

6 May 2026

## REJECT IFM's Hostile Takeover Offer It is too low, opportunistic and highly conditional

- The Independent Directors of Atlas Arteria (ASX:ALX) recommend securityholders **REJECT** the hostile takeover offer from IFM as it is too low, opportunistic and highly conditional
- The Offer materially undervalues Atlas Arteria and is opportunistic in its timing
- IFM is continuing to try to increase its control over Atlas Arteria without paying an adequate premium to securityholders
- The Offer is designed to accelerate IFM's creep to effective control of Atlas Arteria
- The Offer is subject to extensive conditions that may never be satisfied or waived. Some conditions are already incapable of being satisfied
- There are structural deficiencies with both the Offer and the disclosure in the Bidder's Statement. Atlas Arteria has made an application to the Takeovers Panel to address these matters
- The Directors of Atlas Arteria (including the IFM nominee Directors) have been pursuing various initiatives to optimise value for securityholders – including recently issuing a Right of First Offer notice in relation to its interest in Chicago Skyway. That occurred five days before IFM announced its unsolicited Offer
- Atlas Arteria confirms distribution guidance of 40.0cps for 2026 <sup>1</sup>
- Each Independent Director intends to **REJECT** IFM's Offer in relation to their ALX securities
- To **REJECT** IFM's Offer simply **IGNORE** all correspondence from IFM

The Independent Board Committee of Atlas Arteria Limited<sup>2</sup> and the Board of Atlas Arteria International Limited (together, the "Independent Directors") have considered the unsolicited off-market takeover offer from IFM which was announced last week and unanimously recommend that securityholders **REJECT** the Offer. Each Independent Director intends to **REJECT** IFM's Offer in relation to their ALX securities. To **REJECT** IFM's Offer simply **IGNORE** all correspondence from IFM.

<sup>1</sup> Distribution guidance remains subject to continued business performance, changes to current taxes, movements in foreign exchange rates and other future events.

<sup>2</sup> The Independent Board Committee of Atlas Arteria Limited comprises the Non-Executive Directors of Atlas Arteria Limited who are not nominees of IFM, and the Managing Director and Chief Executive Officer of Atlas Arteria.

Atlas Arteria Chair Debbie Goodin said “This hostile, highly conditional takeover offer from IFM is opportunistic and materially undervalues Atlas Arteria.

The Offer is designed to accelerate IFM’s creep to effective control of Atlas Arteria without paying a fair premium to securityholders.

The Independent Directors of Atlas Arteria recommend that securityholders reject the Offer.

The Boards and management remain focused on continuing to deliver on the strategy to optimise company value and create value for all securityholders.”

### **The Offer materially undervalues Atlas Arteria**

The Offer price is A\$4.75 cash per stapled security, less any distributions paid by Atlas Arteria. IFM has said the Offer price will be increased by 35 cents to A\$5.10 per stapled security if the Bidder’s relevant interest in Atlas Arteria is 45% or more prior to the close of the offer.

Atlas Arteria has already given distribution guidance of 40.0cps for 2026<sup>3</sup>.

A\$4.75 per stapled security is below yesterday’s closing price of A\$4.79<sup>4</sup>. It also represents a premium of less than 10% to the last closing price prior to when the Offer was made. If the Offer was increased to A\$5.10 per stapled security, the implied premium would be only around 3% above the average security price over the last 12 months<sup>5</sup> and less than 20% to the last closing price prior to when the Offer was made. This is well below the takeover premium typically observed in control transactions for high-quality listed infrastructure assets.

The Offer price is materially below the Independent Directors’ assessment of Atlas Arteria’s fundamental value and fails to adequately reflect the value of the high-quality global toll road portfolio and the embedded growth opportunities.

### **The Offer is opportunistic in its timing**

Recent macro volatility has magnified the divergence between the Atlas Arteria security price and fundamental value – which IFM is now seeking to exploit. The security price is currently impacted by the Middle East conflict, foreign exchange and interest rate movements and increasing illiquidity due to IFM’s holding – all factors which are unrelated to the fundamental value of the assets in the portfolio.

In the last twelve months Atlas Arteria has traded as high as A\$5.54 per stapled security and was trading above A\$5.10 per stapled security in November last year.

IFM acquired securities at A\$5.10 per stapled security as recently as November last year and is now offering only A\$4.75 per stapled security to obtain control of the company.

### **The offer is designed to accelerate IFM’s creep to effective control of Atlas Arteria**

The Independent Directors consider the Offer is designed to accelerate IFM’s creep towards effective control without paying an adequate premium. In this context, securityholders should not accept an Offer that will increase IFM’s control at a price that does not reflect the company’s underlying value or future prospects.

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<sup>3</sup> Distribution guidance remains subject to continued business performance, changes to current taxes, movements in foreign exchange rates and other future events.

<sup>4</sup> 5 May 2026.

<sup>5</sup> 12-month VWAP of A\$4.94 per stapled security.

**The Offer is subject to extensive conditions – some of which are already incapable of being satisfied**

IFM is seeking to downplay the significance of the conditions of its Offer. However, in reality, the Offer is subject to an extensive and highly restrictive set of conditions spanning more than 10 pages. All the conditions must be satisfied or waived for the Offer to complete.

If a condition is breached, IFM has the option of not proceeding with the Offer, or alternatively, waiving the condition and proceeding with the Offer. IFM has reserved the right to make that decision towards the end of the Offer period, even if a condition is breached early in the process.

The conditions seek to constrain Directors and management from running the business including in relation to “business as usual” matters and give IFM a “free option” to withdraw its Offer. For instance:

- The no distributions condition seeks to deprive securityholders from receiving any distributions including those to be paid in accordance with previously announced distribution guidance.
- The conduct of business conditions, if observed, would frustrate the day-to-day operation of Atlas Arteria and increase risk in its businesses for the duration of the Offer period – to the detriment of all securityholders. It would also constrain value accretive strategic initiatives.
- The change of control conditions under all material agreements requires third parties to waive substantive commercial rights, despite not being a party to, nor a beneficiary of IFM’s Offer.
- The regulatory approval conditions are not accompanied by any statement from IFM explaining what progress has made towards satisfying them.

The Independent Directors, along with Atlas Arteria’s advisers, are continuing to work through the 13 separate categories of conditions, and more than 50 separate sub-conditions. Material aspects arising from this review will be included in the Target’s Statement. However, it is the view of the Independent Directors that:

- It is commercially unreasonable to expect that Ontario Teachers’ Pension Plan (OTPP), the other shareholder in Chicago Skyway, would grant a waiver as required by IFM in Condition 6 concerning change of control rights under the Chicago Skyway Shareholders Agreement, which requires OTPP to give up valuable rights for no consideration (noting this statement represents the view of the Independent Directors and should not be attributed to OTPP);
- Condition 11(d) concerning capital expenditure will not be satisfied given business as usual requirements for Atlas Arteria’s concession companies; and
- Condition 11(k) will be triggered by business-as-usual intragroup capital distributions.

**Whilst IFM’s position is expressed as ‘best and final’, more value may be available for Atlas Arteria securityholders**

Notwithstanding the ‘best and final’ statements that IFM has made, there are various ways in which Atlas Arteria securityholders might receive more than A\$5.10 per stapled security in the next 12 months. For instance, IFM has maintained its ability to offer up to A\$5.10 per stapled security in the 12 months after the Offer closes, without adjusting that amount for any distribution that Atlas Arteria makes to securityholders.

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Atlas Arteria continues to target future distributions of at least 40.0cps<sup>6</sup> in addition to any special returns to securityholders from corporate initiatives.

**The Directors of Atlas Arteria (including the IFM nominee Directors) have been pursuing various initiatives to optimise value for securityholders**

Atlas Arteria continues to pursue value-maximising initiatives consistent with its strategy, including portfolio optimisation and asset recycling.

In this context, Atlas Arteria has given active consideration to its holding in Chicago Skyway for over 12 months. This process has resulted in the recent issue of a Right of First Offer (ROFO) notice to OTPP in relation to Atlas Arteria's interest in Chicago Skyway. The ROFO notice was issued at a price in line with Atlas Arteria's acquisition price for the asset in 2022. The ROFO was unanimously approved by the Atlas Arteria Boards, including the IFM nominee Directors, and was issued on 22 April 2026, prior to any knowledge of the IFM Offer.

Under the Chicago Skyway Shareholders Agreement, Atlas Arteria must issue a ROFO to OTPP before it is able to engage with third parties in relation to its ownership interest in Chicago Skyway. If OTPP accepts the ROFO, Atlas Arteria must sell its interest to OTPP. If OTPP does not accept the ROFO, Atlas Arteria intends to explore strategic alternatives for its interest in Chicago Skyway including a possible sale to third parties.

The existence of the ROFO constitutes a breach of a condition of IFM's Offer as it gives OTPP the right to acquire Atlas Arteria's interest in Chicago Skyway – even though the ROFO notice was issued before the Offer was made.

**The OTPP put option**

If there is a change of control at Atlas Arteria, OTPP has the option to either retain its interest in Chicago Skyway, or to sell its interest to Atlas Arteria at a price equal to the fair market value plus 7.5%. The OTPP put option in respect of Chicago Skyway was disclosed at the time of the acquisition in September 2022 and in subsequent public disclosures including the Annual Report. The put option is only triggered if a third party acquires beneficial ownership in more than 50% of Atlas Arteria and would only complete after a process set out in the Chicago Skyway Shareholders Agreement has occurred.

IFM is seeking to coerce securityholders into accepting its Offer by highlighting the risk of an equity raising to fund the acquisition of OTPP's interest in Chicago Skyway if the put option is exercised.

However, it is a condition of IFM's Offer that OTPP give *"a written, enforceable, irrevocable and unconditional waiver (without the payment of any fee, or provision of any other consideration, by any Atlas Arteria Group Entity)"* to forego this right.

The Independent Directors note a jarring inconsistency in IFM's position on the OTPP put option. IFM seeks to characterise the potential exercise of the put option as a material risk for Atlas Arteria securityholders, yet IFM has made it a condition of the Offer that OTPP waive its pre-existing contractual rights to avoid that very situation.

Securityholders should note that the put option would only be triggered in connection with the Offer if IFM waived the conditions to its Offer and there was a change of control of Atlas Arteria.

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<sup>6</sup> Distribution guidance remains subject to continued business performance, changes to current taxes, movements in foreign exchange rates and other future events.

IFM has failed to provide Atlas Arteria securityholders with any information about its intentions if the put option was triggered – noting in that situation IFM would control Atlas Arteria.

As IFM has increased its shareholding through its creeping on-market acquisitions over time, the Independent Directors and management have considered, and continue to actively explore, a range of potential initiatives to deal with the put option, including in the context of the current engagement with OTPP in relation to the ROFO. The Boards have been focusing on initiatives that would not require an equity raising.

**There are structural deficiencies with the Offer and the disclosure in the Bidder's Statement**

The Independent Directors have significant concerns regarding the structure of the complex and highly unusual Offer, and the disclosure set out in the Bidder's Statement.

The Independent Directors have sought to resolve these matters with IFM before the Bidder's Statement dispatch to Atlas Arteria securityholders.

IFM has refused to adequately address the concerns. Consequently, Atlas Arteria has now made an application to the Takeovers Panel. In accordance with the Takeovers Panel's media canvassing policy, Atlas Arteria is limited in what it can say at this time.

**The Independent Directors of Atlas Arteria recommend securityholders REJECT the hostile takeover offer from IFM. Each Independent Director intends to REJECT IFM's Offer in relation to their ALX securities.**

**To REJECT IFM's Offer simply IGNORE all correspondence from IFM.**

Atlas Arteria is preparing a Target's Statement which will set out the Independent Directors' formal recommendation to REJECT the Offer, and the detailed reasons for that recommendation.

The Target's Statement will also include further information to assist securityholders in assessing the Offer, including an independent expert's report. The timing of the Target's Statement being sent to securityholders will depend on when the Bidder's Statement is sent to securityholders; however, it will be at least 14 days prior to the close of the Offer.

Atlas Arteria will continue to update securityholders on material developments.

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This announcement has been authorised for release by Debbie Goodin, Chair of ATLAX and Hugh Wehby, Managing Director and Chief Executive Officer of Atlas Arteria.

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### About Atlas Arteria

Atlas Arteria (ASX:ALX) partners to deliver world-class road experiences. We create long-term value for our stakeholders through considered and disciplined management and sustainable business practices.

Today the Atlas Arteria Group consists of toll road businesses in France, Germany and the United States. In France, we currently own a 30.8% interest in the 2,424km motorway network located in the country's east, comprising APRR, AREA, A79 and ADELAC. In the US, we own a 66.67% interest in the Chicago Skyway, a 12.5km toll road in Chicago and have 100% of the economic interest in the Dulles Greenway, a 22km toll road in the Commonwealth of Virginia. In Germany, we own 100% of the Warnow Tunnel in the north-east city of Rostock.

[www.atlasarteria.com](http://www.atlasarteria.com)

### Important Notice:

This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States, or to, or for the account or benefit of, any "U.S. person" (as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the "Securities Act")) ("U.S. Person"), or in any other jurisdiction in which such an offer would be unlawful. Atlas Arteria securities have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States.

In addition, investors should note that neither of the Atlas Arteria entities has been, or will be, registered under the U.S. Investment Company Act of 1940, as amended (the "Investment Company Act"), in reliance on the exception in Section 3(c)(7) from the definition of "investment company".

Accordingly, Atlas Arteria securities cannot be held at any time by, or for the account or benefit of, any person in the United States or U.S. Person that is not either (i) a "qualified purchaser" (as defined in section 2(a)(51) of the Investment Company Act and the rules and regulations thereunder) ("Qualified Purchaser" or "QP") that was an existing holder of Atlas Arteria securities on the Atlas Arteria register as at 7.00pm (Melbourne time) on 8 April 2025 and has remained on the Atlas Arteria register as a holder of Atlas Arteria securities continuously since then (an "Existing QP") or (ii) both a "qualified institutional buyer", as defined under Rule 144A under the Securities Act ("QIB") and a QP (together, a "QIB/QP") at the time of their acquisition. Any person in the United States or U.S. Person that is not an Existing QP or a QIB/QP, or any investor acting for the account or benefit of any U.S. Person that is not an Existing QP or a QIB/QP, is an "Excluded U.S. Person" and may not hold Atlas Arteria securities.

Investors should also note that "Eligible U.S. Fund Managers", which are dealers or other professional fiduciaries organized or incorporated in the United States that are acting for a discretionary or similar account (other than an estate or trust) held for the benefit or account of persons that are not U.S. Persons for which they have, and are exercising, investment discretion, within the meaning of Rule 902(k)(2)(i) under the Securities Act ("EUSFMs") are by definition not "U.S. Persons".

For further details of the ownership restrictions that apply to residents of the United States and other U.S. Persons that are not Existing QPs, QIB/QPs or EUSFMs, please see our website.

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