

**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION.**

**For immediate release**

**23 July 2019**

**RECOMMENDED CASH ACQUISITION**

**of**

**Atrium European Real Estate Limited**

**by**

**Nb (2019) B.V.**

**an indirect wholly-owned subsidiary of Gazit-Globe Limited**

**to be implemented by means of a scheme of arrangement under Article 125 of the Companies Law**

**Summary**

- The Independent Committee of the Board of Directors of Atrium European Real Estate Limited (“**Atrium**”) and the board of directors of Nb (2019) B.V. (“**Bidco**”), which is an indirect wholly-owned subsidiary of Gazit-Globe Limited (“**Gazit**”), are pleased to announce that they have reached an agreement on the terms and conditions of 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 (including, in particular, Gazit Gaia Limited (“**Gaia**”) and Gazit Midas Limited (“**Midas**”). The Independent Committee of the Board of Directors intend to recommend unanimously that Atrium Shareholders vote (or procure the voting) in favour of the Scheme at the Court Meeting and in favour of the Resolutions to be proposed at the General Meeting.
- Under the terms of the Acquisition, each Scheme Shareholder will be entitled to receive:
  - for each Scheme Share: EUR 3.75 in cash (the “Offer Price”)**
- The Offer Price represents a premium of approximately:
  - 18.3 per cent. to the Closing Price of €3.17 for each Atrium Share on the Last Practicable Date;
  - 18.0 per cent. to the volume-weighted average price of €3.18 for each Atrium Share for the one-month period ended on the Last Practicable Date; and
  - 15.3 per cent. to the volume-weighted average price of €3.25 for each Atrium Share for the three-month period ended on the Last Practicable Date.

- The Acquisition values the entire issued and to be issued ordinary share capital of Atrium not already owned by Gazit and its affiliates (including, in particular, Gaia and Midas) at approximately €565 million and Atrium's entire issued and to be issued ordinary share capital at approximately €1.4 billion.
- As at the date of the Announcement, Gazit and its affiliates Gaia and Midas together own approximately 60.1% of Atrium's issued share capital.
- The Offer Price is to be paid in cash. However, prior to the Effective Date, Atrium expects to pay a special dividend to all holders of Atrium Shares on the Special Dividend Record Date of up to €0.60 per Atrium Share (the "**Special Dividend**"). To the extent that the Special Dividend is paid prior to the Effective Date, the Offer Price payable by Bidco will be reduced by an amount equal to the amount of such Special Dividend.
- Save for the Special Dividend, Atrium does not intend to announce, declare, make or pay any dividend or other distribution on or after the date of this Announcement and prior to the Effective Date. If any such dividend or distribution is announced, declared, made or paid during such time, Bidco will reduce the Offer Price by an amount equal to the amount of such dividend or other distribution for each Atrium Share, except where the Scheme Shares are or will be acquired pursuant to the Scheme on a basis which entitles Bidco to receive and retain such dividend or other distribution. If Bidco makes such a reduction in respect of a dividend or other distribution, Atrium Shareholders will be entitled to receive and retain such dividend or other distribution.
- It is intended that the Acquisition will be implemented by means of a Court-sanctioned scheme of arrangement under Article 125 of the Companies Law.
- Bidco and Atrium have entered into the Implementation Agreement in connection with the Acquisition. The Implementation Agreement regulates certain actions in relation to the Acquisition, and includes a "Go-Shop" provision. Pursuant to the Go-Shop, the Independent Committee of the Board of Directors is entitled for a period of seven weeks following the date of this Announcement to solicit alternative offers from third parties which are superior to the Acquisition. If a Superior Proposal is received, in certain circumstances the Independent Committee of the Board of Directors may rescind its recommendation and recommend the Superior Proposal. If this takes place, Gazit has confirmed to Atrium that it will consider any Superior Proposal in good faith. In certain circumstances, if the Independent Committee of the Board of Directors withdraws, modifies or qualifies its recommendation of the Acquisition or following the satisfaction of the Condition relating to shareholder approval of the Scheme, fails to file documents with the Court or makes statements that it no longer supports the Acquisition, Atrium will be obliged to pay a break fee of €10 million to Bidco (the "**Break Fee**"). Further details of the Implementation Agreement, the Go-Shop and the Break Fee are set out in paragraph 7.
- The Acquisition will be subject to the Conditions, including the Material Adverse Change Condition, and further terms set out in Appendix 1 to this Announcement and to be set out in the Scheme Document. If Bidco invokes the Material Adverse Change Condition, Bidco will be obliged to pay a break fee of €10 million to Atrium (the "**Reverse Break Fee**"). Further details of the Reverse Break Fee are set out in paragraph 7.

- The Independent Committee of the Board of Directors has received a fairness opinion letter from UBS as to the financial terms of the offer, subject to the terms and conditions set out therein.
- In addition, Lazard is acting as financial adviser to the Independent Committee of the Board of Directors in relation to the Acquisition.
- Accordingly, and assuming that there is no Superior Proposal, the Independent Committee of the Board of Directors confirm that they intend to recommend unanimously that Scheme Shareholders vote in favour of the Scheme at the Court Meeting and the Atrium Shareholders vote in favour of the Resolutions to be proposed at the General Meeting, as the Independent Committee of the Board of Directors who are interested in Atrium Shares have irrevocably undertaken to do in respect of their own beneficial holdings of 83,691 Atrium Shares. Further details of these undertakings, including the circumstances in which they cease to be binding are set out in Appendix 2.
- The terms of the Acquisition will be put to the Scheme Shareholders at the Court Meeting and Atrium Shareholders at the General Meeting (which is expected to take place immediately following the Court Meeting). The Court Meeting and the General Meeting are required to enable Atrium Shareholders to consider, and if thought fit, vote in favour of the resolutions to approve the Scheme and its implementation. In order to become Effective, the Scheme must be approved by a majority in number of Scheme Shareholders, present and voting at the Court Meeting, whether in person or by proxy, representing not less than 3/4ths of the total voting rights held by those Scheme Shareholders. In addition, the Resolution required to implement certain matters in connection with the Scheme must be passed by Atrium Shareholders representing at least two thirds of the votes cast at the General Meeting.
- Full details of the Acquisition will be set out in the Scheme Document. It is expected that the Scheme Document, containing further information about the Acquisition and notices of the Court Meeting and General Meeting, together with the Forms of Proxy, will, following the Go-Shop period, be published within 12 weeks of this Announcement. An expected timetable of principal events will be included in the Scheme Document.
- Following the sanction of the Scheme by the Court on the Court Hearing Date, Atrium will effect a series of steps to optimise the group structure (the “**Group Optimisation Steps**”). Further details of the Group Optimisation Steps are set out in paragraph 7.
- The Acquisition is expected to become Effective on 2 January 2020, subject to satisfaction (or, where applicable, waiver) of the Conditions and further terms set out in Appendix 1 to this Announcement.
- Gazit has entered into a binding agreement with Menora Mivtachim Insurance Ltd. (“**Menora**”) to sell on the Effective Date, or shortly thereafter, Atrium Shares with a value of up to €150 million (which equates to approximately 12% of the Atrium share capital) at the Offer Price (less any dividend or distribution paid prior to the Effective Date (including the Special Dividend). The agreement with Menora is conditional on the Acquisition becoming Effective.

- Michael Errichetti, a member of the Independent Committee of the Board of Directors of Atrium, said:
- *“The Independent Committee of the Board of Directors has received an offer from Gazit to purchase the shares of Atrium it does not currently own. The offer is subject to a Go Shop provision and will be conducted through a scheme of arrangement which requires, among other things, the approval of 3/4 or more of the voting rights of those minority shareholders of Atrium present and voting at the Court Meeting, whether in person or by proxy. The Independent Committee of the Board of Directors retained financial and legal advisors to evaluate the offer and negotiate the best possible terms and conditions for minority shareholders. In addition, the Independent Committee of the Board of Directors has received a fairness opinion letter from UBS as to the financial terms of the offer, subject to the terms and conditions set out therein. Therefore, the Independent Committee of the Board of Directors unanimously recommends Gazit’s offer to shareholders for their consideration.”*
- Commenting on the Announcement Chaim Katzman, CEO and Chairman of Bidco and of Gazit, said:

*“Atrium holds a high quality portfolio, largely located in the capital cities of Poland and the Czech Republic—Warsaw and Prague—and has a strong, experienced management team. Gazit acquired a material stake in Atrium 11 years ago and is familiar with the company, its assets and their embedded potential. Direct ownership over assets such as those held by Atrium furthers our strategy to directly own and improve irreplaceable properties in densely populated urban areas with future growth potential. We are very happy to have Menora Mivtachim join us as a partner in this investment.”*

**This summary should be read in conjunction with, and is subject to, the full text of the following Announcement (including its Appendices). The Acquisition will be subject to the Conditions and certain further terms set out in Appendix 1 and to the full terms and conditions to be set out in the Scheme Document. Appendix 2 contains details of the irrevocable undertakings received by Bidco. Appendix 3 contains the definitions of certain terms used in this summary and the following Announcement.**

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Kirkland & Ellis International LLP and Ogier are retained as legal advisers to Gazit and Bidco. Allen & Overy LLP and Appleby are retained as legal advisers to Atrium.

## **Further information**

*This Announcement is for information purposes only and is not intended to and does not constitute, or form part of, an offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the Acquisition or otherwise, nor shall there be any sale, issuance or transfer of securities of Atrium in any jurisdiction in contravention of applicable law. The Acquisition will be implemented solely by means of the Scheme Document, which will contain the full terms and conditions of the Acquisition including details of how to vote in respect of the Scheme. Any vote in respect of the Scheme or other response in relation to the Acquisition should be made only on the basis of the information contained in the Scheme Document.*

## **Important notices relating to financial advisers**

*UBS AG London Branch (“**UBS**”) is authorised and regulated by the Financial Market Supervisory Authority in Switzerland. It is authorised by the Prudential Regulation Authority and subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority in the United Kingdom. UBS is acting as financial adviser to Atrium and no-one else in connection with the matters described in this Announcement and will not be responsible to anyone other than Atrium for providing the protections afforded to clients of UBS nor for providing advice in connection with the matters referred to herein. Neither UBS nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of UBS in connection with this Announcement, any statement contained herein, the Acquisition or otherwise.*

*Lazard & Co., Limited (which is authorised and regulated by the FCA) and Lazard & Co, GmbH (together, “**Lazard**”) are acting as financial adviser to Atrium in relation to the Acquisition and no-one else in connection therewith and will not be responsible to anyone other than Atrium for providing the protections afforded to clients of Lazard or for providing advice in connection with the Acquisition and other matters referred to herein. Neither Lazard nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Lazard in connection with this Announcement, any statement contained herein, the Acquisition or otherwise.*

*Citigroup Global Markets Limited (“**Citi**), authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority,*

*is acting as financial adviser to Gazit and no one else in connection with the matters described in this Announcement and will not be responsible to anyone other than Bidco for providing the protections afforded to clients of Citigroup Global Markets Limited nor for providing advice in connection with the matters referred to herein. Neither Citigroup Global Markets Limited nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Citigroup Global Markets Limited in connection with this Announcement, any statement contained herein, the Acquisition or otherwise.*

### ***Overseas jurisdictions***

*The ability to participate in the Acquisition for Atrium Shareholders who are not resident in and citizens of the Netherlands, Austria or Jersey may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in the Netherlands, Austria or Jersey should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions. Further details in relation to overseas shareholders will be contained in the Scheme Document.*

*The release, publication or distribution of this Announcement in or into jurisdictions other than the Netherlands, Austria or Jersey may be restricted by law and therefore any persons who are subject to the law of any jurisdiction other than the Netherlands, Austria or Jersey should inform themselves of, and observe, any applicable requirements. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. This Announcement has been prepared for the purposes of complying with Jersey law, Dutch law and Austrian law and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws of jurisdictions outside of the Netherlands, Austria and Jersey. Jersey law will apply in respect of the Acquisition.*

*Copies of this Announcement and the formal documentation relating to the Scheme and the Acquisition will not be and must not be, mailed or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction or any jurisdiction where to do so would violate the laws of that jurisdiction and persons receiving those documents must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.*

*This announcement does not constitute an offer of securities in the state of Israel.*

### ***US Holders***

*US Holders should note that the Acquisition relates to the securities of a Jersey company listed on the Amsterdam Stock Exchange and the Vienna Stock Exchange and is subject to Dutch, Austrian and Jersey disclosure requirements and practices (which are different from those of the US) and is proposed to be implemented under a scheme of arrangement under Jersey company law. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules under the US Exchange Act, and the proxy solicitation rules under the US Exchange Act will not apply to the Acquisition. The Scheme will be subject to Dutch, Austrian and Jersey disclosure requirements and practices, which are different from*

*the disclosure requirements of the US tender offer and proxy solicitation rules. The financial information included in this Announcement and the Scheme Document has been or will have been prepared in accordance with IFRS, and thus may not be comparable to financial information of companies whose financial statements are prepared in accordance with generally accepted accounting principles in the US.*

*The receipt of cash pursuant to the Acquisition by a US Holder as consideration for the transfer of its Scheme Shares pursuant to the Scheme may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other, tax laws. Each Atrium Shareholder is urged to consult his independent professional adviser immediately regarding the tax consequences of the Acquisition applicable to him.*

*It may be difficult for US Holders to enforce their rights and claims arising out of the US federal securities laws, since Bidco and Atrium are located in countries other than the US, and some or all of their officers and directors may be residents of countries other than the US. US Holders may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.*

### ***Forward looking statements***

*This Announcement (including information incorporated by reference in this Announcement), oral statements made regarding the Acquisition, and other information published by Bidco, Gazit and Atrium contain statements which are, or may be deemed to be, "forward-looking statements". Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of Bidco, Gazit and Atrium about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements.*

*The forward-looking statements contained in this Announcement include statements relating to the expected effects of the Acquisition on Bidco, Gazit and Atrium, the expected timing and scope of the Acquisition and other statements other than historical facts. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as "plans", "expects" or "does not expect", "is expected", "is subject to", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Although Bidco, Gazit and Atrium believe that the expectations reflected in such forward-looking statements are reasonable, Bidco, Gazit and Atrium can give no assurance that such expectations will prove to be correct. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements.*

*These factors include, but are not limited to: the ability to complete the Acquisition; the ability to obtain requisite regulatory and shareholder approvals and the satisfaction of other Conditions on the proposed terms and schedule; as future market conditions, changes in*

*general economic and business conditions, the behaviour of other market participants, the anticipated benefits from the proposed transaction not being realised as a result of changes in general economic and market conditions in the countries in which Bidco, Gazit and Atrium operate, weak, volatile or illiquid capital and/or credit markets, changes in tax rates, interest rate and currency value fluctuations, the degree of competition in the geographic and business areas in which Bidco, Gazit and Atrium operate and changes in laws or in supervisory expectations or requirements. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements. Such forward-looking statements should therefore be construed in the light of such factors. Neither Bidco, Gazit nor Atrium, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this Announcement will actually occur. You are cautioned not to place any reliance on these forward-looking statements. Other than in accordance with their legal or regulatory obligations, neither Bidco nor Atrium is under any obligation, and Bidco, Gazit and Atrium expressly disclaim any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.*

### ***No profit forecasts or estimates***

*No statement in this Announcement is intended as a profit forecast or estimate for any period and no statement in this Announcement should be interpreted to mean that earnings or earnings for each share for Bidco, Gazit or Atrium, as appropriate, for the current or future financial years would necessarily match or exceed the historical published earnings or earnings for each share for Bidco, Gazit or Atrium, as appropriate.*

### ***Publication on website***

*A copy of this Announcement will be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Atrium's website at <https://www.aere.com/pressreleases.aspx> and on Gazit's website at [www.https://www.gazitglobe.com/investor-relations/news-and-updates.com](https://www.gazitglobe.com/investor-relations/news-and-updates.com). For the avoidance of doubt, the contents of these websites are not incorporated by reference and do not form part of this Announcement.*

### ***Rounding***

*Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of figures that precede them.*



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**Nb (2019) B.V.**

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**to be implemented by means of a scheme of arrangement under Article 125 of the Companies Law**

**1. Introduction**

The Independent Committee of the Board of Directors of Atrium European Real Estate Limited (“**Atrium**”) and the board of directors of Nb (2019) B.V. (“**Bidco**”), which is an indirect wholly-owned subsidiary of Gazit-Globe Limited (“**Gazit**”), are pleased to announce that they have reached an agreement on the terms and conditions of a recommended cash acquisition (the “**Acquisition**”) of the entire issued and to be issued ordinary share capital of Atrium that is not already directly or indirectly owned by Gazit and its affiliates (including Gazit Gaia Limited (“**Gaia**”) and Gazit Midas Limited (“**Midas**”). The Independent Committee of the Board of Directors intend to recommend unanimously that Atrium Shareholders vote (or procure the voting) in favour of the Scheme at the Court Meeting and in favour of the Resolutions to be proposed at the General Meeting. The Acquisition will be implemented by means of a Court-sanctioned scheme of arrangement under Article 125 of the Companies Law.

**2. The Acquisition**

Under the terms of the Acquisition, which will be subject to the Conditions and further terms set out in Appendix 1 to this Announcement and the full terms and conditions to be set out in the Scheme Document, each Atrium Shareholder will be entitled to receive:

**for each Scheme Share: EUR 3.75 in cash (the “Offer Price”)**

The Offer Price represents a premium of approximately:

- 18.3 per cent. to the Closing Price of €3.17 per Atrium Share on the Last Practicable Date;

- 18.0 per cent. to the volume-weighted average price of €3.18 for each Atrium Share for the one-month period ended on the Last Practicable Date; and
- 15.3 per cent. to the volume-weighted average price of €3.25 for each Atrium Share for the three-month period ended on the Last Practicable Date.

The Acquisition values the entire issued and to be issued ordinary share capital of Atrium not already owned by Gazit and its affiliates (including, in particular, Gaia and Midas) at approximately €565 million and Atrium's entire issued and to be issued ordinary share capital at approximately €1.4 billion.

### **3. Background to and reasons for the Acquisition**

Gazit and Bidco believe that Atrium is an attractive platform, with a highly experienced, talented management team operating a portfolio of high-quality dominant shopping centres, which is reflected in Atrium's resilient operating performance. Gazit has been a material shareholder of Atrium for the last 11 years and as a long-term investor in Atrium, has strong conviction that the shopping centres within Atrium's portfolio will continue to be key components of the European retail landscape.

As a private company, Atrium will be directly supported by Gazit and Bidco's knowledge, sector expertise and access to capital. Gazit and Bidco believe that, under private ownership and supported by the collective expertise of Gazit and Bidco, Atrium would be better able to make the significant capital investments that will be required in order to maximise and sustain its high-quality portfolio of assets and meet the changing dynamics of the retail sector. Gazit and Bidco also believe that there are opportunities for growth through the re-development and expansion of existing assets as well as to potentially enter into other asset classes through the acquisition of new assets in densely populated urban markets in Europe

### **4. Recommendation**

The Independent Committee of the Board of Directors has received a fairness opinion letter from UBS as to the financial terms of the offer, subject to the terms and conditions set out therein.

In addition, Lazard is acting as financial adviser to the Independent Committee of the Board of Directors in relation to the Acquisition.

Accordingly, and assuming that there is no Superior Proposal, the Independent Committee of the Board of Directors confirm that they intend to recommend unanimously that the Scheme Shareholders vote in favour of the Scheme at the Court Meeting and that Atrium Shareholders vote in favour of the Resolutions to be proposed at the General Meeting, as the Independent Committee of the Board of Directors who are interested in Atrium Shares have irrevocably undertaken to do in respect of their own beneficial holdings of 83691 Atrium Shares. Further details of these undertakings, including the circumstances in which they cease to be binding are set out in Appendix 2.

### **5. Background to and reasons for the recommendation**

The Independent Committee of the Board of Directors have received a fairness opinion letter from UBS as to the financial terms of the offer, subject to the terms and conditions set out therein. Therefore, the Independent Committee of the Board of Directors unanimously recommends Bidco's offer to the Atrium Shareholders for their consideration.

In the negotiation, which has led to the Announcement, the Independent Committee of the Board of Directors have been focused on conducting an arm's length process and ensuring that the terms of the Acquisition safeguard the interests and the rights of the minority Atrium Shareholders. Therefore, the Acquisition will be effected by way of a scheme of arrangement under Jersey law, in the context of which, Atrium and Bidco have entered into an Implementation Agreement. The Implementation Agreement includes a number of covenants that aim to protect the minority Atrium Shareholders.

First, the Implementation Agreement provides for a 7 week Go-Shop provision which enables the company to actively reach out to credible investors with the aim of generating a Superior Proposal. If such Superior Proposal is received, the Independent Committee of the Board of Directors of the Company may in certain circumstances rescind its recommendation for the acquisition by Bidco and instead recommend the Superior Proposal. If no such Superior Proposal is received, the Independent Committee of the Board of Directors will proceed with the offer by Bidco.

Second, the implementation of Bidco's offer via a Court-sanctioned scheme of arrangement ensures it can only succeed if at least 3/4 of the minority Atrium Shareholders who vote (by proxy or in person) at the meeting (which will exclude Gazit and its affiliates) vote in favour of the Scheme and provided further that such minority Atrium Shareholders represent a majority in number of those voting. Additionally, Atrium Shareholders representing two thirds of the votes cast at the General Meeting need to vote in favour of implementing the Scheme at the General Meeting.

Finally, the majority of Atrium's board will remain independent until such time as the Gazit offer completes, which is expected to occur in January 2020.

## **6. Irrevocable Undertakings**

As described above, all members of the Independent Committee of the Board of Directors who hold Atrium Shares have irrevocably undertaken to vote, or procure votes, in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting in respect of their own beneficial holdings of 83,691 Atrium Shares.

The undertakings from the members of the Independent Committee of the Board of Directors will cease to be binding on the earliest of (1) the Scheme lapsing or being withdrawn in accordance with its terms; (2) the Implementation Agreement terminating in accordance with its terms; and (3) Bidco publicly announcing, with the consent of Atrium and any relevant authority (if required) and before the Scheme Document is posted, that it does not intend to proceed with the Scheme. Further details of these irrevocable undertakings are set out in Appendix 2 to this Announcement.

Bidco will also procure undertakings from its concert parties confirming that such parties will be bound by the Scheme, together with an undertaking from Gazit to vote in favour of the Resolutions at the General Meeting.

## **7. Implementation Agreement**

Bidco and Atrium have entered into the Implementation Agreement pursuant to which Atrium and Bidco have each undertaken, among other things, to provide information and assistance in connection with preparation of the Scheme Document and implementation of the Scheme.

The Implementation Agreement records the intentions of Bidco and Atrium to implement the Acquisition by way of a Scheme. The Implementation Agreement contains provisions in relation to the Share Schemes and to the treatment of employees as summarised in paragraph 13 and 14 below.

The Implementation Agreement will terminate if:

- any Condition is invoked or the Scheme lapses;
- the Effective Date not occurring on or before the Longstop Date;
- by notice in writing from Bidco to Atrium if the Scheme Document does not include a recommendation from the Independent Committee of the Board of Directors;
- Bidco and Atrium agree in writing;
- by notice in writing from either Atrium or Bidco to the other party if: (i) the Independent Committee of the Board of Directors withdraw, modify or qualify their recommendation of the Acquisition or fail to prepare and file such documents as are required by the Court in connection with the Court Hearing in accordance with the timetable set by the Court or make statements that they no longer support the Acquisition, (ii) if the Company makes an announcement that the Independent Committee of the Board of Directors intend to do so or (iii) if a competing transaction completes, becomes effective in accordance with its terms or becomes unconditional in all respects.

The Implementation Agreement includes a Go-Shop provision pursuant to which the Independent Committee of the Board of Directors may solicit the making of any proposal in respect of a third party to acquire all of the Atrium Shares or all or substantially all of the consolidated assets of Atrium's business. If an approach is received which the Independent Committee of the Board of Directors believes is a Superior Proposal, it is required to notify Bidco of such proposal and Bidco has a right to issue a revised proposal which the Independent Committee of the Board of Directors shall consider. Gazit has confirmed to Atrium that it will consider any Superior Proposals in good faith.

The Implementation Agreement includes an obligation on Atrium to pay the Break Fee to Bidco if the Independent Committee of the Board of Directors withdraw, modify or qualify their recommendation to vote in favour of the Scheme and/or the Resolutions prior to the sanction of the scheme by the Court or fail to prepare and file such documents as are required

by the Court in connection with the Court Hearing in accordance with the timetable set by the Court or make statements that they no longer support the Acquisition. The Break Fee shall not be payable if:

- (i) a Superior Proposal has been recommended by the Independent Committee of the Board of Directors and the Superior Proposal does not complete as a result of: (a) any member of the Gazit Group failing to vote for or tender into such Superior Proposal, in circumstances where a formal offer was made and such offer was capable of being voted on or tendered into or (b) a proposal was made conditional on obtaining a customary irrevocable undertaking from Gazit or members of the Gazit Group on terms which are agreed by Gazit or members of the Gazit Group (and such undertaking was not given); or
- (ii) Gazit invokes the Material Adverse Change Condition prior to the date of such withdrawal, adverse modification or qualification or failure by the Independent Committee of the Board of Directors to carry out certain actions in support of the Scheme.

The Implementation Agreement also includes an obligation on Bidco to pay the Reverse Break Fee to Atrium if Bidco invokes the Material Adverse Change Condition.

The Implementation Agreement prohibits Atrium from taking certain actions without the consent of Bidco, including, among other things, carrying on the business of Atrium other than in the ordinary course, declaring or paying a dividend (other than the Special Dividend), changing accounting policies of the Group, other than as permitted by fiduciary duties or as contemplated by the Implementation Agreement, issuing any shares (other than intra-group share issuances) and entering into any contracts other than in the ordinary course of business (the “**Restricted Actions**”).

Pursuant to the terms of the Implementation Agreement, Bidco has agreed that while the Implementation Agreement is in effect and in the event that: (i) the Scheme lapses; or (ii) the Effective Date doesn’t occur before the Longstop Date, for 6 months following such event, neither it nor any person acting in concert with it (as such term is defined within the Takeover Directive) in respect of the Acquisition may, announce or make any offer for all of the Atrium Shares not already held by Gazit or its affiliates, unless an independent third party not connected to Bidco publicly announces its intention to effect a transaction resulting in a change of control of Atrium.

The Implementation Agreement also includes an obligation on Atrium to procure, following the sanction of the Scheme by the court on the Court Hearing Date, the implementation of the Group Optimisation Steps. It is therefore anticipated that the Scheme will become Effective on 2 January 2020.

## 8. Further terms

The Offer Price is to be paid in cash. However, prior to the Effective Date, Atrium expects to pay the Special Dividend to all holders of Atrium Shares who are holders of such Atrium Shares on the Special Dividend Record Date, as part of its obligations under the Implementation Agreement. To the extent that the Special Dividend is paid prior to the

Effective Date, the Offer Price payable by Bidco will be reduced by an amount equal to such Special Dividend. The total consideration per Atrium Share received by each Atrium Shareholder will therefore constitute the Offer Price (reduced by the amount of the Special Dividend which is paid) and any Special Dividend that is paid.

Save for the Special Dividend, Atrium does not expect to propose, declare, make, or pay any distribution or return of value in respect of the Scheme Shares on or after the date of this Announcement. However, if any such distribution is paid or becomes payable prior to the Effective Date, Bidco will adjust the Offer Price accordingly by reference to the aggregate amount of the distribution that has been declared, made, paid or is payable, except where the Scheme Shares are or will be acquired pursuant to the Scheme on a basis which entitles Bidco to receive and retain such dividend or other distribution. If Bidco makes a reduction in respect of a dividend or other distribution, Atrium Shareholders will be entitled to receive and retain such dividend or other distribution. If any such dividend or distribution or return of value is paid or made after the date of this Announcement and Bidco exercises its rights described above, any reference in this Announcement to the consideration payable under the Scheme shall be deemed to be a reference to the consideration as so reduced. Any exercise by Bidco of its rights referred to in this paragraph shall be the subject of the Announcement and shall not be regarded as constituting any revision or variation of the terms of the Scheme.

#### **9. Information relating to Gazit and Bidco**

Gazit is a leading global real estate company focused on the ownership, management and development of retail and mixed use properties in North America, Israel, Brazil, Northern, Central and Eastern Europe, located in urban growth markets. Gazit is listed on the Tel Aviv Stock Exchange (TASE: GZT) and is included in the TA-35 index in Israel. As of March 31, 2019 Gazit (through its subsidiaries including Atrium) owns and operates 103 properties, with a gross leasable area of approximately 2.5 million square meters and a total value of approximately NIS 40 billion. Bidco is a newly formed wholly owned indirect subsidiary of Gazit.

#### **10. Information relating to Atrium**

The Atrium Group is a leading owner, operator and redeveloper of shopping centres and retail real estate in Central Europe. It specialises in locally dominant food, fashion and entertainment shopping centres in the best urban locations. The Atrium Group owns 32 properties with a total gross leasable area of over 870,000 sqm and with a total market value of approximately €2.7 billion. These properties are located in Poland (64 per cent of the total market value of the Atrium Group's portfolio), the Czech Republic, Slovakia and Russia, and with the exception of one, are all managed by the Atrium Group's internal team of retail real estate professionals.

Atrium 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. The majority shareholder of Atrium is Gazit with a 60.1% ownership.

#### **11. Financing**

The cash consideration payable to Scheme Shareholders pursuant to the Acquisition will be provided by Bidco from the Gazit Group's existing cash resources and credit facilities.

## **12. Offer-related Arrangements**

Gazit has entered into a binding agreement with Menora Mivtachim Insurance Ltd. ("Menora") to sell on the Effective Date, or shortly thereafter, up to €150 million of Atrium Shares (which equates to approximately 12% of Atrium share capital) at the Offer Price (as adjusted following the payment of the Special Dividend).

Gazit and Atrium entered into a confidentiality agreement on 26 November 2018 (which was subsequently amended on 27 May 2019) in relation to the Acquisition pursuant to which each party has undertaken, amongst other things: (a) to keep confidential information relating to the Acquisition and to the other party confidential and not to disclose it to third parties (other than certain permitted parties) other than as required by law or regulation; and (b) to use the confidential information solely for the purpose of considering, evaluating, advising on and/or furthering the Acquisition.

## **13. Share Schemes**

Participants in the Share Schemes will be contacted regarding the effect of the Acquisition on their rights under these schemes and provided with further details concerning the proposals which will be made to them in due course. Details of the proposals will be set out in the Scheme Document and in separate letters to be sent to participants in the Share Schemes.

## **14. Strategic plans and employees**

### ***Strategic Plans***

Bidco and Gazit have worked closely with Atrium management to understand the key areas of their strategy and plans for the business and expect to continue to build upon the 11 years of cooperation and support that Gazit has provided Atrium in achieving Atrium's business objectives. Following completion of the Acquisition, Gazit and Bidco will work with Atrium management to continue developing the strategy, operations and organisational structure of the business. The strategic focus of the business will be on owning and developing high-quality, urban retail and mixed use properties in major cities in Europe with strong demographics and in areas with attractive growth profiles including cities such as Warsaw and Prague.

Gazit and Bidco also intend to support Atrium in identifying and evaluating investment opportunities in real estate properties in various asset classes, including but not limited to retail properties, in urban locations in major cities in Europe that exhibit attractive long-term growth prospects.

### ***Employees, employment rights and pensions***

Bidco greatly values the skills, knowledge and expertise of Atrium's existing management and employees and therefore Bidco expects the existing personnel of Atrium to continue to contribute to the success of Atrium following completion of the Acquisition.

Bidco confirms that, following the Scheme becoming Effective, the existing contractual and statutory employment rights of all the employees of Atrium Group will continue to be safeguarded and their accrued rights to pensions benefits protected.

### ***Retention Arrangements***

Following the Scheme becoming effective, Bidco intends to review the board of directors, management, governance and incentive structure of Atrium. Bidco has not entered into, and has not had discussions on proposals to enter into, any form of incentivisation arrangements with members of Atrium's management, but may put in place incentive arrangements for certain members of Atrium's management team following completion of the Acquisition.

## **15. Structure of the Acquisition**

It is intended that the Acquisition will be implemented by way of a Court-sanctioned scheme of arrangement between Atrium and the Scheme Shareholders, under Article 125 of the Companies Law. The purpose of the Scheme is to provide for Bidco to become the owner of the entire issued and to be issued share capital of Atrium. Under the Scheme, the Acquisition will be achieved by the transfer of the Scheme Shares by the Scheme Shareholders to Bidco in consideration for which the Scheme Shareholders will receive €3.75 per Scheme Share, less the amount of any Special Dividend, for each Scheme Share they hold. The procedure involves, among other things, an application by Atrium to the Court to sanction the Scheme.

The Acquisition is subject to the Conditions and certain further terms referred to in Appendix 1 to this Announcement and to the full terms and conditions to be set out in the Scheme Document and will only become Effective if the following events occur on or before the Long Stop Date:

- a resolution to approve the Scheme is passed by a majority in number of Scheme Shareholders present and voting (and entitled to vote) at the Court Meeting, either in person or by proxy, representing not less than 3/4ths of the total voting rights held by those Scheme Shareholders (or relevant class or classes thereof, if applicable);
- the Resolution(s) necessary to implement the Scheme is/are passed by the requisite majority of Atrium Shareholders at the General Meeting (which will require the approval of Atrium Shareholders representing at least two thirds of the votes cast at the General Meeting either in person or by proxy);
- the Scheme is sanctioned by the Court at the Court Hearing (without modification, or with modification on terms agreed by Bidco and Atrium) by no later than 14 November 2019; and
- all other Conditions to the Scheme, as set out in Appendix 1 being satisfied or (where applicable) waived.

Upon the Scheme becoming Effective: (i) it will be binding on all Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting (and if they attended and voted, whether or not they voted in favour); and (ii) share certificates in respect of Scheme Shares will cease to be valid and entitlements to Atrium



Shares held within the CREST system will be cancelled. The cash consideration payable under the Scheme will be dispatched to Scheme Shareholders by Bidco no later than 14 days after the Effective Date.

Any Scheme Shares issued before the Scheme Record Time will be subject to the terms of the Scheme. The Resolution(s) to be proposed at the General Meeting will, amongst other matters, provide that the Articles be amended to incorporate provisions requiring any Scheme Shares issued after the Scheme Record Time (other than to Bidco and/or their nominees) to be automatically transferred to Bidco on the same terms as the Acquisition (other than terms as to timings and formalities). The provisions of the Articles (as amended) will avoid any person (other than Gazit, Bidco and their affiliates and nominees) holding shares in the capital of Atrium after the Effective Date.

If the Scheme does not become Effective on or before the Long Stop Date, it will lapse and the Acquisition will not proceed.

The Scheme Document will include full details of the Scheme, together with notices of the Court Meeting and the General Meeting. The Scheme Document will also contain the expected timetable for the Acquisition, and will specify the necessary actions to be taken by Atrium Shareholders. It is expected that the Scheme Document, together with the Forms of Proxy, will, following the Go-Shop period, be published within 12 weeks of this Announcement. Subject, amongst other things, to the satisfaction or waiver of the Conditions, it is expected that the Scheme will become Effective on 2 January 2020.

## **16. Delisting**

Atrium Shares are currently listed and admitted to trading on the Amsterdam Stock Exchange and the Vienna Stock Exchange. Prior to the Scheme becoming Effective, Gazit, Bidco and Atrium will make an application for the cancellation of the listing and trading of Atrium Shares and for the cancellation of trading of Atrium Shares on the Amsterdam Stock Exchange to take effect on or shortly after the Effective Date. The Scheme Document will set out details of the expected last day of dealings in Atrium Shares on the Amsterdam Stock Exchange and the latest time for registration of transfers prior to the Effective Date. In addition, after the Effective Date, Atrium will no longer fulfil the mandatory listing requirements of the Vienna Stock Exchange and as a result, Vienna Stock Exchange will initiate a delisting procedure of Atrium Shares.

## **17. Disclosure of interests in Atrium relevant securities**

Except as disclosed herein, as at the date of this Announcement neither Bidco, nor any director of either of Bidco, nor, as far as Bidco is aware, any person acting in concert with Bidco:

- has any interest in, or right to subscribe for, any relevant securities of Atrium; nor
- has any short position in relevant securities of Atrium, including any short position under a derivative, any binding agreement to sell, any delivery obligation or right to require another person to purchase or take delivery of relevant securities of Atrium;

<b>Name</b>	<b>Capacity</b>	<b>Nature of Interest</b>	<b>Number of relevant securities held in Atrium</b>
Chaim Katzman	Director of Bidco and Gazit	Shares	374,119
Chaim Katzman	Director of Bidco and Gazit	Options	190,000
Abigail Dixon	Daughter of Chaim Katzman	Shares	6,000
Bat-ami Gordon	Daughter of Chaim Katzman	Shares	6,000
Evrona Katzman	Daughter of Chaim Katzman	Shares	6,000
Samuel Messenberg	Director of Norstar Holdings, Inc (Gazit shareholder)	Shares	1,000

‘Interests in securities’ for these purposes arise, in summary, when a person has long economic exposure, whether absolute or conditional, to changes in the price of securities (and a person who only has a short position in securities is not treated as interested in those securities). In particular, a person will be treated as having an ‘interest’ by virtue of the ownership, voting rights or control of securities, or by virtue of any agreement to purchase, option in respect of, or derivative referenced to, securities.

## 18. Overseas shareholders

The availability of the Acquisition or the distribution of this Announcement to Atrium Shareholders who are not resident in the Netherlands, Austria or Jersey may be affected by the laws of their relevant jurisdiction. Such persons should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdiction. Atrium Shareholders who are in any doubt regarding such matters should consult an appropriate independent professional adviser in the relevant jurisdiction without delay.

This Announcement does not constitute an offer for sale of any securities or an offer or an invitation to purchase any securities. Atrium Shareholders are advised to read carefully the Scheme Document and related Forms of Proxy once these have been published.

## 19. General

The Acquisition will be made on the terms and subject to the Conditions and further terms set out in Appendix 1 and to be set out in the Scheme Document. A summary of the irrevocable undertakings is contained in Appendix 2. Certain terms used in this Announcement are defined in Appendix 3.

Bidco and Atrium have each given and not withdrawn their consent to the publication of this Announcement with the inclusion herein of the references to their names in the form and context in which they appear.

## **Enquiries**

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Kirkland & Ellis International LLP and Ogier are retained as legal advisers to Gazit and Bidco. Allen & Overy LLP and Appleby are retained as legal advisers to Atrium.

## **Further information**

*This Announcement is for information purposes only and is not intended to and does not constitute, or form part of, an offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the Acquisition or otherwise, nor shall there be any sale, issuance or transfer of securities of Atrium in any jurisdiction in contravention of applicable law. The Acquisition will be implemented solely by means of the Scheme Document, which will contain the full terms and conditions of the Acquisition including details of how to vote in respect of the Scheme. Any vote in respect of the Scheme or other response in relation to the Acquisition should be made only on the basis of the information contained in the Scheme Document.*

### ***Important notices relating to financial advisers***

*UBS AG London Branch is authorised and regulated by the Financial Market Supervisory Authority in Switzerland. It is authorised by the Prudential Regulation Authority and subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority in the United Kingdom. UBS is acting as financial adviser to Atrium*

*and no-one else in connection with the matters described in this Announcement and will not be responsible to anyone other than Atrium for providing the protections afforded to clients of UBS nor for providing advice in connection with the matters referred to herein. Neither UBS nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of UBS in connection with this Announcement, any statement contained herein, the Acquisition or otherwise.*

*Lazard & Co., Limited (which is authorised and regulated by the FCA) and Lazard & Co, GmbH are acting as financial adviser to Atrium in relation to the Acquisition and no-one else in connection therewith and will not be responsible to anyone other than Atrium for providing the protections afforded to clients of Lazard or for providing advice in connection with the Acquisition and other matters referred to herein. Neither Lazard nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Lazard in connection with this Announcement, any statement contained herein, the Acquisition or otherwise.*

*Citigroup Global Markets Limited, authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority, is acting as financial adviser to Gazit and no one else in connection with the matters described in this Announcement and will not be responsible to anyone other than Bidco for providing the protections afforded to clients of Citigroup Global Markets Limited nor for providing advice in connection with the matters referred to herein. Neither Citigroup Global Markets Limited nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Citigroup Global Markets Limited in connection with this Announcement, any statement contained herein, the Acquisition or otherwise.*

### **Overseas jurisdictions**

*The ability to participate in the Acquisition for Atrium Shareholders who are not resident in and citizens of the Netherlands, Austria or Jersey may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in the Netherlands, Austria or Jersey should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions. Further details in relation to overseas shareholders will be contained in the Scheme Document.*

*The release, publication or distribution of this Announcement in or into jurisdictions other than the Netherlands, Austria or Jersey may be restricted by law and therefore any persons who are subject to the law of any jurisdiction other than the Netherlands, Austria or Jersey should inform themselves of, and observe, any applicable requirements. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. This Announcement has been prepared for the purposes of complying with Jersey law, Dutch law and Austrian law and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been*

*prepared in accordance with the laws of jurisdictions outside of the Netherlands, Austria and Jersey. Jersey law will apply in respect of the Acquisition.*

*Copies of this Announcement and the formal documentation relating to the Scheme and the Acquisition will not be and must not be, mailed or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction or any jurisdiction where to do so would violate the laws of that jurisdiction and persons receiving those documents must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.*

*This announcement does not constitute an offer of securities in the state of Israel.*

### **US Holders**

*US Holders should note that the Acquisition relates to the securities of a Jersey company listed on the Amsterdam Stock Exchange and the Vienna Stock Exchange and is subject to Dutch, Austrian and Jersey disclosure requirements and practices (which are different from those of the US) and is proposed to be implemented under a scheme of arrangement under Jersey company law. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules under the US Exchange Act, and the proxy solicitation rules under the US Exchange Act will not apply to the Acquisition. The Scheme will be subject to Dutch, Austrian and Jersey disclosure requirements and practices, which are different from the disclosure requirements of the US tender offer and proxy solicitation rules. The financial information included in this Announcement and the Scheme Document has been or will have been prepared in accordance with IFRS, and thus may not be comparable to financial information of companies whose financial statements are prepared in accordance with generally accepted accounting principles in the US.*

*The receipt of cash pursuant to the Acquisition by a US Holder as consideration for the transfer of its Scheme Shares pursuant to the Scheme may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other, tax laws. Each Atrium Shareholder is urged to consult his independent professional adviser immediately regarding the tax consequences of the Acquisition applicable to him.*

*It may be difficult for US Holders to enforce their rights and claims arising out of the US federal securities laws, since Bidco and Atrium are located in countries other than the US, and some or all of their officers and directors may be residents of countries other than the US. US Holders may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.*

### **Forward looking statements**

*This Announcement (including information incorporated by reference in this Announcement), oral statements made regarding the Acquisition, and other information published by Bidco, Gazit and Atrium contain statements which are, or may be deemed to be, "forward-looking statements". Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of Bidco, Gazit and Atrium about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements.*

*The forward-looking statements contained in this Announcement include statements relating to the expected effects of the Acquisition on Bidco, Gazit and Atrium, the expected timing and scope of the Acquisition and other statements other than historical facts. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as “plans”, “expects” or “does not expect”, “is expected”, “is subject to”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “should”, “would”, “might” or “will” be taken, occur or be achieved. Although Bidco, Gazit and Atrium believe that the expectations reflected in such forward-looking statements are reasonable, Bidco, Gazit and Atrium can give no assurance that such expectations will prove to be correct. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements.*

*These factors include, but are not limited to: the ability to complete the Acquisition; the ability to obtain requisite regulatory and shareholder approvals and the satisfaction of other Conditions on the proposed terms and schedule; as future market conditions, changes in general economic and business conditions, the behaviour of other market participants, the anticipated benefits from the proposed transaction not being realised as a result of changes in general economic and market conditions in the countries in which Bidco, Gazit and Atrium operate, weak, volatile or illiquid capital and/or credit markets, changes in tax rates, interest rate and currency value fluctuations, the degree of competition in the geographic and business areas in which Bidco, Gazit and Atrium operate and changes in laws or in supervisory expectations or requirements. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements. Such forward-looking statements should therefore be construed in the light of such factors. Neither Bidco nor Atrium, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this Announcement will actually occur. You are cautioned not to place any reliance on these forward-looking statements. Other than in accordance with their legal or regulatory obligations, neither Bidco, Gazit nor Atrium is under any obligation, and Bidco, Gazit and Atrium expressly disclaim any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.*

### ***No profit forecasts or estimates***

*No statement in this Announcement is intended as a profit forecast or estimate for any period and no statement in this Announcement should be interpreted to mean that earnings or earnings per share for Bidco or Atrium, as appropriate, for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Bidco or Atrium, as appropriate.*

### ***Publication on website***

*A copy of this Announcement will be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Atrium's website at*

*<https://www.aere.com/pressreleases.aspx> and on Gazit's website at <https://www.gazitglobe.com/investor-relations/news-and-updates.com>. For the avoidance of doubt, the contents of these websites are not incorporated by reference and do not form part of this Announcement.*

***Rounding***

*Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of figures that precede them.*

## **Appendix 1**

### **Conditions and Certain Further Terms of the Scheme and the Acquisition**

#### **Part A. Conditions to the Scheme and Acquisition**

The Acquisition will be conditional upon the Scheme becoming unconditional and becoming Effective on or before the Long Stop Date.

##### ***Scheme approval***

The Scheme will be conditional upon:

1. approval of the Scheme by a majority in number of the Scheme Shareholders representing not less than 3/4ths of the total voting rights held by the Scheme Shareholders (or the relevant class or classes thereof, if applicable) in each case present and voting, either in person or by proxy, at the Court Meeting or at any separate class meeting which may be required by the Court or at any adjournment of any such meetings;
2. all Resolutions being duly passed by the requisite majority at the General Meeting or at any adjournment thereof;
3. the sanction of the Scheme by the Court at the Court Hearing (without modification, or with modification on terms acceptable to Bidco and Atrium) by no later than 14 November 2019;
4. the recommendation of the Independent Committee of the Board of Directors not having been withdrawn, modified or qualified prior to the Scheme Sanction Time;
5. prior to the Scheme Sanction Time, there being no outstanding judgment, injunction, order or decree of a competent government authority in a Relevant Jurisdiction which makes it unlawful for the Acquisition to become effective in accordance with its terms or the other transactions contemplated by the Implementation Agreement;
6. no Material Adverse Change having occurred; and
7. Atrium not having, prior to the Scheme Sanction Time: (i) breached the Restricted Actions where any such breach is either incapable of being remedied within ten business days after receipt by Atrium of a written notice from Bidco or has not been remedied by Atrium within ten business days after receipt by Atrium of a written notice from Bidco; or (ii) breached any other terms of the Implementation Agreement where any such breach has or could reasonably be expected to have a material adverse effect on Atrium or the Acquisition, provided that, it shall be deemed a breach of material adverse effect where any such breach is either incapable of being remedied within 20 business days after receipt by Atrium of a written notice from Bidco or has not been remedied by Atrium within 20 business days after receipt of a written notice from Bidco.



## **Part B. Certain further terms of the Scheme and the Acquisition**

1. Conditions 1 to 7 (inclusive) must be fulfilled, be determined by Bidco to be satisfied or (if capable of waiver) be waived prior to the commencement of the Court Hearing, failing which the Scheme will lapse.
2. Notwithstanding the paragraph above, Bidco reserves the right in their sole discretion to waive all or any of Conditions 4 to 7 (inclusive), in whole or in part and to proceed with the Court Hearing prior to the fulfilment, satisfaction or waiver of any of the Conditions 4 to 7 (inclusive).
3. Bidco shall be under no obligation under the terms and Conditions of the Acquisition to waive (if capable of waiver), to determine to be satisfied or to treat as fulfilled any of Conditions 4 to 7 (inclusive) by a date earlier than the latest date specified in paragraph 1 above, notwithstanding that the other Conditions may at such earlier date have been waived or fulfilled and that there are, at such earlier date, no circumstances indicating that any Condition may not be capable of fulfilment.
4. The Acquisition will be subject, *inter alia*, to the Conditions and certain further terms which are set out in this Appendix 1 and those terms which will be set out in the Scheme Document.
5. Atrium Shares will be acquired by Bidco fully paid and free from all liens, equitable interests, charges, encumbrances and other third party rights of any nature whatsoever and together with all rights attaching to them, including the right to receive and retain all dividends and distributions (if any) declared, made or paid after the Effective Date. If after the date of this Announcement and prior to the Effective Date, any dividend and/or other distribution and/or other return of value is declared, made or paid in respect of Atrium Shares, including the Special Dividend, Bidco will reduce the amount of consideration payable for such Atrium Shares under the terms of the Acquisition by an amount equivalent to such dividend, other distribution or return of value, except where the Scheme Shares are or will be acquired pursuant to the Scheme on a basis which entitles Bidco to receive and retain such dividend or other distribution. If Bidco makes such a reduction in respect of a dividend or other distribution, Atrium Shareholders will be entitled to receive and retain such dividend or other distribution. If any such dividend and/or other distribution and/or other return of capital occurs, any reference to this Announcement to the Offer Price shall be deemed to be a reference to the Offer Price as so reduced.
6. This Announcement and any rights or liabilities arising hereunder, the Acquisition, the Scheme, and any proxies will be governed by Jersey law and be subject to the jurisdiction of the Courts. The Acquisition will also be subject to the applicable requirements of the Amsterdam Stock Exchange, the Vienna Stock Exchange and the Registrar of Companies.

Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.

## Appendix 2

### Details of Irrevocable Undertakings

#### Atrium Director undertakings

The following members of the Independent Committee of the Board of Directors, who hold Atrium Shares have given irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the General Meeting in relation to the following Atrium Shares:

<b>Name</b>	<b>Number of Atrium Shares</b>	<b>Percentage of Atrium Shares</b>
Neil Flanzraich	3,204	0.0008%
Andrew Wignall	33,109	0.0088%
Michael Errichetti	3,204	0.0008%
Simon Radford	44,174	0.0117%

The undertakings from the members of the Independent Committee of the Board of Directors named above will cease to be binding on the earliest of (1) the Scheme lapsing or being withdrawn in accordance with its terms; (2) the Implementation Agreement terminating in accordance with its terms; and (3) Bidco publicly announcing, with the consent of Atrium and any relevant authority (if required) and before the Scheme Document is posted, that it does not intend to proceed with the Scheme.

### **Appendix 3**

#### **Definitions**

The following definitions apply throughout this Announcement unless the context requires otherwise.

<b>“€”, “EUR” or “Euros”</b>	the lawful currency of the European Union
<b>“Acquisition”</b>	the direct or indirect acquisition by Bidco of the entire issued ordinary share capital of Atrium (other than Atrium Shares already held by Bidco, or members of the Gazit Group) or their nominees to be implemented by way of the Scheme
<b>“Amsterdam Stock Exchange”</b>	Euronext Amsterdam, together with any successor thereto
<b>“Announcement”</b>	this announcement
<b>“Atrium Group”</b>	Atrium and its subsidiaries
<b>“Atrium Shareholders”</b>	the registered holders of Atrium Shares from time to time
<b>“Atrium Shares”</b>	ordinary shares of no par value in the capital of Atrium
<b>“Articles”</b>	the articles of association of Atrium from time to time
<b>“Bidco”</b>	Nb (2019) B.V., a private company with limited liability, incorporated under the laws of the Netherlands, with Dutch Trade Register number 75387964 which is an indirect wholly owned subsidiary of Gazit (or if Gazit elects, a nominee or wholly owned subsidiary of Gazit notified in writing to Atrium prior to the date the Scheme Document is published in accordance with the terms of the Implementation Agreement)
<b>“business day”</b>	any day (excluding any Saturday or Sunday or any public holiday) on which banks in Jersey, Amsterdam or Vienna are generally open for business
<b>“Break Fee”</b>	has the meaning set out in the Summary to the

	Announcement
<b>“Closing Price”</b>	€3.17
<b>“Companies Law”</b>	the Companies (Jersey) Law 1991, as amended from time to time
<b>“Conditions”</b>	the conditions to the implementation of the Acquisition (including the Scheme) as set out in Appendix 1 to this Announcement and to be set out in the Scheme Document
<b>“Court”</b>	means the Royal Court of Jersey
<b>“Court Hearing”</b>	the hearing of the Court convened under an Act of Court under Article 125(1) of the Companies Law, for the purpose of considering and if it thought fit, sanctioning the Scheme
<b>“Court Hearing Date”</b>	the date of the Court Hearing
<b>“Court Meeting”</b>	the meeting or meetings of holders of Scheme Shares which are in issue at the Scheme Voting Record Time or of any class or classes thereof to be convened by order of the Court to consider and, if thought fit, to approve the Scheme (with or without amendment) and any adjournment thereof
<b>“Court”</b>	means the Royal Court of Jersey
<b>“CREST”</b>	the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001/3755)) in respect of which Euroclear UK & Ireland Limited is the Operator (as defined in such Regulations) in accordance with which securities may be held and transferred in uncertificated form
<b>“Effective Date”</b>	the date upon which the Acquisition becomes Effective
<b>“Effective”</b>	means the Scheme having become effective pursuant to its terms
<b>“ESOP 2013”</b>	means Atrium’s “Employee Share Option Plan” adopted by the Directors on, and dated, 23 May 2013

<b>“ESPP”</b>	means Atrium’s “Employee Share Participation Plan” adopted by the Directors on 20 March 2018
<b>“Excluded Shares”</b>	any Atrium Shares: <ul style="list-style-type: none"> <li>(i) which are registered in the name of or beneficially owned by Gazit or its nominee(s) or any subsidiary undertaking of Gazit (including, in particular, Gaia and Midas) or its nominee(s) or any of its connected persons; or</li> <li>(ii) held in treasury</li> </ul>
<b>“FCA”</b>	the Financial Conduct Authority
<b>“Forms of Proxy”</b>	the forms of proxy in connection with each of the Court Meeting and the General Meeting, which shall accompany the Scheme Document
<b>“General Meeting”</b>	the general meeting of Atrium Shareholders (including any adjournment, postponement or reconvention) to be convened to consider and, if thought fit, to approve the Resolutions (with or without amendment)
<b>“Go-Shop”</b>	is as set out in Schedule 5 to the Implementation Agreement, pursuant to which Atrium may solicit a Superior Proposal
<b>“Gazit Group”</b>	means Gazit and its subsidiaries
<b>“Gazit Shareholder Director”</b>	means a director of Atrium who has been appointed by Bidco or Gazit
<b>“Group Optimisation Steps”</b>	has the meaning set out in the Summary to the Announcement
<b>“IFRS”</b>	International Financial Reporting Standards
<b>“Independent Committee of the Board of Directors”</b>	the directors of Atrium, other than the Gazit Shareholder Directors
<b>“Implementation Agreement”</b>	the implementation agreement dated 23 July 2019 between Bidco and Atrium and relating, among other things, to the implementation of the Acquisition
<b>“Last Practicable Date”</b>	22 July 2019

<b>“Long Stop Date”</b>	means 23 April 2020, or such later date as Bidco and Atrium may agree in an exchange of notices in writing (and which the Court shall approve (if such approval is required))
<b>“Material Adverse Change”</b>	any effect, event, development, circumstance or change, occurring between the date of the Implementation Agreement and the Scheme Sanction Time that individually or in the aggregate, directly or indirectly: (a) has, or is reasonably likely to have, a material adverse effect on the assets, business, financial condition, results of operations or trading position of the Atrium Group taken as a whole, other than any event or action that has been taken at the written request of or with the written consent of Bidco or (b) has a material adverse effect on trading conditions on any of the Relevant Markets, including any event, development, circumstance or change which (i) causes a material decrease in trading prices of shares on any of the Relevant Markets or (ii) materially disrupts trading of securities generally on any of the Relevant Markets including any irregular suspension of trading in securities generally on any such markets;
<b>“Material Adverse Change Condition”</b>	the condition set out in paragraph 2 of Appendix 1 to the Announcement
<b>“Menora”</b>	has the meaning set out in the Summary to the Announcement
<b>“Offer Price”</b>	€3.75 for each Scheme Share
<b>“Offer Period”</b>	the offer period commencing on the date of this Announcement and ending on the earlier of the Effective Date and the date on which the Scheme lapses or is withdrawn
<b>“Registrar of Companies”</b>	the Registrar of Companies in Jersey
<b>“Regulatory Authority”</b>	any central bank, ministry, governmental, quasigovernmental (including the European Union), supranational, statutory, regulatory or investigative body or authority (including any national or supranational antitrust or merger control authority, any sectoral ministry or regulator and any foreign investment review body), national, state, municipal or local

government (including any subdivision, court, administrative agency or commission or other authority thereof), any entity owned or controlled by them, any private body exercising any regulatory, taxing, importing or other authority, trade agency, association, institution or professional or environmental body in any jurisdiction

**“Relevant Jurisdiction”**

Israel, Jersey, Austria, the Netherlands, the United States and any other country where any member of the Atrium Group has real estate assets or is assessed for tax

**“Relevant Markets”**

the New York Stock Exchange, the NASDAQ, the Frankfurt Stock Exchange, Vienna Stock Exchange, Euronext, the Prague Stock Exchange and the Warsaw Stock Exchange

**“Resolutions”**

the resolution(s) to be proposed at the General Meeting necessary to implement the Scheme, including, amongst other things, a resolution to amend the Articles by the adoption and inclusion of a new article under which any Atrium Shares issued or transferred after the General Meeting shall either be subject to the Scheme or (after the Effective Date) shall be immediately transferred to Bidco (or as they may direct) in exchange for the same consideration as is due under the Scheme

**“Restricted Actions”**

has the meaning set out in paragraph 7

**“Restricted Jurisdictions”**

any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Acquisition is sent or made available to Atrium Shareholders in that jurisdiction

**“Restricted Share Plan”**

means the Company’s “Restricted Share Plan” adopted by the Directors on, and dated, 16 May 2011

**“Reverse Break Fee”**

has the meaning set out in the Summary to the Announcement

**“Scheme”**

the scheme of arrangement proposed to be made under Article 125 of the Companies Law between Atrium and the Scheme Shareholders,

the terms of which are to be set out in the Scheme Document, with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by Atrium and Bidco

**“Scheme Court Order”**

the order of the Court sanctioning the Scheme under Article 125 of the Companies Law

**“Scheme Document”**

the document to be sent to (among others) Atrium Shareholders containing and setting out, among other things, the full terms and conditions of the Scheme, the explanatory statement required by Article 125 of the Companies Law and containing the notices convening the Court Meeting and General Meeting

**“Scheme Record Time”**

the time and date specified in the Scheme Document, expected to be 6.00 p.m. on the Business Day immediately prior to the Effective Date

**“Scheme Sanction Time”**

means the time the Court, at the Court Hearing, sanctions the Scheme

**“Scheme Shareholders”**

registered holders of Scheme Shares

**“Scheme Shares”**

- (i) the existing Atrium Shares in issue as at the date of the Scheme Document;
- (ii) any Atrium Shares issued after the date of the Scheme Document and prior to the Scheme Voting Record Time; and
- (iii) any Atrium Shares issued on or after the Scheme Voting Record Time but before the Scheme Record Time, either on terms that the original or any subsequent holders thereof shall be bound by the Scheme or in respect of which the holders thereof shall have agreed in writing to be bound by the Scheme,

but excluding the Excluded Shares

**“Scheme Voting Record Time”**

the time and date specified as such in the Scheme Document by reference to which entitlement to vote at the Court Meeting will be



determined, which is expected to be 6.00 pm on the day which is two days before the date of the Court Meeting (or any adjournment thereof)

**“SEC”**

the Securities and Exchange Commission

**“Share Schemes”**

means the ESOP 2013, ESPP and Restricted Share Plan

**“Special Dividend”**

has the meaning set out in the Summary to the Announcement

**“Superior Proposal”**

means a *bona fide* offer or proposal from, or on behalf of, a third party buyer with a view to such person, directly or indirectly, acquiring (a) all of Atrium Shares or (b) all or substantially all of the consolidated assets of the business of Atrium providing for (i) an all cash consideration per Atrium Share greater than the Offer Price and (ii) a binding commitment from the third party buyer to Atrium, and which the Independent Committee of the Board of Directors determine, acting reasonably and in good faith and after consultation with their legal and financial advisers and the advice of such advisers has either been received in writing or recorded in meeting minutes, is more beneficial to Atrium taking into account *inter alia* (A) any financing contingencies or conditionality (including securing an equity commitment letter which shall be on terms which are not less favourable than the equity commitment letter provided by Bidco), (B) the effect of any change of control waivers required, (C) any requirement from such third party buyer for confirmatory diligence, (D) any anti-trust conditions and related commitment to accept potential remedies, (E) speed of execution and transaction certainty (including with respect to counterparty identity), (F) the reputation of such counterparty (including where entering into an agreement with such counterparty could reasonably be expected to adversely impact the reputation of the Company, its employees or its business prospects) and (G) plans to address the interests of bondholders of the Company (including any steps to refinance such bonds)

<b>“Takeover Directive”</b>	means Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids, as amended from time to time
<b>“United States of America”, “United States” or “US”</b>	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
<b>“US Exchange Act”</b>	the United States Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder (as amended)
<b>“US Holders”</b>	holders of Atrium Shares ordinarily resident in the US or with a registered address in the US, and any custodian, nominee or trustee holding Atrium Shares for persons in the US or with a registered address in the US
<b>“Vienna Stock Exchange”</b>	the regulated market operated by Wiener Börse AG, together with any successor thereto

For the purposes of this Announcement, “subsidiary” shall have the meaning given by the Companies Law.

References to an enactment include references to that enactment as amended, replaced, consolidated or re-enacted by or under any other enactment before or after the date of this Announcement. All references to time in this Announcement are to London time unless otherwise stated.

A reference to “includes” shall mean “includes without limitation”, and references to “including” and any other similar term shall be construed accordingly.