

ICAMAP Investments

5, rue Jean Monnet
L-2180 Luxembourg
Grand Duchy of Luxembourg
6 December 2019

Atrium European Real Estate Limited

Attn: The Board of Atrium: Mr. C. Katzman (Non-executive director and Chairman) and Board of Independent Directors: Mr. S. Radford (Non-executive director), Mr. A. Wignall (Non-executive director), Mr. M. Erichetti (Non-executive director), Mr. N. Flanzraich (Non-executive director) and Ms. L. Lilley (Non-executive director)
4th Floor, Channel House
Green Street
St. Helier, Jersey, JE2 4UH
Channel Islands

Subject: The immediate return of €60c per share to shareholders and step up of asset disposals

Dear Board of Directors,

On 4 October, ICAMAP Investments S.à.r.l. (“**ICAMAP**”), holding 1.38% of Atrium European Real Estate’s (“**Atrium**” or the “**Company**”) ordinary share capital as per the date of this letter, sent a second public letter further detailing why the proposed transaction by Gazit Globe (the “**Offer**”) materially undervalued the Company and that ICAMAP would vote against it. Evidently, this view was shared by a significant proportion of the minority shareholders such that the requisite level of support for the scheme of arrangement (the “**Scheme**”) was not obtained and therefore the Offer lapsed on 25 October.

On 7 November, Atrium released a third quarter update in which it was stated that “*the Board is reviewing the distributions policy of the Company and intends to make a further announcement before the end of the year*”. We are, however, immeasurably displeased by the lack of communication and transparency on this matter and the lack of detail with regards to the €60c special dividend that was intended to be paid to shareholders prior to the effective date of the Offer (2 January 2020).

We outline our pressing concerns and advice for the Company going forward:

- 1. To reiterate our previous correspondence, we are highly disappointed in the actions within the Company over recent months. The Offer process has been hugely costly in both financial terms and management time. These have not been allocated with the full benefit of the minority shareholders in mind. As a result of the lengthy transaction period, shareholders have missed out on a dividend payment of €6.75c per share (scheduled 30 September 2019).**
- 2. It is imperative that the board members take their fiduciary duties seriously and generate value for all investors. The Company should return capital to shareholders as soon as possible. This pertains to both the €60c per share payment of special dividend that was promised to be paid as mentioned in the Offer prospectus and the re-introduction of the quarterly dividend payment policy come 2020. There is no reason not to return €60c per share to shareholders, listed or not.**
- 3. We urge the Company to step up selling assets around book value, which would (further) underpin the Net Asset Value (NAV) of the company (EPRA NAV June 2019 of €5.05 per share vs. share price of €3.53 at 5 December 2019). Proceeds should be returned to shareholders via special dividends and real value would be created, significantly more than the proposed offer earlier this year. This is not an impossible exercise. The company successfully disposed of €298m of more secondary assets in July**

at c. 3% premium to the 31 March book value and an agreement has been reached for the €37m sale of Atrium Duben in Zilina, Slovakia, at book value.

To conclude, we strongly urge the board to declare a special dividend of €60c per share that was promised to investors and to re-instate the quarterly dividend policy for 2020. In addition, ICAMAP impel the Company to step up its asset disposal process, which could include any asset, and return proceeds to shareholders. It is time to deliver and really think about/act for the minority shareholders.

Kind regards,



Harm Meijer

Managing Director ICAMAP Advisory

Acting as Investment Advisor of ICAMAP S.à.r.l., the fund manager of ICAMAP Investors SLP-SIF and its subsidiary, ICAMAP Investments S.à.r.l.