

## METRO'S MANAGEMENT BOARD AND SUPERVISORY BOARD RECOMMEND SHAREHOLDERS NOT TO ACCEPT EPGC OFFER

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- Management Board and the Supervisory Board are of the opinion that the consideration offered by the Bidder substantially undervalues METRO
- Through the Offer, the Bidder uses the statutory minimum prices to exceed the threshold of 30% of the voting rights of METRO without expecting a significant acceptance rate and to avoid a mandatory takeover offer
- The stock exchange prices of the METRO Shares are currently affected by the COVID-19 pandemic and, in the opinion of the Management Board and Supervisory Board, do not adequately reflect the results of the successful strategy and transformation process and future potential
- The Bidder's plans for the strategy and business policy of METRO remain unclear

Duesseldorf, 15 October 2020 – Today, the Management Board and the Supervisory Board of METRO published their Joint Reasoned Statement as per § 27 of the German Securities Acquisition and Takeover Act (WpÜG). Having completed a thorough assessment, both Boards recommend that shareholders of METRO do not accept the voluntary public takeover offer by EPGC, a holding company controlled by Daniel Křetínský, published on 1 October 2020.

The Management Board and Supervisory Board are convinced that the Offer Prices of €8.48 per METRO Ordinary Share and €8.89 per METRO Preference Share significantly undervalue the company in terms of its earnings power and value prospects. The Offer is being made at a time when the stock market prices of METRO Shares (as well as those of comparable listed companies in the wholesale and food service sector) are strongly affected as a result of the ongoing COVID-19 pandemic.

The recommendation of METRO's Management Board and Supervisory Board to decline the takeover offer is based, amongst other things, on the following considerations:

### Assessment of EPGC's Offer

- The Bidder merely offers the statutory minimum price without offering a premium for the control sought by it and the possibility of further expanding such control.
- The Bidder's Offer Document does not contain any statements in connection with a potential further increase of its investment.

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Furthermore, the Bidder's plans for METRO's strategy and business policy remain completely unclear.

- In the past few years, METRO has undergone a comprehensive transformation process in which the company transformed from a conglomerate of different wholesalers and retailers into a leading and focused wholesale group.
- In the 2019/20 financial year, METRO was able, despite the COVID-19 pandemic, to successfully complete the sale of a majority share in METRO China and of Real resulting in net cash proceeds of EUR 1.9 billion and a corresponding reduction of its debt. These transaction proceeds and a robust financial performance help strengthening METRO's balance sheet and provide a solid foundation for dividend continuity in the 2019/20 financial year.
- METRO's strategy aims at achieving sustainable and profitable growth. Until the COVID-19 pandemic occurred, the like-for-like sales development of METRO Wholesale had been positive in year-on-year terms for six and a half years.
- According to preliminary unaudited figures, METRO concluded the 2019/20 financial year at the upper end of guidance range for sales and EBITDA performance. This development is based on a further recovery of the HoReCa business in Q4 2019/20 in Germany, Western Europe and Asia. The positive sales development in Germany, Russia and Eastern Europe also contributed to the further stabilization in Q4 2019/20. In this context, especially the business in Russia has resumed its growth path following a strategic realignment and is gaining momentum. The business development is clear proof that the strategy pursued was the right choice and METRO expects to emerge from the pandemic stronger than it was before.
- The Management Board and the Supervisory Board believe that, accordingly, the stock exchange prices of the METRO Shares are currently affected by the COVID-19 pandemic and do not adequately reflect the results of the successful strategy and transformation process and future potential.

For these and other reasons, the Management Board and the Supervisory Board recommend to the METRO Shareholders not to accept the Offer. This notwithstanding, the Management Board and the Supervisory Board continue to be open to a constructive dialogue with the Bidder.

The recommendation of METRO's Boards is supported by inadequacy opinions from Bank of America Merrill Lynch and Goldman Sachs (for the Management Board) and Rothschild & Co (for the Supervisory Board). The Management Board is also advised by J.P. Morgan. The legal advisors to the Management Board are Hengeler Mueller and the legal advisors to the Supervisory Board are Berner Fleck Wettich.

The complete explanation of the Management Board's and the Supervisory

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Board's recommendation to reject the Offer can be found in the Reasoned Statement pursuant to § 27 WpÜG, which is available at <https://www.metroag.de/en/investors/takeover-offer-2020>

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### Important legal disclaimer / liability exclusion

This press release is not an addition to, explanation or summary of the Joint Reasoned Statement from the Management Board and Supervisory Board as per § 27 WpÜG. Shareholders are advised to read the statement in full before reaching their decision as to whether or not to accept the takeover offer.

METRO is a leading international wholesale company with food and non-food assortments that specialises on serving the needs of hotels, restaurants and caterers (HoReCa) as well as independent traders. Around the world, METRO has some 16 million customers who can choose whether to shop in one of the large-format stores, order online and collect their purchases at the store or have them delivered. METRO in addition also supports the competitiveness of entrepreneurs and own businesses with digital solutions and thereby contributes to cultural diversity in retail and hospitality. Sustainability is a key pillar of METRO's business. METRO has been the European sector leader in the Dow Jones Sustainability Index. The company operates in 34 countries and employs more than 100,000 people worldwide. In financial year 2018/19, METRO generated sales of €27.1 billion. For more information, please visit [www.metroag.de](http://www.metroag.de)

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