

EP Global Commerce

Press Release

EP Global Commerce announces voluntary public takeover offer for METRO AG

- Offer provides for a cash payment of EUR 16.00 for each ordinary share and EUR 13.80 for each preference share
- Offer price contains a premium of 34.5 percent on unaffected share price level of METRO's ordinary shares
- Offer is, inter alia, subject to a certain minimum acceptance threshold of all ordinary shares in METRO AG which shall be sufficient to secure approval for a domination and profit and loss transfer agreement
- EP Global Commerce intends to support METRO AG in the need to accommodate to developing market environment and thus enable a successful future growth strategy
- Shareholders of EP Global Commerce have a strong and long-term track record of managing companies in various industries with clear entrepreneurial approach with a strong focus on long term value creation
- EP Global Commerce has full support of key shareholder Haniel and holds call option from Ceconomy
- Bidder has clear growth strategy, no intentions to close METRO stores in Germany or to move headquarters from Düsseldorf
- Bidder does not intend to terminate existing shop agreements and collective bargaining agreements in Germany

Grünwald, 21 June 2019 - Today, EP Global Commerce VI GmbH, a holding company controlled by Daniel Křetínský, with current shareholding of 53%, who is acting in concert with other shareholder Patrik Tkáč, who currently holds shareholding of 47%, announced to make a voluntary public takeover offer to the shareholders of METRO AG for the acquisition of all non-par value ordinary and preference shares. The offer will be subject to a certain minimum acceptance threshold of all ordinary shares in METRO AG which shall be sufficient in the view of EP Global Commerce to secure approval for a domination and profit and loss transfer agreement with METRO AG after settlement of the offer, merger control clearances and other customary conditions.

The cash offer price for the ordinary shares (ISIN DE000BFB0019) will be EUR 16.00 per share and the cash offer price for the preference shares (ISIN DE000BFB0027) will be

EUR 13.80 per share. EP Global Commerce is offering a cash payment to all METRO shareholders with an attractive premium of 34.5 percent based on the undisturbed share price level of the ordinary shares prior to its initial strategic investment on 24 August 2018. The offer corresponds to an equity value for all METRO Shares of EUR 5.8 billion. In light of the difficult market environment and fundamental challenges regarding the necessary transformation process of METRO, EP Global Commerce is convinced that the offer price constitutes a compelling value and a unique opportunity for METRO shareholders. This exceptional value is offered only with the clear aim of reaching a domination and profit and loss transfer agreement giving EP Global Commerce full operational control to successfully accelerate the transformation of METRO and execute a sustainable strategy for the long-term growth of the METRO Group.

“We are strongly convinced that METRO has all the prerequisites to be a long-term successful company that can provide excellent value-added services for its customers and be an attractive working environment for its employees. We remain convinced that our entry as main controlling shareholder will create the opportunity to grant the management the mandate to execute the necessary changes in the best interest of the company, its employees, its shareholders, its customers and all other stakeholders. We look forward to a constructive cooperation with the members of the Supervisory board and management of METRO AG,” says Daniel Křetínský, co-founder of EP Global Commerce.

METRO needs to regain the capability to swiftly react to the dynamically changing market environment. This requires implementation of a number of initiatives in its organization, business and processes. Without the capability to execute such changes, the company would be exposed to significant risks due to stagnant or declining results.

EP Global Commerce respects the rights of all employees and strongly believes that the future success of METRO is based on their high competence and strong commitment. There are no intentions to close any of the currently existing METRO stores in Germany or other core markets of the METRO Group and any other substantial reduction of the workforce. Similarly, there is no intention to take any action which would result in a material adverse change in the employment terms or the conditions in the organization of the employee representatives or employee bodies of the METRO Group.

“We very much appreciate the dedication of all METRO employees. They have already gone through tremendous change and are doing a remarkable job in these demanding times. However, they deserve the best sustainable strategy and will benefit from the recovery and long-term growth of METRO,” says Křetínský.

Furthermore, EP Global Commerce is looking forward to engaging in a constructive dialogue with all of METRO's work councils (*Betriebsräte*) and unions and does not intend to terminate any existing shop agreements (*Betriebsvereinbarungen*) or collective bargaining agreements (*Tarifverträge*) regarding the work conditions at METRO. EP Global Commerce further recognizes the existing level of co-determination in the supervisory board of METRO. EP

Global Commerce is committed to keep METRO headquarters in Düsseldorf and plans to fully support the future growth opportunities of the company.

With respect to the currently ongoing disposal transaction concerning the Real segment, the German food retail business, EP Global Commerce strategically supports a transaction, if it is made at fair terms for METRO. Likewise, EP Global Commerce supports the continued sale process of the Chinese unit with the condition of reaching an appropriate value considering both the operating and property assets.

EP Global Commerce is a long-term oriented strategic investor with the goal to strengthen METRO's market position and operation performance as a leading independent food and selected non-food products supplier group with an attractive stationary (cash&carry), service delivery and online offering.

EP Global Commerce has the full support of key shareholder Haniel and holds call option from Ceconomy. Background for this is the full exercise of a call option with Ceconomy as well as an irrevocable commitment by Haniel to sell their remaining shares to EP Global Commerce during the voluntary public takeover offer process.

BNP Paribas, Credit Suisse and goetzpartners acted as M&A advisors, BNP Paribas and Credit Suisse acted as lead financial advisors, BNP Paribas, Credit Suisse and Société Générale acted as debt underwriters and Kirkland & Ellis International LLP acted as legal advisor to EP Global Commerce.

The offer itself as well as its terms and conditions will be set out in detail in the offer document. After approval by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht), the offer document (in the German language and a non-binding English translation thereof) and other information relating to the Offer will be published on the internet at <https://www.epglobalcommerce.com>

About EP Global Commerce

EP Global Commerce (EPGC) is an acquisition entity controlled by Daniel Křetínský, with current shareholding of 53%, who is acting in concert with other shareholder Patrik Tkáč, who currently holds shareholding of 47% of EPGC. It was founded in April 2016 and is headquartered in Prague. Two subsidiaries, EP Global Commerce GmbH and EP Global Commerce II GmbH, were founded for the acquisition of the METRO shares formerly owned by Haniel and CECONOMY. EP Global Commerce VI GmbH is a subsidiary of EPGC established in connection with the Offer as the bidder.

Daniel Křetínský was born in Brno, Czech Republic, on 9 July 1975. He studied at Masaryk University's Faculty of Law which he graduated as Doctor of Law, and also holds a bachelor's degree in political science. In 1999, he joined J&T investment group as a lawyer, shortly thereafter became responsible for corporate investments and was promoted to the position of partner in 2003. In 2009, through J&T together with PPF, he was involved in the founding of Energetický a průmyslový holding a.s. (EPH), nowadays a leading Central European energy and infrastructure group based in the Czech Republic and has been serving as its CEO and chairman. He subsequently acquired the shares in EPH and is its majority and controlling shareholder. Besides serving on several boards of companies affiliated with EPH, he also holds investments and positions at companies unaffiliated to EPH, including Czech

Media Invest, Mall Group or EP Industries. He is also a Chairman of the Board of Directors of AC Sparta Praha fotbal.

Patrik Tkáč was born in Bratislava, Slovak Republic, on 3 June 1973. He studied at the Faculty of National Economy at the University of Economics in Bratislava where he earned his master's degree. Patrik Tkáč is a co founder and a co-owner of the J&T group of companies, an international financial and private banking services provider and investment group with a focus on the markets of Central and Eastern Europe. In 1996, he became Member of the Board of Directors at J&T Finance Group, a.s.. Two years later, he was named Chairman of the Board of J&T Banka, a.s. and holds this function until today. He is also the Chairman of the Supervisory Board at Czech News Center and serves on several boards of companies affiliated with the J&T Group such as Nadace J&T (Foundation), J&T IB and Capital Markets or PBI.

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Legal Disclaimer

This announcement is neither an offer to purchase nor a solicitation of an offer to sell shares in METRO. The offer itself as well as its terms and conditions and further provisions concerning the offer will be set out in the offer document in detail after the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) has approved the publication of the offer document. Investors and holders of shares in METRO are strongly advised to thoroughly read the offer document and all other relevant documents regarding the offer upon their availability since they will contain important information.

The offer will exclusively be subject to the laws of the Federal Republic of Germany and certain applicable provisions of securities law of the United States of America. Any agreement that is entered into as a result of accepting the offer will be exclusively governed by the laws of the Federal Republic of Germany and is to be interpreted in accordance with such laws.