

HALF YEAR FINANCIAL REPORT 2020

La Hulpe, 3 September 2020

A. Interim Management Report

The first half of 2020 closed with a consolidated net profit (group share) of 19.62 million Euro, an increase compared to a result of 6.30 million Euro registered for the first half of 2019.

In the first half of 2020, it is mainly margins generated on sold and pre-sold projects, both office and residential, both in Western Europe and in Central Europe that generated this result. The lease revenues of the Hermès Business Campus (HBC, Bucharest), University Business Campus (UBC, Warsaw) and Nysdam (La Hulpe, Belgium) buildings have also brought a significant contribution. Revenues in this semester has once again been diverse with 8 projects contributing to the results.

Table of key consolidated figures ('000 Euro) - Limited review of the auditor

Results	30.06.2020	30.06.2019
Net consolidated result (group share)	19,624	6,297
Profit per share (in Euro)	3.69	1.18
Number of shares	7,038,845	5,631,076
of which own shares	313,427	313,427
Balance sheet	30.06.2020	31.12.2019
Total assets	979,461	837,975
Cash position at the end of the period	107,808	45,447
Net indebtedness (-)	-492,113	-494,530
Total of consolidated equity	260,313	187,048

Revenue from ordinary activities and consolidated result

The revenues from ordinary activities as at 30 June 2020 amounted to 54.50 million Euro. They mainly consist of (a) revenues from the sale of apartments in residential projects (City Dox, The One, Au Fil des Grands Prés, La Sucrierie) for a total of 12.55 million Euro (b) the revenue earned from the sales in future state of completion of the BuzzCity (Leudelange) and Vaci Greens E (Budapest) projects (€31.93 M) as well as (c) lease revenues on the Hermes Business Campus (Bucharest), University Business Center (Warsaw) and Nysdam (La Hulpe) buildings totalling €7.71 million euros.

The other operating revenue (€27.82M) mainly includes an additional price relating to the disposal of the shareholding in The One Office SA, following the signing by the European Commission of the usufruct agreement on the building (€20.05M), the usufruct receivables (retroceded to Immo Beaulieu SA) on the Beaulieu building for the first half of 2020 (€3.47M) as well as the re invoicing of service charges and miscellaneous costs of the leased buildings (€2.71M).

The **operating result** amounts to 27.74 million Euro. It is mainly influenced by the sale of apartments of the various residential projects referred to above (total of €2.91M), by results on the presold office buildings BuzzCity and Vaci Greens E (€8.58 M), by the rental revenue net of charges of the HBC, UBC and Nysdam buildings (total of €5.54M) as well as by the complementary net result relating to the disposal of The One Office SA (€14.54M).

The **net financial result** amounts to -4.53 million Euro compared with -5.54 million Euro for the first half of 2019. The decrease of net financial charges over the first half year is mainly due to the light drop in the Group's average net debt, coupled with a rise in interest capitalizations (IAS 23 – €+0.82M compared to 2019), relating to the developments in progress.

Taxes amounted to 3.01 million Euro on 30 June 2020 and are mainly composed of current tax and deferred tax liabilities mainly relating to the Vaci Greens, City Dox, BuzzCity and Au Fil des Grands Prés projects (total of €2.69M).

The net result (group share) of the first half of the financial year amounts to 19.62 million Euro.

Consolidated balance sheet

The consolidated shareholders' equity amounts to 260.31 million Euro, which represents 26.6 % of the balance sheet total, a rise of 73.27 million euros compared to 31 December 2019, due mainly to the capital increase realized on 30 June 2020.

As at 30 June 2020, the Group has a net consolidated indebtedness of 492.11 million Euro (excluding cash) compared with a net consolidated indebtedness of 494.53 million Euro as at 31 December 2019, thus remaining stable.

The “buildings held for sale” classified under “**Inventories (Stock)**” represent the real estate projects in portfolio and in the course of development. This item amounts to 665.92 million Euro, a net increase of 57.90 million Euro in comparison with 31 December 2019. This change is mainly due to (a) the continuation of works and studies of Vaci Greens, Arena Business Campus (Budapest), Com'Unity (Bezons), @Expo, Dacia, UP-site Bucharest and City Dox (Brussels) projects representing in total 93.36 million Euro, (b) the apartment sales of the City Dox, Au Fil des Grands Prés, La Sucrerie projects and the presold BuzzCity and Vaci Greens E office buildings, which have decreased the stock by 31.77 million Euro. The remaining balance of the net variation of this item (€-3.69M) comes from variations on the other projects in development.

Projects in our portfolio

In the course of the first half of the year, ATENOR continued to develop its business, with 29 projects in portfolio for a total of more than 1,270,000 m², taking particular care to make them part of an indisputably sustainable approach.

As a reminder, the relative shares of each region/city within the portfolio are calculated according to authorized effective surface areas (permits) or potentially buildable surfaces (under consideration or in the course of being approved).

The projects have seen the following developments:

➤ **BRUSSELS REGION** (22.43% of the portfolio):

THE ONE - European District, rue de la Loi, Brussels (offices and residential)

The agreement reached with the OIB in November 2019 on taking the whole building in usufruct was followed by the signing of the agreement on 29 June 2020, involving the payment of an additional price on the sale of the shares of The One Office company.

REALEX [90% ATENOR] – European District, between the rues de la Loi & de Lalaing, Brussels (58,400 m² of offices)

The permit application amended in line with the recommendations of the impact study completed in February 2020, was lodged in August 2020. The Conference Centre variant has been retained, in view of favourable developments in the contacts with the OIB in the context of a competitive dialogue on the acquisition of a conference centre replacing the current Borschette.

CITY DOX - Canal area, quai de Biestebroeck, Anderlecht (approx. 117,500 m² mixed)

The construction of phase 2 (including 181 residential units of which 99 subsidized) is continuing. Almost all the apartments (97%) have been sold. With regard to phase 3, the permit application, notably for 171 residential units, is under consideration. The winners of the architectural competition for the creation of a school and residential complex (phase 4) will be announced in September.

VICTOR [50% ATENOR] – Midi neighbourhood, opposite the South Station (Gare du Midi), Brussels (94,300 m² mixed)

This project has been reworked to fit into the main lines of the “Midi” PAD project, as governed by policy. The administration has again been tending to slow down the elaboration of the PAD, even though it is in a neighbourhood that direly needs development. Like other actors in the neighbourhood, we are waiting for the PAD to be submitted to a public enquiry in the near future. The Victor project includes 72,500 m² of offices and over a hundred affordable, passive apartments which have been selected by CityDev via a call for projects.

CCN [33% ATENOR] – Schaerbeek and St Josse districts, next to the North Station (Gare du Nord) ($\pm 130,000 \text{ m}^2$ mixed)

Studies are moving satisfactorily towards the submission of a planning application for the whole site in the course of 2020.

BEAULIEU – Avenue Beaulieu, 5 to 11, Auderghem (around $24,500 \text{ m}^2$ of offices)

A short-term extension is under negotiation with the OIB, the current occupant of the premises. In parallel, ATENOR is studying a major renovation of these two buildings, in close collaboration with the neighbouring property owner, with a view to lodging a permit application before the end of 2020.

➤ **FLANDERS** (1.26 % of the portfolio):

DE MOLENS [50% ATENOR] – City Centre, Tolpoort road, Deinze (mixed residential & retail project of $\pm 32,000 \text{ m}^2$)

An application for a first phase was lodged in April 2020 and the permit is expected for the fourth quarter of 2020. Marketing will be launched as soon as the permit is received.

➤ **WALLONIA** (7.41% of the portfolio):

LES BERGES DE L'ARGENTINE – La Hulpe (residential [80% ATENOR] 27.000 m^2 and offices [100% ATENOR] 4.000 m^2)

New studies are underway for the development of an overall project on the whole of the site, following the agreement reached in December 2019 with the neighbouring owner, aimed at putting forward a shared vision matching the requirements of the Municipality, reflected in the studies of the Communal Issue Zone. A new application will be submitted in the course of this year.

In parallel, the office building has now welcomed its fourth tenant.

LE NYSDAM – La Hulpe ($15,575 \text{ m}^2$ office building)

The building has an occupancy rate of 100% since December 2019. ATENOR still intends to sell it as soon as the right market conditions are met.

AU FIL DES GRANDS PRÉS – “Les Grands Prés” shopping precinct district, Mons (approx. $53,000 \text{ m}^2$ mixed)

The permit for the office part ($14,600 \text{ m}^2$) has been obtained. Work will start shortly, since these buildings have been completely sold ($2,900 \text{ m}^2$ to the ONEM, $8,600 \text{ m}^2$ to the Wallonia-Brussels Federation and $3,100 \text{ m}^2$ to the TEC).

A permit application has been lodged for the first phase of 111 residential units. The permit is expected for the end of 2020.

LA SUCRERIE – Ath (183 residential units, 5 retail units, 1 nursery)

The sale of the last apartments is continuing.

➤ **NETHERLANDS** (2.28% of the portfolio):

VERHEESKADE [50% ATENOR] – The Hague, Netherlands (Residential/commercial – $58,000 \text{ m}^2$)

On 2 July 2020, ATENOR reached an agreement, under the customary conditions, with a view to acquiring a 50% share alongside a prominent local actor, in a $58,000 \text{ m}^2$ development project. The permit application is underway.

➤ **LUXEMBOURG** (6.88% of the portfolio) :

TWIST – Belval, Grand-Duchy of Luxembourg (offices, housing and retail units – $15,060 \text{ m}^2$)

The building permit application was lodged at the end of 2019, and the granting of the permit is expected before the end of 2020. Marketing of the offices and dwellings will be launched as soon as the permit is received.

BUZZCITY – Leudelange, Grand-Duchy of Luxembourg (office building – $16,800 \text{ m}^2$)

Construction work is continuing according to plan. It may be recalled that in December 2018, the project was sold before completion. Marketing of the office building is in progress.

LANKELZ [50% ATENOR] - Esch-sur-Alzette, Grand-Duchy of Luxembourg (mixed: residential, retail and offices – 67,850 m²)

Studies are continuing and a permit application for the whole project will be submitted at the end of 2020.

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

This project, acquired after a contest, comprises the development of a building with 20,343 m² of office and 1,238 m² of retail space. A permit application will be submitted in Q4-2020.

➤ **PARIS** (4.64% of the portfolio):

COM'UNITY 1 [99% ATENOR] – Bezons (Paris) – (33,800 m² of offices)

The construction work started up again after halting for a few weeks, but without affecting the scheduled completion date (third quarter of 2021). In a generally sluggish market, it is being marketed on the basis of differentiated sales pitches that offer a specific response to the work organization issues raised by the health crisis. Contacts are underway.

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

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

➤ **DÜSSELDORF** (1.44% of the portfolio):

AM WEHRHAHN – Shopping Street Am Wehrhahn in Düsseldorf city centre – (4,245 m² of housing and retail)

The General Contractor started the construction work in April. It should take 21 months. Marketing is directed towards a block sale before completion.

HEINDRISCHSTRASSE – UNIVERSITY DISTRICT, Düsseldorf – (14.000m² of offices)

In July 2020, ATENOR signed, via a new subsidiary, a sale agreement for the acquisition of a second project in Düsseldorf. This will be the first office development that ATENOR will undertake in Germany. The start of marketing is planned for the near future, as the city of Düsseldorf has approved the implementation of this project by advanced decision.

➤ **LISBON** (2.29% of the portfolio):

WELLBE – District of the 1998 Universal Exhibition, Lisbon – (27,850 m² of offices 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. The permit is expected to be granted at the end of 2020, enabling marketing to begin.

➤ **WARSAW** (24.14% of the portfolio):

UNIVERSITY BUSINESS CENTER – Mokotow quarter of Warsaw, Poland – (56,790 m² of offices)

A first permit application was submitted for the demolition of the first existing building (UBC I) and construction of the new class A building, with a leasable surface area of 24,000 m². The permit is expected to be granted at the end of 2020, enabling marketing to begin. 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)

Discussions with the city concerning the adaptation of the master plan resumed as soon as the lockdown ended. Studies on the development of a first hotel-office phase have progressed.

➤ **BUDAPEST** (13.29% of the portfolio):

VACI GREENS – Vaci Corridor, Budapest (blocks E: 26,025 m² and F: 27.525 m² of offices)

The 5th (E) and 6th (F) buildings of this campus are under construction and marketing. Building F has been delivered in the 2nd quarter of 2020, building E will be achieved in the 3rd quarter without any foreseen interference from the health crisis. As a reminder, building E has been sold in a future state of completion. The conclusion in April of a new lease on 7,500 m² brought the pre-lease rate up to 40%. The Vaci Greens F building is already 70% pre-leased and is on the market for sale.

ARENA BUSINESS CAMPUS – Boulevard Hungària, Budapest (80,400 m² of offices)

Construction of the first building (A) was completed in April, within the announced deadlines; the building is 15% pre-leased and marketing is continuing on a still active market.

In parallel, the foundation work for the second building (“B”) is drawing to a close.

ROSEVILLE – Becsì Street 68-70 and 74-80, District 3 of Budapest (16,150 m² of offices and retail)

The permit application was lodged in June and the permit is expected before the end of 2020. Meanwhile, it has been possible to start some foundation works.

BAKERSTREET – Hengermalonut 18, Buda South District, Budapest (18,750 m² of offices and retail)

A permit application will be lodged in the third quarter of 2020. Granting of the permit is expected by the end of 2020, enabling marketing to begin.

➤ **BUCHAREST** (13.96% of the portfolio):

HERMES BUSINESS CAMPUS – Boulevard D. Pompeiu, Bucharest (75,130 m² of offices)

The buildings have been refinanced, long-term, for a sum of €80 million in August 2020. Given the attractive return on invested capital generated by this asset, and taking the new financing arrangements into account, ATENOR has at its disposal the flexibility needed in order to seek optimal sales conditions from investors, in an investment market that remains attractive in the long term but is currently going through a period of pause due to the health crisis.

In the meantime, these buildings have had their leases renewed and are generating rental income of approx. €10.3 million per year. The health crisis has not had any material impact on the rental income (impact of less than €0.1 million).

DACIA ONE – Intersection of Calea Victoria and Boulevard Dacia, CBD, Bucharest (16,300 m² of offices and retail))

Construction work began during February 2020 and should finish during the third quarter of 2021. As a reminder, the building is 100% pre-leased and is available for sale.

@EXPO – Avenue Expozitiei, Bucharest (54,720 m² of offices and retail)

Work on the first part was launched in February 2020. The first pre-lease, concluded with the multinational Gameloft for 3,000 m², has already been extended to a further 1,500m², bringing the pre-lease rate up to 20% of the part under construction.

UP-SITE BUCHAREST – Floreasca/Vacarescu district, Bucharest (2 towers for 31,250 m² residential and retail)

The construction permit was obtained in June 2020. Pre-marketing is envisaged in a mid to high end residential market that is still active in Bucharest.

Other information – Capital increase

The public offering launched as part of the capital increase of €77,427,295 was completed successfully. The quotation of the 1,407,769 new shares in ATENOR began on 30 June 2020.

After successfully addressing the bond market and widely diversifying its sources of funding, ATENOR increased its equity in order to pursue its plan for growth and international diversification, based on a strong balance sheet.

The net proceeds of the capital increase (€76,289,701) will be assigned to the acquisition of new projects, with the aim of intensifying the diversification of the project portfolio.

The proceeds from the capital increase will also serve, if required, to finance construction work on the projects that have received a building permit.

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 as written in the annual report.

As of 30 June 2020, ATENOR was not confronted with any litigation.

Impacts of the Covid-19 crisis and prospects for FY 2020 and 2021

As previously reported, ATENOR adopted a proactive, targeted attitude right from the first confirmed signs of the Covid-19 health crisis, thus protecting staff health and business continuity.

During the first half year, the essential development phases (studies, permit applications, permit examination, permit delivery, construction, renting and sales) did, to varying degrees, slow down and sometimes momentarily come to a standstill, but we have noted only a *limited* impact on the development of the projects and the earnings formation process (less than €0.5M) that could be attributable to the health crisis and the lockdown.

On the contrary, ATENOR experienced a number of highlights during the first half year, notably the signing of the usufruct contract with the OIB for the occupation of the office building The One and the sale before completion of the Grands Prés offices in Mons. The size of the half year results witnesses this.

That said, for several months now, a clear general economic slow-down has been settling in across Europe, more or less intensively depending of the country and the region.

This economic slow-down could have an impact on ATENOR's 2020 results and more probably on its 2021 results.

Several types of impact are possible:

- We can, however, rule out the occurrence of direct material costs due to the health crisis.
- Delays in the procedures for granting building permits, due to administrative slow-downs.
In the case of sales before completion (offices and housing), obtaining authorizations is a prerequisite for including sales proceeds in the results. Thus some projects could lag from 2020 into 2021 and from 2021 into 2022, because of administrative delays.
- A clear slow-down in corporate decision-making on office rentals – more so in Western Europe than in Central Europe. The drop in office space rental take-up recorded from the second quarter of 2020 onwards could delay sales of real estate projects. This situation might lead to a deferral of the 2020 result to 2021 and of the 2021 result to 2022.

As also previously reported, ATENOR's 2020 results rely on several income sources:

- Earnings already achieved on sales before completion (offices and residential) and progressively generated during construction, to which must be added the impact of the signing of the usufruct agreement for The One.
- Rental earnings from post- or pre-development projects.

On the basis of the transactions already concluded, ATENOR's annual result should amount to at least €20M.

Based on contacts in progress, with a view to market and sell projects in portfolio, the 2020 annual result should be comparable to that for 2019. This trend will, where appropriate, be confirmed through our communications over the coming months, as soon as the factors not yet taken into account at this stage have been definitively endorsed.

As regards cash management, given the capital increase in June 2020 and the refinancing of HBC put in place in August 2020, ATENOR has sufficient liquidity at its disposal, notwithstanding the economic slow-down and the implementation of new project disposals, to ensure the development of portfolio projects and the continuation of its policy of international growth, although certainly with more targeting and opportunism, reflecting the current economic situation. In this regard, ATENOR recently proceeded to two new major acquisitions: a first project in the Netherlands, and a first office project in Germany.

As part of its policy of diversified, recurrent financing, and following the recent strengthening of its equity, ATENOR envisages a return to the money market, but depending on the financial environment.

The state of the economy will have a great influence on the real estate market in 2021. ATENOR's presence in two segments of the property market, office and residential, and in 9 countries that react differently, should enable ATENOR to reduce the impact of an economic crisis whose effects are yet unknown. As mentioned above, however, it is not possible at this stage to rule out a slide towards 2022 in the conclusion of several project sales.



On the strategic side, it would be premature to draw conclusions on the impact of the health crisis on the property market, and particularly on that for offices and housing.

Just as with the advent of coworking in recent years, followed by its present downturn, the long-term impact of teleworking on offices and housing will certainly be more qualitative than quantitative in terms of conception and location.

Applying new trends is recognized to be one of ATENOR's great skills. So these changes are an interesting development and are part of a promising general environmental context.

Moreover, the search for European-level ways out of the crisis shows the relevance of ATENOR's European presence.

Dividend policy

ATENOR intends to maintain its dividend policy providing shareholders with an attractive and recurrent return. The gross amount of the last dividend paid, on 29 April 2020, was 2.31 Euro (as against 2.20 Euro in 2019).

Financial calendar

Intermediate declaration for third quarter 2020	Wednesday 18 November 2020
Publication of the annual results for 2020	Monday 8 March 2021
Annual General Meeting 2020	Friday 23 April 2021

Contact and Information

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B. Summary Financial Statements

Consolidated statement of comprehensive income

	Notes	In thousands of EUR	
		30.06.2020	30.06.2019
Operating revenue		54.503	31.855
Turnover		46.502	23.565
Property rental income		8.001	8.290
Other operating income		27.817	8.149
Gain (loss) on disposals of financial assets		19.283	4.914
Other operating income		8.543	3.224
Gain (loss) on disposals of non-financial assets		-9	11
Operating expenses (-)		-54.579	-26.797
Raw materials and consumables used (-)		-84.964	-66.848
Changes in inventories of finished goods and work in progress		67.554	60.509
Employee expenses (-)		-738	-2.269
Depreciation and amortization (-)		-304	-243
Impairments (-)		-8	853
Other operating expenses (-)		-36.119	-18.799
<u>RESULT FROM OPERATING ACTIVITIES - EBIT</u>		27.741	13.207
Financial expenses (-)		-5.304	-5.640
Financial income		774	96
Share of profit (loss) from investments consolidated by the equity method		-677	18
<u>PROFIT (LOSS) BEFORE TAX</u>		22.534	7.681
Income tax expense (income) (-)	7	-3.013	-1.456
<u>PROFIT (LOSS) AFTER TAX</u>		19.521	6.225
Post-tax profit (loss) of discontinued operations		0	0
<u>PROFIT (LOSS) OF THE PERIOD</u>		19.521	6.225
Non controlling interests		-103	-72
Group profit (loss)		19.624	6.297
<u>EARNINGS PER SHARE</u>		30.06.2020	30.06.2019
Total number of issued shares		7.038.845	5.631.076
of which own shares		313.427	313.427
Weighted average number of shares (excluding own shares)		5.325.384	5.350.260
Basic earnings		3,69	1,18
Diluted earnings per share		3,69	1,18
<u>Other elements of the overall profit and losses</u>		In thousands of EUR	30.06.2019
<u>Group share result</u>		30.06.2020	30.06.2019
Items not to be reclassified to profit or loss in subsequent periods :		19.624	6.297
Employee benefits			
Items to be reclassified to profit or loss in subsequent periods :			
Translation adjustments		-8.660	-2.037
Cash flow hedge	13	-52	-488
Tax			
Overall total results of the group		10.912	3.772
Overall profits and losses of the period attributable to third parties		-103	-72

B. Summary Financial Statements (continued)

Consolidated statement of the financial position

ASSETS

In thousands of EUR

	Notes	30.06.2020	30.06.2019	31.12.2019
<u>NON-CURRENT ASSETS</u>		111.239	48.269	118.690
Property, plant and equipment	10	3.627	2.423	3.406
Intangible assets		51	139	87
Investments consolidated by the equity method		60.291	24.750	59.676
Deferred tax assets		5.518	5.808	5.261
Other non-current financial assets		13.601	12.177	12.503
Non-current trade and other receivables		28.151	2.972	37.757
<u>CURRENT ASSETS</u>		868.222	673.966	719.285
Inventories	9	665.923	522.430	608.025
Other current financial assets	4	28.244	18.393	6.159
Current tax assets		1.816	819	776
Current trade and other receivables		84.819	44.346	54.116
Current loans payments		41	14	15
Cash and cash equivalents	4	80.010	80.966	43.745
Other current assets		7.369	6.998	6.449
TOTAL ASSETS		979.461	722.235	837.975

LIABILITIES AND EQUITY

		30.06.2020	30.06.2019	31.12.2019
<u>TOTAL EQUITY</u>		260.313	157.654	187.048
<u>Group shareholders' equity</u>		257.603	154.780	184.251
Issued capital		133.621	57.631	57.631
Reserves		139.055	112.223	141.693
Treasury shares (-)		-15.073	-15.074	-15.073
<u>Non controlling interest</u>		2.710	2.874	2.797
<u>Non-current liabilities</u>		391.532	374.374	423.801
Non-current interest bearing borrowings	5	329.277	368.896	364.888
Non-current provisions		5.433	480	4.792
Pension obligation		701	455	701
Derivatives	13	403	488	351
Deferred tax liabilities		2.793	1.506	3.967
Non-current trade and other payables		50.382	1.149	47.034
Other non-current liabilities		2.543	1.400	2.068
<u>Current liabilities</u>		327.616	190.207	227.126
Current interest bearing debts	5	270.644	141.895	175.089
Current provisions		724	1.895	1.352
Current tax payables		4.647	2.703	2.262
Current trade and other payables		43.817	30.481	40.296
Other current liabilities		7.784	13.233	8.127
TOTAL EQUITY AND LIABILITIES		979.461	722.235	837.975

B. Summary Financial Statements (continued)

Consolidated cash flow statement (indirect method)

	Notes	In thousands of EUR		
		30.06.2020	30.06.2019	31.12.2019
Operating activities				
- Net result		19.624	6.297	37.777
- Result of non controlling interests		-103	-72	-149
- Result of Equity method Cies		677	-18	638
- Net finance cost		4.546	4.628	9.602
- Income tax expense	7	4.441	546	1.396
- <i>Result for the year</i>		29.185	11.381	49.264
- Depreciations		304	243	532
- Impairment losses		8	-853	-281
- Translation adjustments		2.767	42	-14
- Provisions		12	-3.314	466
- Deferred taxes	7	-1.428	910	3.919
- (Profit)/Loss on disposal of fixed assets		-19.273	-4.925	-37.860
- SOP / IAS 19		-1.266	471	773
- <i>Adjustments for non cash items</i>		-18.876	-7.426	-32.465
- Variation of inventories		-69.981	-63.659	-151.471
- Variation of trade and other amounts receivables		-1.526	15.836	-16.884
- Variation of trade payables		3.769	-1.131	4.815
- Variation of amounts payable regarding wage taxes		-334	-292	93
- Variation of other receivables and payables		4.439	-4.683	9.672
- <i>Net variation on working capital</i>		-63.633	-53.929	-153.775
- Interests received		98	95	191
- Income tax (paid) received		-3.103	-590	-1.828
Cash from operating activities (+/-)		-56.329	-50.469	-138.613
Investment activities				
- Acquisitions of intangible and tangible fixed assets		-538	-1.008	-2.187
- Acquisitions of financial investments		-1.291	-10.003	-14.206
- New loans		-1.099	-310	-807
- <i>Subtotal of acquired investments</i>		-2.928	-11.321	-17.200
- Disposals of intangible and tangible fixed assets			11	11
- Disposals of financial investments				20.836
- Reimbursement of loans		0	2	177
- <i>Subtotal of disinvestments</i>		0	13	21.024
Cash from investment activities (+/-)		-2.928	-11.308	3.824
Financial activities				
- Increase in capital		76.006	0	0
- Decrease in capital		0	0	0
- Treasury shares		0	-5.068	-5.067
- Proceeds from borrowings		75.684	102.174	164.580
- Repayment of borrowings		-11.233	-31.247	-64.654
- Interests paid		-4.660	-3.337	-8.744
- Dividends paid to company's shareholders	6	-12.284	-11.747	-11.747
- Directors' entitlements		-256	-256	-256
Cash from financial activities (+/-)		123.257	50.519	74.112
Net variation of the period		64.000	-11.258	-60.677
- Cash and cash equivalent at the beginning of the year		45.447	106.590	106.590
- Net variation in cash and cash equivalent		64.000	-11.258	-60.677
- Non cash variations (Cur. conversion, chge in scope, etc...)		-1.639	-167	-466
- Cash and cash equivalent at end of the year	4	107.808	95.165	45.447

B. Summary Financial Statements (continued)

Consolidated statement of change in equity

In thousands of EUR	Issued capital	share issue premium	Hedging reserves	Own shares	Consolidated reserves	Profit/loss of the period	IAS 19R reserves	Cumulative translation adjustments	Minority interests	Total Equity
2019										
Balance as of 01.01.2019	57.631		-	-10.006	135.992	-	-402	-15.863	2.946	170.298
Profit/loss of the period	-		-	-	-	37.777	-	-	-149	37.628
Other elements of the overall results	-		-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
Other	-		-	-	-	-	-	-	-	0
Balance as of 31.12.2019	57.631		-351	-15.073	125.018	37.777	-643	-20.108	2.797	187.048
First semester 2019										
Balance as of 01.01.2019	57.631		-	-10.006	135.992	-	-402	-15.863	2.946	170.298
Profit/loss of the period	-		-	-	-	6.297	-	-	-72	6.225
Other elements of the overall results	-		-488	-	-	-	-	-2.037	-	-2.525
Total comprehensive income	-		-488	-	-	6.297	-	-2.037	-72	3.700
Capital increase	-		-	-	-	-	-	-	-	-
Paid dividends	-		-	-	-11.747	-	-	-	-	-11.747
Own shares	-		-	-5.068	-	-	-	-	-	-5.068
Share based payment	-		-	-	471	-	-	-	-	471
Other	-		-	-	-	-	-	-	-	-
Balance as of 30.06.2019	57.631		-488	-15.074	124.716	6.297	-402	-17.900	2.874	157.654
First semester 2020										
Balance as of 01.01.2020	57.631		-351	-15.073	162.795	-	-643	-20.108	2.797	187.048
Profit/loss of the period	-		-	-	-	19.624	-	-	-87	19.537
Other elements of the overall results	-		-52	-	-	-	-	-8.660	-	-8.712
Total comprehensive income	-		-52	-	-	19.624	-	-8.660	-87	10.825
Capital increase	14.408	61.582	-	-	-	-	-	-	-	75.990
Paid dividends	-	-	-	-	-12.284	-	-	-	-	-12.284
Own shares	-	-	-	-	-	-	-	-	-	-
Share based payment / Valuation	-	-	-	-	-1.266	-	-	-	-	-1.266
Other	-	-	-	-	-	-	-	-	-	-
Balance as of 30.06.2020	72.039	61.582	-403	-15.073	149.245	19.624	-643	-28.768	2.710	260.313

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ON 30.06.2020

Note 1. Corporate information

The half-year consolidated financial statements of the Group on 30 June 2020 were adopted by the Board of Directors meeting on 2 September 2020.

Note 2. Principal accounting methods

1. Basis for preparation

The consolidated accounts of 30 June 2020 were prepared in conformity with the IAS 34 standard relating to intermediate financial information.

The intermediate financial accounts must be read alongside the annual report of 31 December 2019.

2. Consolidation principles and significant accounting principles

The evaluation rules adopted for the preparation of the consolidated financial situation of 30 June 2020 were not modified compared to the rules followed for the preparation of the annual report of 31 December 2019.

The consolidated half-year financial statements were prepared in accordance with IFRS standards (*International Financial Reporting Standards*) as adopted in the European Union.

Comment on Covid-19

The Covid-19 pandemic has not had any influence on the evaluation rules, nor on management's judgements.

Furthermore, the impact on the half-year accounts in 2020 is essentially the consequence of a slip in recognized revenues from projects sold before completion, due to the temporary stoppages at a number of sites in March and April 2020. This slip should be made up by 31 December 2020.

As regards to the prospects and estimates of future impacts, please refer to the comments in the interim management report (above).

Note 3. Seasonal information

The life cycle of the real estate projects of ATENOR can be summarized 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 upfront.

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

	In thousands of EUR		
	30.06.2019	30.06.2019	31.12.2019
CASH AND CASH EQUIVALENTS			
Short-term deposits	27.798	14.199	1.702
Bank balances	80.004	80.963	43.739
Cash at hand	6	3	6
Total cash and cash equivalents	107.808	95.165	45.447

Read tables pages 9 and 10

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 31.12.2019	175.089	364.888	539.977
Movements of the period			
- New loans	38.500	32.500	71.000
- Reimbursement of loans	-11.100		-11.100
- Rent debts (IFRS 16)	-94		-94
- Variations from foreign currency exchange	-13	22	9
- Short-term/long-term transfer	68.262	-68.262	
- Other		129	129
On 30.06.2020	270.644	329.277	599.921

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

The increase in indebtedness, to the amount of €71M, is due to:

- €25M in financing as part of the City Dox project;
- two corporate financing packages of, respectively, €15M and €10M;
- the increase (+ €21M) in the CP/MTN outstandings.

Note 6. Paid Dividends

	In thousands of EUR		
	30.06.2020	30.06.2019	31.12.2019
Dividends on ordinary shares declared and paid during the period:	-12.284	-11.747	-11.747
Final dividend for 2019: € 2.31			
Final dividend for 2018: € 2.20			

ATENOR does not offer any interim dividend.

Note 7. Income taxes

TAXES	In thousands of EUR		
	30.06.2020	30.06.2019	31.12.2019
Income tax expense / Income - current			
Current period tax expense	-4.441	-617	-1.480
Adjustments to tax expense/income of prior periods		71	84
Total current tax expense, net	-4.441	-546	-1.396
Income tax expense / Income - Deferred			
Related to the current period	1.824	1.561	-1.365
Related to tax losses	-396	-2.471	-2.554
Total deferred tax expense	1.428	-910	-3.919
Total current and deferred tax expense	-3.013	-1.456	-5.315

Read page 1

Note 8. Segment reporting

In thousands of EUR

	30.06.2020			30.06.2019		
	Western Europe	Central Europe	Total	Western Europe	Central Europe	Total
Operating revenue	27.922	26.581	54.503	24.368	7.487	31.855
Turnover	27.216	19.286	46.502	23.537	28	23.565
Property rental income	706	7.295	8.001	831	7.459	8.290
Other operating income	24.302	3.515	27.817	5.447	2.702	8.149
Gain (loss) on disposals of financial assets	19.283		19.283	4.914		4.914
Other operating income	5.028	3.515	8.543	522	2.702	3.224
Gain (loss) on disposals of non-financial assets	-9		-9	11		11
Operating expenses (-)	-35.155	-19.424	-54.579	-22.952	-3.845	-26.797
Raw materials and consumables used (-)	-28.537	-56.427	-84.964	-42.615	-24.233	-66.848
Changes in inventories of finished goods and work in progress	16.545	51.009	67.554	33.019	27.490	60.509
Employee expenses (-)	-457	-281	-738	-2.061	-208	-2.269
Depreciation and amortization (-)	-208	-96	-304	-153	-90	-243
Impairments (-)		-8	-8	846	7	853
Other operating expenses (-)	-22.498	-13.621	-36.119	-11.988	-6.811	-18.799
<u>RESULT FROM OPERATING ACTIVITIES - EBIT</u>	17.069	10.672	27.741	6.863	6.344	13.207
Financial expenses (-)	-5.624	320	-5.304	-5.275	-365	-5.640
Financial income	774		774	94	2	96
Share of profit (loss) from investments consolidated by the equity method	-677		-677	18		18
<u>PROFIT (LOSS) BEFORE TAX</u>	11.542	10.992	22.534	1.700	5.981	7.681
Income tax expense (income) (-)	-1.769	-1.244	-3.013	-1.354	-102	-1.456
<u>PROFIT (LOSS) AFTER TAX</u>	9.773	9.748	19.521	346	5.879	6.225
Post-tax profit (loss) of discontinued operations						
<u>PROFIT (LOSS) OF THE PERIOD</u>	9.773	9.748	19.521	346	5.879	6.225
Intercompany elimination	1.247	-1.247	0	993	-993	0
<u>CONSOLIDATED RESULT</u>	11.020	8.501	19.521	1.339	4.886	6.225
Overall profits and losses of the period attributable to third parties	-103		-103	-72		-72
Group share result	11.123	8.501	19.624	1.411	4.886	6.297

Sectoral 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 30 June 2020, 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

	30.06.2020			31.12.2019		
	Western Europe	Central Europe	Total	Western Europe	Central Europe	Total
ASSETS						
NON-CURRENT ASSETS	110.598	641	111.239	117.935	755	118.690
Property, plant and equipment	3.026	601	3.627	2.715	691	3.406
Investment property						
Intangible assets	19	32	51	32	55	87
Investments in related parties						
Investments consolidated by the equity method	60.291		60.291	59.676		59.676
Deferred tax assets	5.518		5.518	5.261		5.261
Other non-current financial assets	13.593	8	13.601	12.494	9	12.503
Derivatives						
Non-current trade and other receivables	28.151		28.151	37.757		37.757
Other non-current assets						
CURRENT ASSETS	481.688	386.534	868.222	382.225	337.060	719.285
Assets held for sale						
Inventories	333.798	332.125	665.923	316.727	291.298	608.025
Other current financial assets	28.244		28.244	6.159		6.159
Derivatives						
Current tax receivables	1.514	302	1.816	733	43	776
Current trade and other receivables	56.302	28.517	84.819	34.584	19.532	54.116
Current loans payments	41		41	15		15
Cash and cash equivalents	60.373	19.637	80.010	21.628	22.117	43.745
Other current assets	1.416	5.953	7.369	2.379	4.070	6.449
TOTAL ASSETS	592.286	387.175	979.461	500.160	337.815	837.975
LIABILITIES AND EQUITY						
TOTAL EQUITY	255.943	4.370	260.313	188.840	-1.792	187.048
Group shareholders' equity	253.233	4.370	257.603	186.043	-1.792	184.251
Issued capital	133.621		133.621	57.631		57.631
Reserves	134.685	4.370	139.055	143.485	-1.792	141.693
Treasury shares (-)	-15.073		-15.073	-15.073		-15.073
Non controlling interest	2.710		2.710	2.797		2.797
Non-current liabilities	335.487	56.045	391.532	367.952	55.849	423.801
Non-current interest bearing borrowings	296.793	32.484	329.277	330.066	34.822	364.888
Non-current provisions	2.345	3.088	5.433	2.607	2.185	4.792
Pension obligation	701		701	701		701
Derivatives		403	403		351	351
Deferred tax liabilities	716	2.077	2.793	2.994	973	3.967
Non-current trade and other payables	34.932	15.450	50.382	31.584	15.450	47.034
Other non-current liabilities		2.543	2.543		2.068	2.068
Current liabilities	856	326.760	327.616	-56.632	283.758	227.126
Current interest bearing debts	261.038	9.606	270.644	165.488	9.601	175.089
Current provisions	724		724	1.352		1.352
Deferred tax liabilities	4.594	53	4.647	2.245	17	2.262
Current trade and other payables	30.643	13.174	43.817	28.402	11.894	40.296
Other current liabilities	4.705	3.079	7.784	4.752	3.375	8.127
Intercompany elimination / not allocated	-300.848	300.848		-258.871	258.871	
TOTAL EQUITIES AND LIABILITIES	592.286	387.175	979.461	500.160	337.815	837.975

Note 9. Stocks

	In thousands of EUR		
	30.06.2020	30.06.2019	31.12.2019
Buildings intended for sale, beginning balance	608.025	459.202	459.202
Activated costs	100.857	81.357	216.204
Disposals of the year	-32.678	-18.681	-66.275
Reclassifications from/to the "Inventories"	25	1.336	559
Borrowing costs (IAS 23)	1.803	983	2.319
Foreign currency exchange increase (decrease)	-12.109	-2.037	-4.254
Write-offs (written back)		270	270
Movements during the year	57.898	63.228	148.823
Buildings intended for sale, ending balance	665.923	522.430	608.025
Accounting value of inventories mortgaged (limited to granted loans)	135.316	104.556	120.879

See comments on page 2.

Note 10. Property, plant and equipment

This item mainly includes the interior developments made to the leased buildings and the rights of use recognised by application of IFRS 16.

The investments over the half year total 533,000 Euro. Depreciation over this period came to 285,000 Euro.

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

No new stock option plan was proposed, during the first half of 2020, to Executive Committee members, staff or certain ATENOR service providers.

Note 12. Related Parties

	In thousands of EUR	
	Sums due to related parties	Sums due to the group from related parties
IMMOANGE	-	634
VICTOR ESTATES	-	5.130
VICTOR PROPERTIES	-	277
VICTOR BARA	-	2.185
VICTOR SPAAK	-	3.885
DOSSCHE IMMO	-	-
CCN DEVELOPMENT	-	1.457
DE MOLENS	-	-
ALTHEA FUND COMPARTIMENT IV	-	-

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.

In 2019, ATENOR acquired 50% of the shares of the company Dossche Immo, holder of a plot and buildings in Deinze (De Molens project). As at 8 May 2020, ATENOR took a 50% share in the establishment of the De Molens company, which will develop the project of the same name.

Moreover, ATENOR subscribed to the establishment of Althea Fund Compartiment IV, with a share of 50%. This fund will shelter the land to be developed under the Lankelz project (Luxembourg).

It should be recalled that, last year, ATENOR entered into a partnership (33%) with AGRE and AXA through CCN Development as part of the CCN Brussels project.

No other important change occurred concerning the related parties during the first half of 2020.

Note 13. Derivatives

ATENOR does not use derivative instruments for trading purposes.

In the context of its €22 M of financing contracted in February 2019, 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" (€-0.05 M) is booked directly in equity.

Refer to the table on page 11

Note 14. Own shares

MOVEMENTS IN OWN SHARES	Amount (in thousands of €)	Number of shares
On 01.01.2020 (average price € 48.09 per share)	15.073	313.427
Movements during the period		
- acquisitions		
- sales		
On 30.06.2020 (average price € 48.09 per share)	15.073	313.427

Note 15. Events after the closing date

- As already announced in the press release of 2 July 2020, ATENOR reached an agreement for the acquisition of 50% of the shares in the Dutch company TBMB. This company holds the property and development rights for a project located at the intersection of the streets Verheeskade and Lulof in The Hague (Netherlands).
- In July 2020, ATENOR signed, via a new subsidiary, a sales agreement for the acquisition of its 2nd project in Düsseldorf, a new office building of around 14,000 m².
- Via its Romanian subsidiary NGY Investment srl, ATENOR signed with Pbb Deutsche Pfandbriefbank and Erste Bank a financing package of €80 million for a duration of 5 years (2020 – 2025). It covers 3 buildings in the Hermès Business Campus complex.

There are no other important developments to report since 30 June 2020.

C. Statement by the Management

Stéphan SONNEVILLE s.a., 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 30 June 2020 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 six month financial report contains a true reflection of the major events and of the principal transactions between related parties occurring during the first six months of the financial year and of their impact on the summary financial statements as well as a description of the main risks and uncertainties for the remaining months of the financial year (see page 6 of the present document).

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

D. External audit

Statutory auditor's report on the review of the condensed consolidated interim financial information of ATENOR SA for the period ended 30 June 2020

Introduction

We have reviewed the *condensed consolidated interim financial information* of ATENOR SA as of June 30, 2020, and for the period of six months ended on that date, which comprises the condensed consolidated interim statement of profit or loss and other comprehensive income, the condensed consolidated interim statement of financial position, the condensed consolidated interim statement of cash flows, the condensed consolidated interim statement of changes in equity, the accounting policies, and a selection of explanatory notes.

The board of directors is responsible for the preparation and fair presentation of this condensed consolidated interim financial information in accordance with the international standard IAS 34 - *Interim Financial Reporting* as adopted by the European Union. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the international standard ISRE (*International Standard on Review Engagements*) 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the preceding condensed consolidated interim financial information is not prepared, in all material respects, in accordance with the international standard IAS 34 - *Interim Financial Reporting* as adopted by the European Union.

Brussels, September 2, 2020

Mazars Réviseurs d'Entreprises SCRL
Statutory Auditor
Represented by Xavier DOYEN