject to any conditions?**

The transaction will be implemented by means of a statutory merger under Part 18B of the Companies (Jersey) Law 1991, and, as such, remains subject to certain conditions including shareholder approval. Under the terms negotiated by the Independent Committee in the Merger Agreement, the transaction requires approval by the majority of the voting rights exercised by Atrium's minority shareholders (that is, Atrium's shareholders excluding Gazit and its affiliates) that vote at the EGM (50% +1 vote).

The transaction is subject to certain other conditions, including:

- i. the recommendation of the transaction by the Independent Committee of the Board of Directors not having been withdrawn or changed;
- ii. all required shareholder resolutions are passed at the extraordinary general meeting;
- iii. the transaction not having been prohibited by a competent government authority;
- iv. no breach of the Merger Agreement having occurred; and
- v. no material adverse change having occurred.

Details of the conditions are set out in the shareholder circular published on 23 November 2021 ("**Shareholder Circular**"). There is no break fee associated with the transaction. The transaction is not subject to any financing conditions. Furthermore, the transaction will not trigger any change of control for the purpose of Atrium's bonds. The transaction is not conditional on anti-trust approval.

#### **8. What are the next steps for shareholders?**

Full details of the merger, including next steps for shareholders, are included in the Shareholder Circular that was published by the Company on 23 November 2021.

The Shareholder Circular includes 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, which is expected to take place on 23 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).

#### **9. How will the payment of the Special Dividend be characterised?**

The Special Dividend will be classified as a return of capital, consistent with the payment of Atrium's previous quarterly and special dividends. The actual tax classification for a shareholder is subject of the classification made by the competent tax authorities for the relevant shareholder.

#### **10. 14 February 2022: Do I need to take any further action in order to receive the closing consideration of EUR 3.03?**

No, Atrium Shareholders do not need to take any further action. As previously announced, closing is expected to occur on 18 February 2022. The Company will release an announcement once closing has occurred. The Company expects those persons holding interests in Merger Shares through Euroclear will receive their consideration shortly following Closing once these amounts have been processed by the relevant admitted institutions/account holding banks.

## **Process**

### **11. Did Gazit approach Atrium or vice versa?**

Gazit approached Atrium.

### **12. Does Gazit have the right to improve its offer in case there is a superior offer from a third party and the Independent Committee of the Board of Directors changes its recommendation?**

In the event the Independent Committee receives a proposal from a third party which the Independent Committee determines, acting reasonably and in good faith, is more beneficial to the Company, the Independent Committee has discretion to withdraw their recommendation of the acquisition in favour of the superior proposal. If this takes place, Gazit has confirmed to Atrium that it will duly consider any Superior Proposal in good faith.

### **13. When do I need to submit my vote?**

If you hold interests in Atrium Shares through Euroclear, you are strongly encouraged to complete and submit the Form of Instruction to your account holding bank or broker as soon as possible and, in any event, by 13 December 2021, in order to enable Atrium's proxy agent (Van Lanschot Kempen N.V.) to receive your Form of Instruction by 17 December 2021 (the deadline for the receipt of Forms of Instruction).

If you have a question about completing the Form of Instruction, you can call the shareholder helpline on 0043 800 017876 (for calls outside of Austria, which are charged at the applicable international rate) or 0800 017876 (freephone, for calls from within Austria). If you would prefer to receive a call back, please contact atrium@georgeson.com. The helpline is open between 8.00 a.m. and 4.00 p.m. GMT, Monday to Friday, excluding public holidays. Please note that the helpline cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

### **14. When do you expect the closing of the transaction to take place?**

An indicative timeline, including closing of the merger, is included in the Shareholder Circular that was published by Atrium on 23 November 2021.

### **15. Are there any risks between announcement and closing date which will be borne by the minority shareholders?**

The conditions to closing are set out in the Merger Agreement (details of which can be found in the Shareholder Circular at Atrium's website [www.aere.com](http://www.aere.com)). The key condition to the transaction is the requirement for minority shareholder approval at the EGM. Please refer to the Shareholder Circular for full details of the merger, including next steps for shareholders.

### **16. What is the date of the extraordinary shareholder meeting?**

An extraordinary general meeting of Atrium shareholders is expected to take place on 23 December 2021.

### **17. What will happen if shareholders do not approve the announced transaction?**

The transaction will not proceed and Atrium shareholders will not receive the offer price of €3.63 per share.

### **18. Will Gazit delist Atrium following a completed transaction?**

Yes, Gazit intends to delist Atrium from the Amsterdam and Vienna stock exchanges following a successful completion of the transaction.

### **19. Does the UK takeover code apply?**

The UK takeover code does not apply. The merger is governed by Jersey law.

### **20. Will Atrium management or Independent Committee of the Board of Directors receive special payments in relation to the transaction?**

Neither Atrium management nor the Independent Committee will receive any special payments in relation to the transaction from Gazit. Any shares held by Atrium management or members of the Independent Committee of the Board of Directors will be treated similarly to other shares under the merger. In recognition of the significant increase in services provided and time devoted to Atrium by each of the Independent Atrium Directors in relation to the Merger, the Independent Atrium Directors have received, in addition to his/her/their current fees, including the attendance fees to which the Independent Atrium Directors are entitled for each relevant committee meeting, a fee of EUR 50,000 which was paid in instalments with the final instalment of EUR 25,000 paid on 15 November 2021.

**21. Have Gazit representatives on the Board participated in the decision making process?**

No. The Gazit representatives on the Board have not participated in the discussions and decision-making on the approval of the transaction. The decision making was made by the Independent Committee.

**22. How has the Independent Committee of the Board of Directors ensured the fulfilment of its fiduciary duties vis-à-vis minority shareholders?**

The Independent Committee of the Board of Directors and Atrium have been advised by a leading investment bank and law firms (in the UK, Jersey, Austria and the Netherlands) over the course of the transaction, including in relation to its fiduciary duties vis-à-vis minority shareholders. The Independent Committee, having received a fairness opinion from its financial advisor that the financial terms of the offer are fair to Atrium's minority shareholders, believes that the acquisition is in the best interests of Atrium's minority shareholders and unanimously recommends that the minority shareholders of Atrium vote in favour of the acquisition.

**Impact on Atrium Organisation**

**23. What is the anticipated impact on Atrium management and employees?**

As disclosed in the Shareholder Circular, Gazit greatly values the skills, knowledge and expertise of Atrium's existing management and employees and therefore Gazit is looking forward to working with the Atrium team to contribute to the success of Atrium following completion of the transaction.

Gazit has confirmed that, following the merger becoming effective, the existing contractual and statutory employment rights of all the employees of Atrium will continue to be safeguarded.

**24. Is there an impact on tenants? Will Atrium's regional teams remain the first point of contact for tenants?**

There will be no changes for tenants of Atrium's real estate. The persons responsible will remain the tenant's main point of contact for any inquiries.

**25. What is the impact on current development projects of Atrium?**

There is no impact anticipated. The development projects are expected to be continued as planned.

**26. What is the impact on current contracts?**

The proposed transaction is not expected to have any impact on current contracts and ongoing relationships between Atrium, its tenants, suppliers or any party Atrium has contractual relationships with.