ANNUAL RESULTS 2019

Regulated information

La Hulpe, 09 March 2020

A. Management Report

ATENOR ended the 2019 financial year with a net consolidated result of 37.78 million Euro, an increase of nearly 7.39% compared with 2018.
The Board of Directors will propose a gross dividend of € 2.31 per share to the General Assembly, compared with € 2.20 the previous year.

Table of key consolidated figures (in thousands of €) - Audited accounts

results	***31.12.2019***	***31.12.2018***
Net consolidated result (group share)	37,777	35,177
Profit per share (in Euro)	7.08	6.48
Number of shares	5,631,076	5,631,076
of which own shares	313,427	231,825
Balance sheet	***31.12.2019***	***31.12.2018***
Total assets	837,975	670,765
Cash position at the end of the period	45,447	106,590
Net indebtedness (-)	-494,530	-333,688
Total of consolidated equity	187,048	170,298

Revenue from ordinary activities and consolidated result

Revenue from ordinary activities amounted to 107.21 million Euro on 31 December 2019. These mainly include: (a) the revenue earned by the forward sale of the apartments of the residential projects (City Dox, Au Fil des Grands Prés, La Sucrerie and The One) for a total of 29.12 million Euro, (b) the income generated from the sale of the office buildings City Dox B6, Vaci Greens E (in a future state of completion) and BuzzCity (in a future state of completion) for a total of 59.34 million Euro, as well (c) the lease revenues of the Hermès Business Campus (HBC), University Business Center (UBC) and the Nysdam buildings for 15.02 million Euro.

Other operating revenue (€ 45.31 M) mainly included the capital gains earned on the sales of the shares of The One Office SA (office part of The One project) following the revaluation of the effects of the transaction at 31 December 2019 with Deka, and Naos SA (Naos project) according to the delivery of the building to Ethias/Foyer in July 2019 (total of € 37.85 M), as well as the reinvoicing of service charges and miscellaneous costs of the leased buildings (€ 7.45 M).

The operating result was 52.90 million Euro, compared with € 46.04 M in 2018. This was mainly influenced this year by the sale of the various apartments in residential projects as above mentioned (total of € 5.67 M), the results on the disposal of the shares of The One SA and Naos SA (total of € 36.07 M), the sale of office buildings City Dox B6, Vaci Greens E and BuzzCity (total of € 14.18 M), as well as the rental revenue, net of charges, from the HBC, UBC and Nysdam (total of € 13.66 M), decreased by corporate charges.

The **net financial result** was -9.31 million Euro, compared with -8.61 million Euro in 2018. The increase of net financial charges was mainly due to the increase in ATENOR's average net indebtedness, as well as the reduction of capitalized borrowing costs (IAS23) compared with 2018.

Income taxes: The amount for this item was 5.32 million Euro (compared with € 2.16 M in 2018). This item includes both statutory tax and the deferred tax assets and liabilities linked to the progress of the sale of the aforementioned projects.

Taking the preceding factors into account, the group **net result** of the financial year was 37.78 million Euro compared with 35.18 million Euro in 2018, an increase of 7.39%.

Consolidated balance sheet

Consolidated shareholder equity was 187.05 million Euro compared with 170.30 million at 31 December 2018, an increase of 22.3% of the total balance.
At 31 December 2019, net consolidated indebtedness was 494.53 million Euro, compared with a net consolidated indebtedness of 333.69 million Euro as at 31 December 2018. In April 2019, we successfully issued a "retail" type bond in two tranches for a total amount of 60 million Euro. In addition, the implementation of several project financing arrangements, as well as the use of existing cash for the development of projects within the portfolio also explain this increase. Consolidated indebtedness consists, on the one hand, of a long-term debt of 364.89 million Euro and, on the other hand, of a short-term debt of 175.09 million Euro. Available cash was 45.45 million Euro compared with 106.59 million Euro at 31 December 2018.

The "buildings held for sale" classified under "**Stock**" represent the real estate projects in the portfolio and in the course of development. This item was 608.02 million Euro, an increase of 148.82 million Euro in comparison with 31 December 2018 (€ 459.20 million).
This net variation results primarily (a) from the acquisition of the land and buildings of Beaulieu (Brussels), Twist (Belval), Fort7 (Warsaw), Roseville, Bakerstreet (Budapest) and Verde (Lisbon) projects for a total of 112.39 million Euro, (b) from the continuation of the works of the Com'Unity (Paris), City Dox (Brussels), Arena Business Campus, Vaci Greens (Budapest) and Au Fil des Grands Prés (Mons) projects for 76.60 million Euro and (c) from the sale of the buildings B6 of the City Dox, BuzzCity, Vaci Greens E, Au Fil des Grands Prés and La Sucrerie projects, which reduce stock by 64.18 million Euro. The remaining difference is distributed over the other projects in development.

Own shares

On 31 December 2019, ATENOR LONG TERM GROWTH SA held 150,000 ATENOR shares.
The number of ATENOR shares held on 31 December 2019 by the subsidiary ATENOR GROUP INVESTMENTS was 163,427 (situation that was unchanged from December 2018).
These shares aim to serve the share option plans (2016 to 2019) allocated to ATENOR staff and some of its service providers.

Proposed dividend and dividend policy

The Board of Directors will propose, to the General Meeting of 24 April 2020, the payment (for the financial year 2019) of a gross dividend of 2.31 Euro per share (+ 5%), i.e. a net dividend after withholding tax (30%) of 1.617 Euro per share.
Subject to the approval of the Ordinary General Assembly, the dividend will be paid out from 29 April 2020.

- Ex date 27 April 2020
- Record date 28 April 2020
- Payment date 29 April 2020

Projects in our portfolio

Over the course of 2019, all of our projects progressed favourably. Following the latest transactions, the portfolio currently includes 28 projects under development with a total of approximately 1,200,000 m².
All acquisitions were made in accordance with our strategy and in line with our criteria of location and profitability, namely.
Close attention is now explicitly focused regularly on the design and implementation of developments, taking particular care to make these projects part of an indisputable logic of sustainability.
This being the case, value created is expressed in ATENOR's accounts in 3 stages: obtaining building permits, leasing and sales.
The following notes focus on these key stages.
Furthermore, the percentages attributable to the regions are based on existing and potential constructible areas.

❖ **BRUSSELS (24.96 % OF THE PORTFOLIO)**

THE ONE *- European Quarter, rue de la Loi, Brussels (29,500 m² of offices and 9,740 m² of residential)*
In a very buoyant Brussels real estate market, the effects of the transaction for the sale of The One completed at the end of 2018 with Deka were revalued in line with market conditions at the end of December 2019. This had a

significant contribution to the results for 2019.
Elsewhere, the provisions set aside in 2018 and intended to hedge the risk relating to the cancellation of the RRUZ (and hence to the cancellation of the building permit for The One) were reversed, insofar as the building permit for The One was the subject of a retrofit on 21 October 2019 at the behest of the Administration, thereby confirming its full validity. The new appeal lodged at the end of December 2019 against this permit does not bring any grounds that would call its validity into question.
Finally, the negotiations conducted with the OIB with a view to taking usufruct of the building made real progress in 2019 to arrive at the conclusion of the financial, legal and technical parameters surrounding this usufruct. A contractual commitment requires the formal agreement of the budgetary authorities of the European institutions. These proceedings, which have experienced delays for external reasons, continue.

***Realex [90% Atenor]** – European Quarter, between the rues de la Loi & de Lalaing, Brussels (minimum 58,400 m² of offices)*
A new urban permit was submitted on 19 November 2018. The impact study ended in early 2020.
In one of its variants, the impact study analyses the consequences of installing a 26,000 m² conference centre in place of part of the offices. This possibility could become a reality depending on how the discussions progress with the OIB in the context of a competitive dialogue on the acquisition of a conference centre replacing the current Borschette. During 2019, discussions have developed positively, although it is not yet possible to announce the nature and timing of an agreement.

***City Dox** - Canal area, quai de Biestebroeck, Anderlecht (approx. 120,000 m² mixed)*
The construction and marketing of phase 2 (including 181 residential units of which 99 of City.dev) progressed in a very satisfactory manner during the year. With regard to phase 3, an initial permit application specifically for 171 residential units will be submitted in the first half of 2020, following the architectural competition won by XDGA. A new competition will be launched during the first half of the year for the creation of a school and residential complex.

***Victor [50% Atenor] –** opposite the south station, Brussels (approximately 94,300 m² mixed)*
This project has been reworked to fit into the main lines of the "Midi" PAD project. This appears to be in the process of being finalised and should be made subject to public enquiry soon. The Victor project includes over a hundred affordable, passive apartments and 72,500 m² offices, ideally located.

***CCN [33% Atenor] –** Schaerbeek and St Josse districts, next to the Gare du Nord (± 130,000 m² mixed)*
The Belgian-French association "Architectes Associés-Multipke-TDK" selected by the partnership after a competition is conducting studies in order to be able to lodge a planning application for the whole of the site during the course of 2020. All of the parties involved, regional and municipal authorities, as well as the public transport companies are being consulted and involved in the town-planning and architectural process.

***Beaulieu –** Avenue Beaulieu, 5 to 11, Auderghem (around 24,500 m² of offices)*
ATENOR acquired the 2 buildings that belonged to the "Beaulieu" certificate, located at n°5 to 11 in the avenue of the same name in Auderghem. These buildings, which cover a total area of 24,000 m² date from 1993 and are currently occupied by the European Commission till 31 December 2020. Infamously obsolete, these buildings will be the subject of a detailed study to determine the best economic and environmental alternative with regard to their redevelopment.

❖ FLANDERS (1.28% OF THE PORTFOLIO)

***De Molens [50% Atenor]** – City Centre, Tolpoort road, Deinze (mixed residential and retail project of 32,000 m²)*
Since the acquisition in January 2019, a master plan has been drawn up, in conjunction with the Municipality. The permit application for a first phase will be submitted before end of March 2020.

❖ WALLONIA (7.68% OF THE PORTFOLIO)

***Les Berges de l'Argentine** – La Hulpe (27,000 m² residential (80% Atenor) and 4,000 m² offices (100% Atenor)*
An agreement with the neighbouring owner was reached in December 2019 aimed at putting forward a shared vision matching the requirements of the Municipality, reflected in the studies of the Communal Issue Zone. As a result, the permit application lodged at the end of July 2019 was withdrawn in January 2020 and a new application will be submitted in the first half of 2020.

***Le Nysdam** – La Hulpe (15,600 m² Office building)*

The commercial repositioning of the building has been completed; it has had an occupancy rate of 100% since December 2019. As announced in the press release of 10 January 2020, the company that owns Nysdam, Hexaten SA, was subject to a sale agreement embodied with usual resolutive conditions. Atenor had to resolve this sale, at the beginning of March. This resolution did not, however, have any negative impact on the 2019 and 2020 results. Atenor therefore continues to earn rental revenue.

***Au Fil des Grands Prés** – "Les Grands Prés" shopping precinct district, Mons (approx. 78,000 m² mixed)*

The construction of the end of the first phase (266 residential units, completely sold) continued. With regard to the second phase, the permit for the office buildings (14,000 m²) and the roads was issued in December 2019. 11,000 m² had been sold in a future state of completion by the beginning of 2020. An initial permit application will also be lodged in March 2020 with a view to build a hundred or so apartments in this second phase, which will have around 300.

***La Sucrerie** – Ath (20,000 m² - 126 residential units, 1 retail unit, 1 nursery)*

On 31 December, 19 apartments remained to be sold; the rest of the project, represented by a building yet to be constructed of 57 apartments, which has been sold to a private investor.

❖ LUXEMBOURG (6.94% OF THE PORTFOLIO)

***Naos [55% Atenor]** – Belval, Grand-Duchy of Luxembourg (14,000 m² office building and retail units)*

This building was handed over in July 2019 and had an occupancy rate of 95% as of 31 December 2019. This sale, carried out in 2018 in a future state of completion was one of the main contributors to the results for 2019.

***Twist** – Belval, Grand-Duchy of Luxembourg (offices, housing and retail units – 15,000 m²)*

With the PAP issued in 2019, the building permit application is due to be submitted in the first half of 2020.

***BuzzCity** – Leudelange, Grand-Duchy of Luxembourg (office building – 16,800 m²)*

As a reminder, the project was sold in future state of completion in December 2018 and its result is recognised in proportion to the state of progress of the works. Leasing of the office building is in progress.

***Lankelz [50% Atenor]** – Esch-sur-Alzette, Grand-Duchy of Luxembourg (residential, retail and office - 67,850 m²)*

The mixed-use project provides for the development of more than 350 residential units, shops, offices and quality public infrastructures. The first studies are in progress with a view to submitting a permit application in the first half of 2020.

***Square 42** – Central Square, Esch-sur-Alzette, Grand-Duchy of Luxemburg (21,600 m² mixed: offices & retail)*

At the end of an consultation initiated by AGORA, responsible for the urban development of Belval in the Grand-Duchy of Luxembourg, ATENOR was selected from a large number of bidders for the development of Lot 42, located in the Central Square (Esch-sur-Alzette).

This project, acquired after a competition, comprises the development of a building with 20,343 m² of office and 1,238 m² of retail space. A permit application will be filed in the first half of 2020.

❖ PARIS (4.68% OF THE PORTFOLIO)

***Com'Unity 1 [99% Atenor]** – Bezons (Paris) – (33,800 m² of offices)*

The construction works and the marketing are in progress.

***U'Man** – Bezons (Paris) – (25,450 m² of offices)*

Located nearby the Com'Unity, this project has had since end 2019 a permit free of all claims authorising the construction of 25,500 m² of offices.

❖ LISBON (2.31% OF THE PORTFOLIO)

***Verde** – District of the 1998 Universal Exhibition, Lisbon – (27,850 m² of office and 1,250 m² of retail)*

The permit application was submitted in November 2019. It covers 27,850 m² of offices and 1,250 m² of retail space. Start of works is planned for the beginning of 2021.

❖ DÜSSELDORF (0.34% OF THE PORTFOLIO)

***AM WEHRHAHN** – Shopping Street Am Wehrhahn in Düsseldorf city centre – (4,250 m² of housing and retail)*
Start of the works is planned for the second quarter of 2020. The lease for the supermarket has been completed. Marketing is aimed at an *en bloc* sale in a future state of completion.

❖ WARSAW (24.35% OF THE PORTFOLIO)

***UNIVERSITY BUSINESS CENTER** – Mokotow quarter of Warsaw, Poland – (56,800 m² of offices)*
A first permit application (UBC 1) was submitted at the end of 2019 with the objective of receiving all authorisations by the end of 2020. In the meantime, the two buildings are generating an annual lease income of 2.7 million Euro.

***FORT 7** – district of the Chopin airport, Warsaw – (250,000 m² of mixed use)*
The architects appointed after a competition have produced the master plan for this plot of 14.1 hectares. Initial preparations for the permit application are underway. At the same time, our architects are developing an application for a change of regulation in order to develop a greater area of housing.

❖ BUDAPEST (13.40 % OF THE PORTFOLIO)

***VACI GREENS** – Vaci Corridor, Budapest (blocks E: 26,000 m² and F: 27,500 m² of offices)*
The 5th (E) and 6th (F) buildings of this campus are under construction and marketing has begun. Building E was the subject of a sale in a future state of completion. This sale will contribute to the 2019 results.

***ARENA BUSINESS CAMPUS** – Boulevard Hungària, Budapest (74,300 m² of offices and 6,100 of retail)*
The first building (A) has registered its first tenants and is 15% leased.

***ROSEVILLE** – Bescistreet 68-70 et 74-80, District 3 of Budapest (16.150 m² of offices)*
This project came about by grouping a number of plots of land. ATENOR is planning to develop an office building on it with floor space of 16,150 m². A permit application will be submitted in the first half of 2020.

***BAKERSTREET** – Hengermalonut 18, Buda Sud District, Budapest (18,750 m² of offices)*
This project was acquired in July 2019. ATENOR plans to develop an office building offering 18,750 m². A permit application will be submitted in the first half of 2020.

❖ BUCHAREST (14.08 % of the portfolio)

***HERMES BUSINESS CAMPUS** – Boulevard D. Pompeiu, Bucharest (75,200 m² of offices)*
Negotiations are underway for the possible sale of the 3 buildings, in an investment market that has been subject to the growing interest of international investors.
In the meantime, with these buildings fully leased, ATENOR is enjoying lease revenues of approximately € 9.9 million per year.

***DACIA ONE** – Intersection of Calea Victoria and Boulevard Dacia, CBD, Bucharest (16,300 m² of offices)*
The building permit was obtained in January 2020 at the end of a planning procedure that was more complex than anticipated. The new part to build has been leased (in a future state of completion) for a term of ten years to ING Tech, ING's software development wing. Noerr Romania, local representatives of the German legal and tax consultants have leased the 1,800 m² of the historic building, fully completing the leasing of the Dacia One project.

***@EXPO** – Avenue Expozitiei, Bucharest (54,720 m² of offices)*
The building permit was obtained in January 2020. The works will be launched during the first half of 2020. An initial pre-lease contract has been signed with the multinational Gameloft for 4,000 m².

***UP-SITE BUCHAREST** – Floreasca/Vacarescu district, Bucharest (31,250 m² - 2 towers, ±270 residential units and retail)*
The building permit application will be submitted in the first half of 2020, with a view to start construction works at the end of 2020.

Prospects for the year 2020

The prospect of low interest rates being maintained continues to direct funds towards property. Elsewhere, while growth in western Europe has stalled, the countries in central Europe where Atenor holds almost half of its portfolio are recording growth rates in excess of the European average.
It is with this buoyant context that Atenor is focusing all of its efforts on the essential stages of its projects in portfolio – i.e. obtaining permits, leasing and selling.
The varied maturity of its projects enables Atenor to announce the prospect of growth for its results in the years ahead, based on the geographical and operational diversification of its sources of revenue.
The strategy of international growth will continue while ensuring the balance sheet is kept in equilibrium.

Financial Calendar

– Ordinary General Assembly 2019	24 April 2020
– Dividend payment (subject to the approval of the General Assembly)	29 April 2020
– Intermediate declaration for first quarter 2020	14 May 2020
– Half-yearly results 2020	3 September 2020
– Intermediate declaration for third quarter 2020	18 November 2020
– General Assembly 2020	23 April 2021

Contacts and Information

For more detailed information, please contact Stéphan Sonneville SA, CEO or Mr Sidney D. Bens, CFO.
✆ +32 (2) 387.22.99 ✉+32 (2) 387.23.16 e-mail : info@atenor.eu www.atenor.eu

B. Summary Financial Statements

Consolidated statement of comprehensive income

	Notes	In thousands of EUR 2019	2018
Operating revenue		**107.207**	**99.766**
Turnover		91.631	85.888
Property rental income		15.576	13.878
Other operating income		**45.314**	**41.116**
Gain (loss) on disposals of financial assets		37.848	34.927
Other operating income		7.454	6.174
Gain (loss) on disposals of non-financial assets		12	15
Operating expenses (-)		**-99.626**	**-94.847**
Raw materials and consumables used (-)		-177.372	-145.548
Changes in inventories of finished goods and work in progress		145.606	119.314
Employee expenses (-)		-4.513	-2.890
Depreciation and amortization (-)		-532	-206
Impairments (-)		281	1.433
Other operating expenses (-)		-63.096	-66.950
RESULT FROM OPERATING ACTIVITIES - EBIT		***52.895***	***46.035***
Financial expenses (-)		**-11.211**	**-9.750**
Financial income		**1.897**	**1.137**
Share of profit (loss) from investments consolidated by the equity method		**-638**	**-228**
PROFIT (LOSS) BEFORE TAX		***42.943***	***37.194***
Income tax expense (income) (-)	7	**-5.315**	**-2.157**
PROFIT (LOSS) AFTER TAX		***37.628***	***35.037***
Post-tax profit (loss) of discontinued operations		**0**	**0**
PROFIT (LOSS) OF THE PERIOD		*37.628*	*35.037*
Non controlling interests		-149	-140
Group profit (loss)		***37.777***	***35.177***

EARNINGS PER SHARE

	EUR 2019	2018
Total number of issued shares	**5.631.076**	**5.631.076**
of which own shares	**313.427**	**231.825**
Weighted average number of shares (excluding own shares)	**5.333.821**	**5.431.951**
Basic earnings	**7,08**	**6,48**
Diluted earnings per share	**7,08**	**6,48**
Proposal of gross dividend per share	**2,31**	**2,20**

Other elements of the overall profit and losses

	Notes	In thousands of EUR 2019	2018
Group share result		***37.777***	***35.177***
Items not to be reclassified to profit or loss in subsequent periods :			
Employee benefits		-241	29
Items to be reclassified to profit or loss in subsequent periods :			
Translation adjusments		-4.245	-583
Cash flow hedge	13	-351	***0***
Overall total results of the group		***32.940***	***34.623***
Overall profits and losses of the period attributable to third parties		***-149***	***-140***

B. Summary Financial Statements (continued)

Consolidated statement of the financial position

ASSETS

	Notes	31.12.2019	31.12.2018
		In thousands of EUR	
NON-CURRENT ASSETS		**118.690**	**56.928**
Property, plant and equipment	10	3.406	549
Intangible assets		87	176
Investments consolidated by the equity method		59.676	14.732
Deferred tax assets		5.261	6.337
Other non-current financial assets		12.503	11.869
Non-current trade and other receivables		37.757	23.265
CURRENT ASSETS		**719.285**	**613.837**
Inventories	9	608.025	459.202
Other current financial assets	4	6.159	68.064
Current tax receivables		776	1.067
Current trade and other receivables		54.116	37.432
Current loans payments		15	1.346
Cash and cash equivalents	4	43.745	42.145
Other current assets		6.449	4.581
TOTAL ASSETS		**837.975**	**670.765**

LIABILITIES AND EQUITY

	Notes	31.12.2019	31.12.2018
		In thousands of EUR	
TOTAL EQUITY		**187.048**	**170.298**
Group shareholders' equity		**184.251**	**167.352**
Issued capital		57.631	57.631
Reserves		141.693	119.727
Treasury shares (-)		-15.073	-10.006
Non controlling interests		**2.797**	**2.946**
Non-current liabilities		**423.801**	**297.789**
Non-current interest bearing borrowings	5	364.888	293.105
Non-current provisions		4.792	648
Pension obligation		701	455
Derivatives	13	351	0
Deferred tax liabilities		3.967	1.125
Current trade and other payables		47.034	1.542
Other non-current liabilities		2.068	914
Current liabilities		**227.126**	**202.678**
Current interest bearing debts	5	175.089	147.174
Current provisions		1.352	5.040
Current tax payables		2.262	2.986
Current trade and other payables		40.296	33.554
Other current liabilities		8.127	13.924
TOTAL EQUITY AND LIABILITIES		**837.975**	**670.765**

B. Summary Financial Statements (continued)

Consolidated cash flow statement (indirect method)

	Notes	31.12.2019	31.12.2018
		In thousands of EUR	
Operating activities			
- Net result		37.777	35.177
- Result of non controlling interests		-149	-140
- Result of Equity method Cies		638	228
- Net finance cost		9.602	6.994
- Income tax expense	7	1.396	2.986
- *Result for the year*		*49.264*	*45.245*
- Depreciation		532	206
- Amortisation and impairment		-281	-1.433
- Translation adjustments		-14	463
- Provisions		466	-960
- Deferred taxes	7	3.919	-830
- (Profit)/Loss on disposal of fixed assets		-37.860	-34.992
- SOP / IAS 19		773	141
- *Adjustments for non cash items*		*-32.465*	*-37.405*
- Variation of inventories		-151.471	-122.634
- Variation of trade and other amounts receivables		-16.884	41.832
- Variation of trade payables		4.815	9.803
- Variation of amounts payable regarding wage taxes		93	41
- Variation of other receivables and payables		9.672	5.712
- *Net variation on working capital*		*-153.775*	*-65.246*
- Interests received		191	1.132
- Income tax (paid) received		-1.828	-4.917
Cash from operating activities (+/-)		**-138.613**	**-61.191**
Investment activities			
- Acquisitions of intangible and tangible fixed assets		-2.187	-409
- Acquisitions of financial investments		-14.206	-6
- New loans		-807	-492
- *Subtotal of acquired investments*		*-17.200*	*-907*
- Disposals of intangible and tangible fixed assets		11	15
- Disposals of financial investments		20.836	57.804
- Reimbursement of loans		177	1.364
- *Subtotal of disinvestments*		*21.024*	*59.183*
Cash from investment activities (+/-)		**3.824**	**58.276**
Financial activities			
- Treasury shares		-5.067	-1.642
- Proceeds from borrowings		164.580	127.868
- Repayment of borrowings		-64.654	-41.980
- Interests paid		-8.744	-6.545
- Dividends paid to company's shareholders	6	-11.747	-11.317
- Directors' entitlements		-256	-316
Cash from financial activities (+/-)		**74.112**	**66.068**
Net cash variation		**-60.677**	**63.153**
- Cash and cash equivalent at the beginning of the year		106.590	67.240
- Net variation in cash and cash equivalent		-60.677	63.153
- Non cash variations (Cur. conversion, chge in scope, etc...)		-466	141
- Cash and cash equivalent at end of the year	4	45.447	130.534

B. Summary Financial Statements (continued)

Consolidated statement of changes in equity

In thousands of EUR

2018	Issued capital	Hedging reserves	Own shares	Consolidated reserves	Profit/loss of the period	IAS 19R reserves	Cumulative translation adjusments	Minority interests	Total Equity
2 0 1 8									
Balance as of 01.01.2018	***57.631***	***-***	***-8.195***	***112.992***	***-***	***-431***	***-15.280***	***2.923***	***149.640***
Change of methodology IRFS 15	-		-	-1.001	-	-	-	-	-1.001
Opening balance adjustement	57.631		-8.195	111.991	-	-431	-15.280	2.923	148.639
Profit/loss of the period	-	-	-	-	35.177	-	-	-139	35.038
Other elements of the overall results (1)	-	-	-	-	-	29	-583	-	-554
Total comprehensive income	***-***	***-***	***-***	***-***	***35.177***	***29***	***-583***	***-139***	***34.484***
Capital increase	-	-	-	-	-	-	-	-	-
Paid dividends	-	-	-	-11.317	-	-	-	-	-11.317
Own shares	-	-	-1.811	-	-	-	-	-	-1.811
Share based payment	-	-	-	141	-	-	-	-	141
Others	-	-	-	-	-	-	-	162	162
Balance as of 31.12.2018	***57.631***	***0***	***-10.006***	***100.815***	***35.177***	***-402***	***-15.863***	***2.946***	***170.298***
2 0 1 9									
Balance as of 01.01.2019									
Profit/loss of the period	-	-	-	-	37.777	-	-	-149	37.628
Other elements of the overall results (1)	-	-351	-	-	-	-241	-4.245	-	-4.837
Total comprehensive income	***-***	***-351***	***-***	***-***	***37.777***	***-241***	***-4.245***	***-149***	***32.791***
Capital increase	-	-	-	-	-	-	-	-	-
Paid dividends	-	-	-	-11.747	-	-	-	-	-11.747
Own shares	-	-	-5.067	-	-	-	-	-	-5.067
Share based payment	-	-	-	773	-	-	-	-	773
Others	-	-	-	-	-	-	-		-
Balance as of 31.12.2019	***57.631***	***-351***	***-15.073***	***125.018***	***37.777***	***-643***	***-20.108***	***2.797***	***187.048***

(1) The Group detains Hungarian, Romanian and Polish subsidiaries that opted for the local currency as their operating currency in each of the countries. The negative conversion differences recorded for the period in equity were mainly due to the downturn in the HUF and the RON during the year (-4.25 million euros).

SELECTIVE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ON 31.12.2019

Note 1. Corporate information

The consolidated financial statements of the Group as at 31 December 2019 including the annual report including all financial statements and attached notes were adopted by the Board of Directors on 5 March 2020.

Note 2. Principal accounting methods

1. Basis for preparation

The consolidated financial statements as at 31 December 2019 were drawn up in accordance with the IFRS standards as adopted in the European Union.

2. Consolidation principles and significant accounting principles

The valuation rules adopted for the preparation of the consolidated financial situation as at 31 December 2019 have not been modified from the rules followed for the preparation of the annual report as at 31 December 2018, except for the possible adaptations made necessary by the entry into force of IFRS standards and interpretations applicable from 1 January 2019.

Standards and interpretations became effective on a mandatory basis in 2018 in the European Union

- IFRS 16 - *Leases*
- IFRIC 23 – *Uncertainly over Income Tax Treatments*
- Amendments to IAS 19 – *Plan amendment, Curtailment of Settlement*
- Amendments to IAS 28 – *Long-term Interests in Associates and Joint Ventures*
- Amendments to IFRS 9- *Prepayment Features with Negative Compensation*
- Annual improvements to IFRS 2015-2017 Cycle: *Amendments to IFRS 1 and IAS 28*

These amendments and new interpretations have no significant impact on the presentation, disclosure requirements or the consolidated financial performance and / or situation of ATENOR.

We would remind you that ATENOR has been applying IFRS 15 (*Revenue from Contracts with Customers*) since 1 January 2018 according to the simplified retrospective method. In application of this method, the comparative periods have not been restated and the impact relating to the change of the evaluation rule has been directly recorded in the opening equity (see the 2018 Consolidated state of equity variations). This impact stood at 1 million euros net of tax.

The table below details per item the IFRS 15 transition and the recognition in the result in 2019 linked to the change in method:

In thousands of EUR	Equity	Result recognition		
	01.01.2018	2018	2019	Total
Turnover	-1.410	1.263	147	1.410
Cost price	-12	78	-66	12
Gross result	**-1.422**	**1.341**	**81**	**1.422**
Tax - 29.58%	421	-397	-24	-421
Net impact	**-1.001**	**944**	**57**	**1.001**

ATENOR has applied IFRS 16 (lease contracts) since 1 January 2019 according to the simplified retrospective method. In application of this method, the impact on the balance sheet and the results account is calculated as if the lease effectively took effect on 1 January 2019 without restatement of the comparative accounts of the previous years and without any impact on opening equity.

In accordance with IFRS 16, ATENOR does not apply the new standard to lease contracts concerning intangible fixed assets and has chosen not to apply the new accounting model to lease contracts of less than one year's duration (renewal options included), nor to contracts concerning new assets with a low unit value (exemption threshold 5,000 USD).

Furthermore, ATENOR applies the transitory simplification measures authorised by IFRS 16 whose principle is the booking of lease contracts that ended in the 12 months following the initial application date, as if they were short-term lease contracts.

For ATENOR, as lessor, there is no impact.

See notes 5 and 10

New or amended standards and interpretations that came into effect after 31 December 2019

- Amendment to IAS 1 and IAS 8 - Definition of Material (applicable for annual periods beginning on or after 1 January 2020).
- Amendment to IFRS 3 – Business Combinations (applicable for annual periods beginning on or after 1 January 2020, but not yet endorsed in the EU).
- Amendements to IFRS 9, IAS 39 and IFRS 7 – Interest Rate Benchmark Reform (applicable for annual periods beginning on or after 1 January 2020, but not yet endorsed in the EU).
- Amendments to references to the Conceptual Framework in IFRS standards (applicable for annual periods beginning on or after 1 January 2020, but not yet endorsed in the EU).
- IFRS 17 – Insurance Contracts (applicable for annual periods beginning on or after 1 January 2021, but not yet endorsed in the EU).

ATENOR did not apply early adoption of these new or amended standards and interpretations.

Note 3. Seasonal information

The lifecycle of the real estate projects of ATENOR can be summarised in three major phases: the land purchase phase, the project development and construction phase, and the marketing and sales phase. The length and process of these phases are neither similar nor comparable from one project to another.
Follow-up and compliance with the planning of each of these projects are assured by the implementation of a regular communication system. Internal control is provided by:

- an executive committee that meets monthly for each of the projects and which is formalised by minutes.

As soon as a project reaches the construction phase, a monthly progress meeting is held with:

- the external specialists to ensure that the agreed deadlines are complied with and
- the General Contractor in charge of construction.

This communication system allows ATENOR to determine, monitor and resolve all potential operational risks well in advance.

Note 4. Other current financial assets, cash and cash equivalents

	31.12.2019	31.12.2018
Short-term deposits	1.702	64.445
Bank balances	43.739	42.143
Cash at hand	6	2
Cash and cahs equivalents	**45.447**	**106.590**
Fair value	**45.447**	**106.590**

Read pages 2 and 8 – comments relating to the main items of the consolidated balance sheet

Note 5. Financial Liabilities

In thousands of EUR

	Current	Non-current	Total
	Up to 1 year	More than 1 year	
Movements on financial liabilities			
On 31.12.2018	**147.174**	**293.105**	**440.279**
Movements of the period			
- New loans (*)	44.750	118.050	162.800
- Reimbursement of loans	-64.001		-64.001
- Entries in the consolidation scope			
- Lease liabilities (FRS 16)	188	790	978
- Exits from the consolidation scope			
- Variations from foreign currency exchange	51	-48	3
- Short-term/long-term transfer	46.903	-46.903	
- Others	24	-106	-82
On 31.12.2019	**175.089**	**364.888**	**539.977**

See the comment on page 2 on the consolidated balance and the increase of the indebtedness.

In April 2019, ATENOR issued two retail-type bond tranches of € 20 M (3.00% - maturity 2023) and € 40 M (3.50% - maturity 2025) respectively. These bonds are listed on Euronext Brussels.
ATENOR also contracted financings for € 22 M and € 18.9 M within the framework of its UBC (Warsaw) and Beaulieu (Brussels) projects, as well as two corporate finance arrangements of € 22.10 M, including € 7.1 M from the subsidiary Atenor Long Term Growth.
Two property leasing contracts are affected by IFRS 16. In application of the simplified retrospective method, the initial rental debts were calculated as if the contracts had started on 1st January 2019, by updating the future payments of the leases to the rate of 2.33%.
This updated value is €1.15 M on 1st January 2019. The reimbursements of the period come to 173 thousand euros. The interest of the period comes to 27 thousand euros.
Also see note 10

Note 6. Paid Dividends

In thousands of EUR		
	2019	**2018**
Dividends on ordinary shares declared and paid during the period:	11.747	11.317

Note 7. Income taxes

In thousands of EUR		
I. Income tax expense / Income - current and deferred	**2019**	**2018**
Income tax expense / Income - current		
Current period tax expense	-1.480	-3.229
Adjustments to tax expense/income of prior periods	84	242
Total current tax expense, net	**-1.396**	**-2.987**
Income tax expense / Income - Deferred		
Related to the current period	-1.365	243
Related to tax losses	-2.554	587
Total deferred tax expense	**-3.919**	**830**
Total current and deferred tax expense	**-5.315**	**-2.157**

Read pages 1 and 7

Note 8. Segment reporting

In thousands of EUR	31.12.2019			31.12.2018		
	Western Europe	Central Europe	Total	Western Europe	Central Europe	Total
Operating revenue	**70.670**	**36.537**	**107.207**	**77.713**	**22.053**	**99.766**
Turnover	69.166	22.465	91.631	76.484	9.405	85.889
Property rental income	1.504	14.072	15.576	1.229	12.648	13.877
Other operating income	**39.042**	**6.272**	**45.314**	**35.200**	**5.916**	**41.116**
Gain (loss) on disposals of financial assets	37.848		37.848	33.285	1.642	34.927
Other operating income	1.182	6.272	7.454	1.900	4.274	6.174
Gain (loss) on disposals of non-financial assets	12		12	15		15
Operating expenses (-)	**-72.495**	**-27.131**	**-99.626**	**-81.058**	**-13.789**	**-94.847**
Raw materials and consumables used (-)	-100.384	-76.988	-177.372	-88.800	-56.748	-145.548
Changes in inventories of finished goods and work in progress	75.932	69.674	145.606	62.793	56.521	119.314
Employee expenses (-)	-4.024	-489	-4.513	-2.458	-432	-2.890
Depreciation and amortization (-)	-341	-191	-532	-191	-15	-206
Impairments (-)	270	11	281	1.594	-161	1.433
Other operating expenses (-)	-43.948	-19.148	-63.096	-53.996	-12.954	-66.950
RESULT FROM OPERATING ACTIVITIES - EBIT	**37.217**	**15.678**	**52.895**	**31.855**	**14.180**	**46.035**
Financial expenses (-)	**-10.020**	**-1.191**	**-11.211**	**-9.027**	**-723**	**-9.750**
Financial income	**1.895**	**2**	**1.897**	**1.131**	**6**	**1.137**
Share of profit (loss) from investments consolidated by the equity method	**-638**		**-638**	**-228**		**-228**
PROFIT (LOSS) BEFORE TAX	**28.454**	**14.489**	**42.943**	**23.731**	**13.463**	**37.194**
Income tax expense (income) (-)	**-4.434**	**-881**	**-5.315**	**-2.037**	**-120**	**-2.157**
PROFIT (LOSS) AFTER TAX	**24.020**	**13.608**	**37.628**	**21.694**	**13.343**	**35.037**
Post-tax profit (loss) of discontinued operations						
PROFIT (LOSS) OF THE PERIOD	24.020	13.608	37.628	21.694	13.343	35.037
Intercompany elimination	2.246	-2.246	0	1.473	-1.473	0
CONSOLIDATED RESULT	**26.266**	**11.362**	**37.628**	**23.167**	**11.870**	**35.037**
Overall profits and losses of the period attributable to third parties	-149		-149	-140		-140
Group share result	**26.415**	**11.362**	**37.777**	**23.307**	**11.870**	**35.177**

Segment information is prepared, both for internal reporting and external disclosure, on a single sector of activity, i.e. real-estate development projects (office and residential buildings, the retail activity being accessory to the first two mentioned). This activity is presented, managed and monitored on a project-by-project basis. The various project committees, the Executive Committee and the Board of Directors are responsible for monitoring the various projects and assessing their performances.

However, based on the location of the projects, two geographical segments are henceforth identifiable: on the one hand there is western Europe, covering Belgium, the Grand Duchy of Luxembourg, France, Germany and also Portugal and, on the other hand, there is Central Europe, covering Poland, Hungary and Romania.

Taken at 31 December 2019, this segmentation illustrates the contribution to the results of the projects in western Europe.

The ATENOR activity report provides more detailed information about the results and purchases and sales during the period reviewed.

In thousands of EUR	31.12.2019 Western Europe	Central Europe	Total	31.12.2018 Western Europe	Central Europe	Total
ASSETS						
NON-CURRENT ASSETS	**117.935**	**755**	**118.690**	**56.723**	**205**	**56.928**
Property, plant and equipment	2.715	691	3.406	423	126	549
Investment property						
Intangible assets	32	55	87	105	71	176
Investments in related parties						
Investments consolidated by the equity method	59.676		59.676	14.732		14.732
Deferred tax assets	5.261		5.261	6.337		6.337
Other non-current financial assets	12.494	9	12.503	11.861	8	11.869
Derivatives						
Non-current trade and other receivables	37.757		37.757	23.265		23.265
Other non-current assets						
CURRENT ASSETS	**382.225**	**337.060**	**719.285**	**362.878**	**250.959**	**613.837**
Assets held for sale						
Inventories	316.727	291.298	608.025	238.386	220.816	459.202
Other current financial assets	6.159		6.159	68.064		68.064
Derivatives						
Current tax receivables	733	43	776	525	542	1.067
Current trade and other receivables	34.584	19.532	54.116	26.896	10.536	37.432
Current loans payments	15		15	14	1.332	1.346
Cash and cash equivalents	21.628	22.117	43.745	27.644	14.501	42.145
Other current assets	2.379	4.070	6.449	1.349	3.232	4.581
TOTAL ASSETS	**500.160**	**337.815**	**837.975**	**419.601**	**251.164**	**670.765**
LIABILITIES AND EQUITY						
TOTAL EQUITY	**188.840**	**-1.792**	**187.048**	**166.754**	**3.544**	**170.298**
Group shareholders' equity	**186.043**	**-1.792**	**184.251**	**163.808**	**3.544**	**167.352**
Issued capital	57.631		57.631	57.631		57.631
Reserves	143.485	-1.792	141.693	116.183	3.544	119.727
Treasury shares (-)	-15.073		-15.073	-10.006		-10.006
Non controlling interest	**2.797**		2.797	**2.946**		2.946
Non-current liabilities	**367.952**	**55.849**	**423.801**	**272.903**	**24.886**	**297.789**
Non-current interest bearing borrowings	330.066	34.822	364.888	269.727	23.378	293.105
Non-current provisions	2.607	2.185	4.792	404	244	648
Pension obligation	701		701	455		455
Derivatives		351	351			
Deferred tax liabilities	2.994	973	3.967	775	350	1.125
Non-current trade and other payables	31.584	15.450	47.034	1.542		1.542
Other non-current liabilities		2.068	2.068		914	914
Current liabilities	**-56.632**	**283.758**	**227.126**	**-20.056**	**222.734**	**202.678**
Current interest bearing debts	165.488	9.601	175.089	143.714	3.460	147.174
Current provisions	1.352		1.352	4.098	942	5.040
Deferred tax liabilities	2.245	17	2.262	2.326	660	2.986
Current trade and other payables	28.402	11.894	40.296	28.240	5.314	33.554
Other current liabilities	4.752	3.375	8.127	10.849	3.075	13.924
Intercompany elimination / not allocated	-258.871	258.871		-209.283	209.283	
TOTAL EQUITIES AND LIABILITIES	**500.160**	**337.815**	**837.975**	**419.601**	**251.164**	**670.765**

Note 9. Inventories

	In thousands of EUR 2019	2018
Buildings intended for sale, beginning balance	**459.202**	**443.973**
Activated costs	216.204	191.806
Disposals of the year	-66.275	-72.492
IFRS 15 transition		-12
Exits from the consolidation scope		-106.843
Entries in the consolidation scope		
Reclassifications from/to the "Inventories"	559	-495
Borrowing costs (IAS 23)	2.319	3.320
Foreign currency exchange increase (decrease)	-4.254	-1.647
Write-offs (recorded)		-250
Write-offs (written back)	270	1.841
Movements during the year	**148.823**	**15.228**
Buildings intended for sale, ending balance	**608.025**	**459.202**
Accounting value of inventories mortgaged (limited to granded loans)	120.879	86.840

See the notes on page 2.

Note 10. Property, plant and equipment

This item, up by € 2.86 M, mainly includes the interior developments made to the leased buildings and the rights of use recognised by application of IFRS 16. The initial rights have been calculated in the same way as the rental debts (see note 5). They were €1.15 M on 1st January 2019. Depreciations are calculated linearly over the remaining duration of the leases. They totalled 193 thousand euros in 2019.

Note 11. Stock option plans for employees and other payments based on shares

On 8 March 2019, ATENOR issued a share option tranche (SOP 2019) for the subsidiary named Atenor Long Term Growth (ALTG). The options issued on this subsidiary benefit the members of the Executive Committee, personnel and some service providers.
This SOP may be exercised during the three followings periods from 8 March to 31 March 2022, from 8 to 31 March 2023 and from 8 March to 29 March 2024.

Note 12. Related Parties

Participations	In thousands of EUR 2019	2018
VICTOR ESTATES	1.085	1.183
VICTOR PROPERTIES	55	62
VICTOR BARA	4.388	4.425
VICTOR SPAAK	7.846	7.910
IMMOANGE	958	1.152
DOSSCHE IMMO	9.973	
CCN DEVELOPPEMENT	35.371	
Total	**59.676**	**14.732**

Within the framework of the Victor mixed project, the (50/50) joint-venture with BPI has led to the consolidation by the equity method of the companies Immoange, Victor Properties, Victor Estates, Victor Spaak and Victor Bara.
On 15 January 2019, ATENOR acquired 50% of the shares in the company Dossche Immo, holder of a plot and buildings in Deinze (Project De Molens).
In July 2019, ATENOR entered into a partnership (33%) with AGRE and AXA through CCN Development as part of the CCN Brussels project.
No other important changes occurred concerning the related parties during 2019. The other related parties will be disclosed in a note in the annual report.

Note 13. Derivatives

ATENOR does not use derivative instruments for trading purposes.

In the context of its € 22 M of finance contracted in February 2019 via its Polish subsidiary, Haverhill Investments, ATENOR simultaneously concluded a rate hedging contract that covers 71% of the loan. The fair value of this financial instrument qualified as "cash flow hedge" (€ -0.35 M) is booked directly in equity.
See the table on page 10

Note 14. Own shares

Movements of number of shares	Ordinary shares
Number of shares on 31.12.2019, issued and fully paid	5.631.076
of which own shares	-
Total of issued shares profiting from 2019 dividend	**5.631.076**

These shares aim to serve the share options plans (2015 to 2019) allocated to ATENOR staff and some of its service providers.

Note 15. Principal risks and uncertainties

The Board of Directors monitors the analysis and management of the various risks and uncertainties which ATENOR and its subsidiaries are confronted with.
Furthermore, on 31 December 2019, ATENOR was not confronted with any litigation.

Note 16. Events after the closing date

- As stated in the releases published at the beginning of 2020, ATENOR signed agreements for the respective sale of office buildings O1 and P in the Au Fil des Grands Prés project in Mons, to the National Employment Office (ONEM), on the one hand, and to the Wallonia-Brussels Federation (FWB), on the other. These two sales in a future state of completion will have a favourable impact on the results of ATENOR in 2020 and 2021.
- On 31 January 2020, the DACIA ONE office project was granted its final construction permit. Over time, these new, ultramodern office spaces will be leased to ING Tech.
- As mentioned above, ATENOR had to resolve the sale of the Hexaten SA company, the owner of the Nysdam building, without any negative impact on the 2019 and 2020 results. ATENOR therefore continues to benefit from the rental revenues.
- The Coronavirus pandemic currently spreading across the world may have an effect on the global economy, causing a slowdown in a number of sectors. In all likelihood, this will include real estate. At this stage, we cannot see any direct impact on the ATENOR's business; however, we remain alert regarding the possible consequences of what is happening and we have confidence in the resilience of the portfolio due to its diversification.
- On 6 March 2020, ATENOR issued a stock option plan (SOP 2020) for the subsidiary named Atenor Long Term Growth (ALTG).
  The options issued on this subsidiary benefit the members of the Executive Committee, personnel and some ATENOR service providers.
  This SOP may be exercised during the three following periods: from 8 March to 31 March 2023, from 8 March to 29 March 2024 and from 10 March to 31 March 2025

No other important event occurring since 31 December 2019 is to be noted.

C. Statement by the Management

Stéphan SONNEVILLE SA, CEO and President of the Executive Committee and the Members of the Executive Committee, including Mr Sidney D. BENS, CFO, acting in the name of and on behalf of ATENOR SA attest that to the best of their knowledge,

- The summary financial statements at 31 December 2019 were prepared in conformity with IFRS standards and provide a true and fair view of the assets, of the financial situation and of the profits of ATENOR and of the enterprises included in the consolidation;[1]
- The financial annual report contains a true reflection of the major events and of the principal transactions between related parties occurring during the financial year and of their impact on the summary financial statements as well as a description of the main risks and uncertainties.

D. External audit

The Statutory Auditor, MAZARS – Company Auditors SCRL represented by Mr Xavier DOYEN, has completed the audit work and confirmed that it does not have any reservations concerning to the accounting information included in this press release and that it corresponds with the financial statements as approved by the Board of Directors.

[1] Affiliated companies of ATENOR in the sense of article 11 of the Company Code