

HALF-YEAR FINANCIAL REPORT 2022¹

La Hulpe, 2 September 2022

HALF-YEAR RESULT: €9.00 M, IN LINE WITH OUR EXPECTATIONS

ACTIVITIES REPORT: (VALUE CREATION CYCLE)

- BUILDING PERMIT APPLICATIONS AND OBTAINING OF PERMITS IN ACCORDANCE WITH EXPECTATIONS
- OFFICE RENTALS: ABOVE EXPECTATIONS;
- FLAT SALES: 125 FLATS, PREDICTABLE SLOWDOWNS.

**ASSESSMENT: EXTENSION OF “GREEN” FUNDING: GREEN RETAIL BOND AND BANK FINANCING.
28% (PER 30.06.2022) VS 13% (PER 31.12.2021)**

DEVELOPMENT PORTFOLIO: 32 PROJECTS TOTALLING SOME 1,300,000 M²

DIVIDEND POLICY: PLANNED CONTINUATION OF THE DIVIDEND POLICY

ATENOR'S CEO STÉPHAN SONNEVILLE SA COMMENTS:

“Recent major office leases confirm the attractiveness of the buildings developed by our teams. The strong political and macroeconomic tensions could not overshadow the global climate emergency and the necessary adaptation of the urban real estate stock. With its resolutely international and sustainable strategy, Atenor is ideally positioned.”

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In order to facilitate the understanding of our activities and track their evolution, we provide relevant comments on the first half-year's activities in accordance with the main stages of the value creation cycle in our core business.

¹ ATENOR has chosen French as its official language. Consequently, only the French version text is authentic. The version in English is translation of the French version.

A. General overview of activities

The figures for 2022 in the chart below are set on 30 June 2022. They are stated in gross above-ground surfaces (m²).



Acquisitions: We completed the acquisition of Astro in Brussels for the redevelopment of 10,200 m² of office and housing space via renovation and construction.

Building permit applications: Building permit applications for several major projects have been submitted in accordance with the study schedules we had set ourselves. These include the Cloche d’Or project in Luxembourg City, Bakerstreet II in Budapest, and the new Realex in Brussels. This large amount of floor area currently under development confirms the planned increase in activity.

Getting building permits: The increasing number of permit requests resulted in most of them being granted during the second half of 2022. This being said the building permits for the Wellbe and Bakerstreet II office projects in Lisbon and Budapest respectively had already been obtained during Q2 2022.

Construction startup: The figures for the first half of the year relating to construction starts concern residential projects: Lake 11 in Budapest and City Dox in Brussels. In the second half of the year, we will start construction of nearly 150,000 m² of floor space, two-thirds of which will be offices. These construction starts are spread across 6 countries and will mostly be financed by banks.

In general, all projects currently under construction are progressing according to schedule and are not significantly affected by the geopolitical events and their inflationary consequences.

Leases: After signing a final agreement with PwC for the lease of the entire Cloche d’Or project (~33,500 m²) in Luxembourg City, we signed a 16,200 m² occupation agreement with the E.ON group for the Bakerstreet I property in Budapest.

The intrinsic qualities of the buildings designed were a determining factor in the choice made by the tenants: environmental and architectural qualities, internal functionalities to attract talent and allow the effective implementation of New Ways of Working (NWOW). These major locations in their respective markets are the concrete expression of ATENOR’s positioning: internationalisation and sustainability.

Sales: In the residential sector, sales of flats met our objectives where marketing is active (Belgium, Hungary, Romania, and Luxembourg). However, we expect a slowdown in the second half of the year due to macroeconomic conditions, especially in Hungary and Romania. However, this slowdown will have no impact on 2022 results as the margin is only taken at delivery.

Investment in the office sector has slowed down in recent months, due to a wait-and-see attitude by investors in the context of increasing interest rates. Contacts are underway for the sale of several projects, although it is

not possible at this stage to specify the timetable for the conclusion of the planned transactions. More information will be provided on the progress of these sales in the coming months. In addition, we have decided to keep the Nysdam property (La Hulpe), which houses our head office, as an investment property.

B. Prospects for FY 2022:

The global political and economic situation calls for caution among economic actors. Several factors are impacting the real estate sector:

> Negative impacts

The increase in construction costs and mainly in the cost of certain materials.

The shortage of certain materials and skilled labor.

The increase of interest rates.

Yield increases.

> Positive impacts

The indexation of rents

The need to reduce energy bills and ensure energy independence.

The implementation of NWOW with a view, in particular, to promoting the talent retention and the post Covid return of employees to the office.

The imperatives of sustainable development (Green Deal, taxonomy) which are spreading in all sectors of the economy, including in the management of portfolios by investors.

Through its proactive management of ongoing projects and constructions, ATENOR has up to now been able to reduce the negative impacts to insignificant consequences.

Due to its core business as a developer and its sustainable and international positioning, ATENOR currently observes a neutral balance of the various influences of the macroeconomic trends and indicators mentioned above.

For example, the generalized increase in yields, although a reality, is to be qualified according to the quality of the building and the leases. The demand for high performance buildings from both large tenants and investors is illustrated by ATENOR's activity report and supports the outlook.

However, these macroeconomic and political circumstances suffered in the wake of the Covid health crisis are impacting ATENOR in terms of timing of results. The announced slowdown in the global economy adds a degree of uncertainty in this regard.

In this context, and despite the quality and maturity of ATENOR's portfolio of projects, the level of the company's performance in 2022 cannot yet be specified.

This outlook will be clarified in the coming weeks in line with the evolution of the transactions envisaged.

C. Interim Management Report

The first half of 2022 closed with a consolidated net profit (group share) of €9 million, down from the €29.60 million result posted for the first half of 2021.

At 30 June 2022, this result was mainly generated by margins on sold and pre-sold projects, both office and residential, the capital gain on the sale of 50% of the shareholding in Cloche d'Or Development (Luxembourg), and the revaluation of the Nysdam building following its reclassification as an investment property (IAS 40). The rental income from the Nysdam (La Hulpe, Belgium), University Business Center II (Warsaw, Poland), and Arena Business Campus A (Budapest, Hungary) properties also contributed to this.

Revenue in this half-year was once again diverse, with 7 projects contributing to the results.

Table of key consolidated figures (in thousands of Euros) - Limited review of the auditor

Results	30/06/2022	30/06/2021
Net consolidated result (group share)	8,996	29,604
Profit per share (in Euros)	1.34	4.40
Number of shares	7,038,845	7,038,845
of which own shares	313,427	313,427
Balance sheet	30/06/2022	31/12/2021
Total assets	1,194,934	1,229,814
Cash position at end-of- period	22,313	92,116
Net indebtedness (-)	-802,816	-742,427
Total of consolidated equity	284,834	301,043

Revenue from ordinary activities and consolidated results

Revenue from ordinary activities as at 30 June 2022 amounted to €12.12 million. It consists of (a) revenue from the sale of flats in residential projects (City Dox, Twist) for a total of €2.41 million, (b) revenue earned from the off-plan sales of the Au Fil des Grands Prés project (offices; €4.87 million), (c) additional revenue from the sale in 2021 of the Vaci Greens E property (€1.84 million), as well as (d) lease revenues on the University Business Center II (Warsaw), Nysdam (La Hulpe), Arena Business Campus A, and Cloche d’Or Development properties, totalling €1.68 million.

Other operating income (€18.77 million) includes the result of the sale of 50% of the shareholding in Cloche d’Or Development (€13.09 million) and the re invoicing of the fit-out works in the sold Vaci Greens E and Buzz projects (€4.17 million).

The operating result amounts to €18.43 million. This is mainly influenced by the result of the sale of 50% of the stake in Cloche d’Or Development (€13.06 million), the apartments of the various residential projects (total of €0.54 million), from the results on the pre-sold office buildings Au Fil des Grands Prés and sold Vaci Greens and Buzz (€4.63 million), the revaluation of the Nysdam building following its reclassification as an investment property (€6.04 million) as well as the rental income, net of charges, from the Nysdam, Cloche d’Or, and Arena Business Campus A buildings (total of €0.83 million).

The **net financial result** amounts to -€7.78 million compared to -€5.34 million for the first half of 2021. The increase of net financial charges over the first-half year is mainly due to the increase in the Group's average net debt (+€61.36 million compared to the first half of 2021) coupled with the decrease in activations (IAS 23; - €0.55 million compared to the first half of 2021) relating to the developments in progress.

Taxes amount to €0.67 million as at 30 June 2022, and are mainly composed of current tax and deferred tax liabilities relating to the City Dox and Twist projects.

The net result (group share) for the first half of the financial year amounts to €9 million.

Consolidated balance sheet

Consolidated shareholders’ equity amounts to €284.83 million, which represents 24% of the balance sheet total, down €16.21 million from 31 December 2021 mainly due to the payment of dividends and translation differences.

As at 30 June 2022, **the Group’s net consolidated indebtedness** is €802.82 million (excluding available cash) compared to the net consolidated indebtedness of €742.43 million as at 31 December 2021. As a reminder, ATENOR issued a 6-year “Green” bond in the amount of €55 million in April 2022.

The “properties held for sale” classified under “**Inventories (Stock)**” represent the real property projects in the portfolio and under development. This item amounts to €872.08 million, down €60.91 million net from 31 December 2021. This variation results primarily from (a) the acquisition of the Fleet House (London) and Astro (Brussels) projects for a total of €36.78 million, (b) the continuation of the works and studies of the Arena Business Campus, Roseville, Bakerstreet, Lake 11 (Budapest), @Expo, UP-site (Bucharest), Lakeside (Warsaw), Am Wherharhn, Heinrichstrasse (Dusseldorf), Well’be (Lisbon), Twist (Luxembourg), City Dox (Brussels), Victor Hugo, and Com’Unity (Paris) projects, for a total of €59.37 million, (c) the sale of flats in the City Dox and Twist projects, and the sales of the Au Fil des Grands Prés office properties, reducing the stock by €6.10 million, (d) the exit of the Cloche d’Or project from stock following the equity accounting of the Cloche d’Or Development

shareholding (-€135.91 million) and (e) the transfer of the Nysdam building to “investment property” heading in the amount of €15.4 million (see Note 9). The conversion differences related to the projects in Central Europe had a downward impact on the stock of €9.43 million; finally, the balance of the net change in this item (€9.78 million) is distributed over other projects under development.

Financing policy

ATENOR pursues a financial policy that favours sustainable financing for projects under development on the one hand, and diversification of its sources of financing on the other. The latest 6-year bond issue meets the ambitious criteria of ATENOR’s sustainable financing (Green Retail Bond of €55 million on 5 April 2022 issued in the context of the EMTN programme).

ATENOR relies on both the institutional investor and banking markets. For many years, the real estate and financial experience acquired in the various European capitals has enabled ATENOR to reach out to local and European banks for the sustainable financing of projects to be developed. The “greening” of bank debt is underway. In this respect, we have concluded the financing of the Victor Hugo project in France with Banque Populaire Rives de Paris. ATENOR intends to continue using its commercial paper (MTN), favouring long terms (from 18 months) at fixed or variable rates and gradually replacing terms of under 12 months.

Within the context of its Green Finance Framework (GFF), ATENOR will also continue using the EMTN line and its Green NEU CP & NEU MTN lines in both Belgium and France. ATENOR regularly deals with and will continue dealing with the proposals (reverse inquiries) of qualified investors for maturities corresponding to the European development of its project portfolio.

The weighted average interest rate of ATENOR's consolidated debt is 2.45% (vs 2,40% in 2021).

Principal risks and uncertainties

The strong international political and macroeconomic tensions and the announced economic slowdown will undoubtedly have an impact on the real estate sector. At this stage, we believe that the uncertainty is linked the timing of results, and does not undermine the portfolio’s value and profitability potential. We are carefully monitoring the evolution of this macroeconomic situation and the possible implications for ATENOR.

In general, and permanent way, the Board of Directors is attentive to the analysis and management of the various risks and uncertainties with which ATENOR and its subsidiaries are confronted.

As at 30 June 2022, ATENOR is not facing any significant litigation.

Impacts of the crisis in Ukraine and prospects for FY 2022 and 2023

The crisis in Ukraine has led to a global disruption that has undermined the post-Covid recovery and fuelled inflation. In this context, economic actors are adopting a wait-and-see attitude and tend to delay their decision-making. Under these conditions, the real estate sector is experiencing a slowdown.

However, both the climatic events of this summer and the energy market, and in particular the gas market, have highlighted, each in their own way, the urgent need to reduce carbon emissions and energy consumption. The role of real estate in this energy transition is fundamental.

ATENOR therefore faces a high degree of uncertainty regarding the timing of the 2022 results, but confirms excellent prospects as early as 2023, even higher if there is a postponement from 2022 to 2023. We believe that the Ukrainian crisis and the current level of inflation will not have a long-term effect on the value of ongoing projects or, in general, on the valuation of ATENOR’s core business.

Dividend policy

ATENOR intends to maintain its dividend policy of providing shareholders with attractive and recurrent returns. The gross amount of the last dividend paid, on 28 April 2022, was €2.54 (versus €2.42 in 2021).



Events subsequent to the closing date

As announced in the press release published on August 29, 2022 the Board of Directors has approved the appointment of Value Add Consulting SRL, represented by Mr Laurent Jacquemart, as a member of ATENOR's Executive Committee. It has appointed him as Chief Financial Officer to replace Mr Sidney D. Bens, with effect as of 5 September 2022.

No other major event is to be noted since 30 June 2022.

Financial calendar

Intermediate declaration for third quarter 2022	17 November 2022
Publication of the annual results for 2022	March 2023
Annual General Meeting 2022	28 April 2023

Contact and Information

For more detailed information, please contact Stéphan Sonnevile SA, CEO or Sidney D. Bens, CFO.

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D. Condensed Financial Statements

Consolidated statement of comprehensive income

	Notes	In thousands of EUR	
		30.06.2022	30.06.2021
Operating revenue		12.118	132.715
Turnover		9.907	129.094
Property rental income		2.211	3.621
Other operating income		18.768	9.636
Gain (loss) on disposals of financial assets		13.091	146
Other operating income		5.678	9.490
Gain (loss) on disposals of non-financial assets		-1	
Operating expenses (-)		-12.453	-100.480
Raw materials and consumables used (-)		-87.447	-229.365
Changes in inventories of finished goods and work in progress		96.666	179.121
Employee expenses (-)		-2.346	-2.229
Depreciation and amortization (-)	8	-416	-332
Impairments (-)	9	5.557	225
Other operating expenses (-)		-24.467	-47.900
<u>RESULT FROM OPERATING ACTIVITIES - EBIT</u>		18.433	41.871
Financial expenses (-)		-8.495	-5.974
Financial income		718	633
Share of profit (loss) from investments consolidated by the equity method	10	-1.079	-1.509
<u>PROFIT (LOSS) BEFORE TAX</u>		9.577	35.021
Income tax expense (income) (-)	5	-673	-5.501
<u>PROFIT (LOSS) AFTER TAX</u>		8.904	29.520
Post-tax profit (loss) of discontinued operations		0	0
<u>PROFIT (LOSS) OF THE PERIOD</u>		8.904	29.520
Non controlling interests		-92	-84
Group profit (loss)		8.996	29.604
<u>EARNINGS PER SHARE</u>		30.06.2022	30.06.2021
Total number of issued shares		7.038.845	7.038.845
of which own shares		313.427	313.427
Weighted average number of shares (excluding own shares)		6.724.748	6.724.537
Basic earnings per share		1,34	4,40
Diluted earnings per share		1,34	4,40
<u>Other elements of the overall profit and losses</u>		30.06.2021	30.06.2021
Group share result		8.996	29.604
Items not to be reclassified to profit or loss in subsequent periods :			
Employee benefits			
Items to be reclassified to profit or loss in subsequent periods :			
Translation adjustments		-8.359	24.071
Cash flow hedge	13	323	88
Overall total results of the group		960	53.763
Overall profits and losses of the period attributable to third parties		-92	-84

D. Condensed Financial Statements (continued)

Consolidated statement of the financial position

ASSETS

In thousands of EUR

	Notes	30.06.2022	30.06.2021	31.12.2021
<u>NON-CURRENT ASSETS</u>		219.332	147.013	163.092
Property, plant and equipment	8	8.604	3.390	4.480
Investment property	9	21.482		
Intangible assets		69	32	25
Investments consolidated by the equity method	10	81.964	62.991	78.729
Deferred tax assets		3.131	4.572	3.267
Other non-current financial assets	12	92.629	52.971	56.986
Non-current trade and other receivables	12	11.453	23.057	19.605
<u>CURRENT ASSETS</u>		975.602	1.024.421	1.066.722
Inventories	11	872.083	846.509	932.994
Other current financial assets	12	4.385	9.851	1.523
Current tax assets		924	1.512	3.755
Current trade and other receivables		71.259	135.275	24.770
Current loans payments		10	15	25
Cash and cash equivalents	12	18.243	26.425	90.881
Other current assets		8.698	4.834	12.774
TOTAL ASSETS		1.194.934	1.171.434	1.229.814

LIABILITIES AND EQUITY

		30.06.2022	30.06.2021	31.12.2021
<u>TOTAL EQUITY</u>		284.833	298.651	301.043
<u>Group shareholders' equity</u>		282.445	296.087	298.563
Issued capital		133.621	133.621	133.621
Reserves		163.897	177.539	180.015
Treasury shares (-)		-15.073	-15.073	-15.073
<u>Non controlling interest</u>		2.388	2.564	2.480
<u>Non-current liabilities</u>		560.703	516.212	510.036
Non-current interest bearing borrowings	13	530.141	480.722	478.580
Non-current provisions		4.795	20.136	9.526
Pension obligation		1.094	902	1.094
Derivatives	13	-140	279	184
Deferred tax liabilities		764	619	594
Non-current trade and other payables		22.744	12.481	18.791
Other non-current liabilities		1.305	1.073	1.267
<u>Current liabilities</u>		349.398	356.571	418.735
Current interest bearing debts	13	294.988	296.439	355.963
Current provisions		5.340	153	4.512
Current tax payables		4.390	5.922	6.995
Current trade and other payables		36.155	42.571	42.563
Other current liabilities		8.525	11.486	8.702
TOTAL EQUITY AND LIABILITIES		1.194.934	1.171.434	1.229.814

D. Condensed Financial Statements (continued)

Consolidated cash flow statement (indirect method)

	Notes	30.06.2022	30.06.2021	31.12.2021
Operating activities				
- Net income (group share)		8.996	29.604	38.069
- Result of non controlling interests		-92	-84	-168
- Result of Equity method Cies	10	1.079	1.509	2.480
- Interest charges		7.548	5.321	11.617
- Interest incomes		-717	-628	-1.569
- Income tax expense	5	367	4.987	10.013
<i>Adjusted operating result</i>		<i>17.181</i>	<i>40.709</i>	<i>60.442</i>
- Depreciations	8	416	332	788
- Impairment losses		487	-225	204
- Translation adjustments		341	762	-299
- Fair value adjustments	9	-6.044	0	0
- Provisions (Increases / Reversals)		-5.639	6.027	-551
- Deferred taxes (Increases / Reversals)	5	306	514	1.867
- (Profit)/Loss on disposal of fixed assets		-13.091	-146	-4.511
- SOP / IAS 19		0	32	0
<i>Adjustments for non cash items</i>		<i>-23.224</i>	<i>7.296</i>	<i>-2.502</i>
- Variation of inventories		-98.632	-182.101	-320.830
- Variation of trade and other amounts receivables		1.956	-75.854	80.562
- Variation of trade payables		3.668	5.857	8.199
- Variation of amounts payable regarding wage taxes		-635	-255	384
- Variation of other receivables and payables		421	-34.246	-34.913
<i>Net variation on working capital</i>		<i>-93.222</i>	<i>-286.599</i>	<i>-266.598</i>
- Interests received		717	628	1.569
- Income tax (paid) paid		-3.032	-2.568	-8.524
- Income tax (paid) received		3.018	323	230
Cash from operating activities (+/-)		-98.562	-240.211	-215.383
Investment activities				
- Acquisitions of intangible and tangible fixed assets		-199	-194	-656
- Acquisitions of financial investments		0	-31.120	-46.898
- New loans		-5.152	-3.912	-8.005
<i>Subtotal of acquired investments</i>		<i>-5.351</i>	<i>-35.226</i>	<i>-55.559</i>
- Disposals of intangible and tangible fixed assets		0	0	6
- Disposals of financial investments		6.000	63.918	71.752
- Reimbursement of loans		68	2	85
<i>Subtotal of disinvestments</i>		<i>6.068</i>	<i>63.920</i>	<i>71.843</i>
Cash from investment activities (+/-)		717	28.694	16.284
Financial activities				
- New borrowings		119.213	220.170	309.743
- Repayment of borrowings		-65.018	-21.651	-54.900
- Interests paid		-8.082	-3.069	-8.904
- Dividends paid to company's shareholders	6	-17.078	-16.272	-16.272
- Directors' entitlements		-410	-410	-410
Cash from financial activities (+/-)		28.625	178.768	229.257
Net variation of the period		-69.220	-32.749	30.158
- Cash and cash equivalent at the beginning of the year		92.116	67.887	67.887
- Net variation in cash and cash equivalent		-69.220	-32.749	30.158
- Effect of exchange rate changes		-583	564	-5.929
- Cash and cash equivalent at end of the year	12	22.313	35.702	92.116

D. Condensed Financial Statements (continued)

Consolidated statement of change in equity

In thousands of EUR	Note	Issued capital	share issue premium	Hedging reserves	Own shares	Consolidated reserves	IAS 19R reserves	Cumulative translation adjustments	Minority interests	Total Equity
2021										
Balance as of 01.01.2021		72.039	61.582	-367	-15.073	173.464	-841	-32.240	2.648	261.212
Profit/loss of the period		-	-	-	-	38.069	-	-	-168	37.901
Other elements of the overall results		-	-	183	-	-	-168	18.705	-	18.720
Total comprehensive income		-	-	183	-	38.069	-168	18.705	-168	56.621
Paid dividends	6	-	-	-	-	-16.272	-	-	-	-16.272
Other		-	-	-	-	-518	-	-	-	-518
Balance as of 31.12.2021		72.039	61.582	-184	-15.073	194.743	-1.009	-13.535	2.480	301.043
First semester 2021										
Balance as of 01.01.2021		72.039	61.582	-367	-15.073	173.464	-841	-32.240	2.648	261.212
Profit/loss of the period		-	-	-	-	29.604	-	-	-84	29.520
Other elements of the overall results		-	-	88	-	-	-	24.071	-	24.159
Total comprehensive income		-	-	88	-	29.604	-	24.071	-84	53.679
Paid dividends	6	-	-	-	-	-16.272	-	-	-	-16.272
Share based payment / Valuation		-	-	-	-	32	-	-	-	32
Balance as of 30.06.2021		72.039	61.582	-279	-15.073	186.828	-841	-8.169	2.564	298.651
First semester 2022										
Balance as of 01.01.2022		72.039	61.582	-184	-15.073	194.743	-1.009	-13.535	2.480	301.043
Profit/loss of the period		-	-	-	-	8.996	-	-	(92)	8.904
Other elements of the overall results		-	-	323	-	-	-	-8.359	-	-8.036
Total comprehensive income		-	-	323	-	8.996	-	(8.359)	(92)	868
Paid dividends	6	-	-	-	-	-17.078	-	-	-	-17.078
Balance as of 30.06.2022		72.039	61.582	139	-15.073	186.661	-1.009	-21.894	2.388	284.833

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 30/06/2022

Note 1. Corporate information

The Group's consolidated half-year financial statements as at June 2022 were adopted by the Board of Directors meeting on 31 August 2022.

Note 2. Principal accounting methods

1. Basis for preparation

The condensed consolidated financial statements as of June 30, 2022, have been prepared in accordance with the IFRS (*International Financial Reporting Standards*) IAS 34 Interim Financial Reporting standards as issued by the International Accounting Standards Board (IASB), and as adopted by the European Union.

They do not include all of the information required for the full annual financial statements and should be read in conjunction with the company's consolidated financial statements for the year ending 31 December 2021.

ATENOR has not applied any new IFRS provisions that have not come into force in 2022 and has not applied any European exceptions to IFRS.

The new IFRS standards and IFRIC interpretations and the amendments to the old standards and interpretations, which apply for the first time in 2022, have not a significant direct impact on the figures reported by ATENOR.

2. Consolidation principles and significant accounting principles

The evaluation rules adopted for the preparation of the consolidated financial situation as at 30 June 2022 were maintained as to the rules followed for the preparation of the annual report as at 31 December 2021. However, the Board of Directors meeting of 31 August 2022 endorsed the application of IAS 40 "Investment Property" as of the 2022 half-year closing.

This evaluation rule is as follows:

Investment property and real property

ATENOR's activities in the field of real estate development may lead the group to hold various types of buildings categorised by the use to which they are assigned:

- Investment property (IAS 40 – Investment property): property held in a portfolio for the purpose of earning rents; and
- Projects under development recognised in inventory (IAS 2 – Inventory and IFRS 15 – Revenue from ordinary activity derived from contracts with clients).

Each category has its own specific accounting principles for the recognition of assets at inception and their subsequent measurement.

Assets held as investment property represent real estate held to earn rents or real estate leased on a long-term basis pending either the implementation of a medium-term real estate project or the sale of the asset.

Investment property is initially recognized at cost, including related transaction costs (legal fees, transfer fees, and other transaction costs) and, where applicable, borrowing costs. After initial recognition, investment property is accounted for at its fair value.

Investment property under development is measured at fair value less estimated costs of completion if the fair value can be reliably determined. Investment property under construction whose fair value cannot be reliably determined is measured at cost less depreciation until the fair value can be reliably determined. The cost of investment property under development includes attributable interest and other related expenses. Interest is calculated on development expenditure by reference to a specific loan. Where applicable, interest is not capitalised when no development activity takes place. A property ceases to be under development when it is completed.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the valuation date. Fair value is based on active market prices, adjusted, if necessary, for differences in the nature, location, or condition of the specific asset.

If such information is not available, ATENOR uses alternative valuation methods, such as recent prices in less active markets or discounted cash flow projections. Valuations are performed as of the balance sheet date by professional appraisers who have recognised and relevant qualifications and recent experience in the location and category of investment property being appraised.

The fair value of investment property reflects, among other things, rental income from current leases and other assumptions that market participants would make when setting the price of the property under current market conditions. Changes in fair value are recognised in the consolidated statement of comprehensive income.

Subsequent expenditures

- Subsequent expenditures are capitalised to the book value of the asset only when it is likely that future economic benefits associated with those expenditures will be generated and the cost of the item can be reliably measured. All other repair and maintenance costs are recognised as expenses at the time they are incurred. When a part of an investment property is replaced, the book value of the replaced part is derecognised.
- An investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss resulting from derecognition of the property (calculated as the difference between the net proceeds of disposal and the carrying amount of the asset) is included in the consolidated statement of comprehensive income for the period in which the property is derecognised.

3. Accounting estimates and significant judgements

The significant judgements made by management to apply the company's accounting principles and the main sources of uncertainty are similar to those used for the consolidated annual financial statements for the year ended 31 December 2021, except for the situations described below:

Fair value of investment property

The fair value of investment property is determined by independent appraisers using valuation techniques. Models used to measure investment property may include the net present value of estimated future cash flows, the capitalisation approach, and/or recent transactions on comparable properties. To determine the data used in the valuation calculations, management must make judgements and estimates. See Note 9 for further details on the judgements and assumptions made.

The global political and economic situation calls for caution among economic actors.

Several factors are impacting the real estate sector:

> Negative impacts

The increase in construction costs and mainly in the cost of certain materials.

The shortage of certain materials and skilled labor.

The increase of interest rates.

Yield increases.

> Positive impacts

The indexation of rents

The need to reduce energy bills and ensure energy independence.

The implementation of NWOW with a view, in particular, to promoting the talent retention and the post Covid return of employees to the office.

The imperatives of sustainable development (Green Deal, taxonomy) which are spreading in all sectors of the economy, including in the management of portfolios by investors.

Through its proactive management of ongoing projects and constructions, ATENOR has been able to reduce the negative impacts to insignificant consequences to date.

However, these macroeconomic and political circumstances suffered in the wake of the Covid health crisis impact ATENOR in terms of timing of results. The announced slowdown in the global economy adds a degree of uncertainty in this regard.

Note 3. Seasonal information

The life cycle of ATENOR's real property projects 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.

Monitoring of and compliance with the schedules 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 is formalised by minutes.

When a project reaches the construction phase, a monthly progress meeting is held with:

- the external specialists to ensure that the agreed-upon 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. Segment reporting

Segment information is prepared, both for internal reporting and external disclosure, on a single sector of activity, i.e. real property development projects (office and residential properties, 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, Executive Committee, and Board of Directors are responsible for monitoring the various projects and assessing their performance.

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, the Netherlands, France, Germany, Portugal, and the United Kingdom, and, on the other hand, there is Central Europe, covering Poland, Hungary, and Romania.

Taken at 30 June 2022, this segmentation mainly highlights the contribution to the consolidated result of the projects in Western Europe.

In thousands of EUR	30.06.2022			30.06.2021			31.12.2021		
	Western Europe	Central Europe	Total	Western Europe	Central Europe	Total	Western Europe	Central Europe	Total
Operating revenue	9.180	2.938	12.118	36.144	96.571	132.715	74.675	99.443	174.118
Turnover	7.993	1.914	9.907	35.385	93.709	129.094	72.917	95.151	168.068
Property rental income	1.187	1.024	2.211	759	2.862	3.621	1.758	4.292	6.050
Other operating income	14.580	4.188	18.768	8.285	1.351	9.636	20.090	3.124	23.214
Gain (loss) on disposals of financial assets	13.091		13.091	146		146	4.505		4.505
Other operating income	1.490	4.188	5.678	8.139	1.351	9.490	15.579	3.124	18.703
Gain (loss) on disposals of non-financial assets	-1		-1			0	6		6
Operating expenses (-)	-6.407	-6.046	-12.453	-40.978	-59.502	-100.480	-74.932	-58.237	-133.169
Raw materials and consumables used (-)	-45.474	-41.973	-87.447	-169.429	-59.936	-229.365	-269.662	-91.501	-361.163
Changes in inventories of finished goods and work in progress	55.152	41.514	96.666	162.959	16.162	179.121	260.788	53.920	314.708
Employee expenses (-)	-1.931	-415	-2.346	-1.857	-372	-2.229	-3.912	-864	-4.776
Depreciation and amortization (-)	-320	-96	-416	-235	-97	-332	-573	-215	-788
Impairments (-)	5.557		5.557	123	102	225	-256	52	-204
Other operating expenses (-)	-19.391	-5.076	-24.467	-32.539	-15.361	-47.900	-61.317	-19.629	-80.946
RESULT FROM OPERATING ACTIVITIES - EBIT	17.353	1.080	18.433	3.451	38.420	41.871	19.833	44.330	64.163
Financial expenses (-)	-10.092	1.597	-8.495	-6.846	872	-5.974	-15.673	2.195	-13.478
Financial income	718		718	633		633	1.576		1.576
Share of profit (loss) from investments consolidated by the equity method	-1.079		-1.079	-1.509		-1.509	-2.480		-2.480
PROFIT (LOSS) BEFORE TAX	6.900	2.677	9.577	-4.271	39.292	35.021	3.256	46.525	49.781
Income tax expense (income) (-)	-669	-4	-673	-1.840	-3.661	-5.501	-8.014	-3.866	-11.880
PROFIT (LOSS) AFTER TAX	6.231	2.673	8.904	-6.111	35.631	29.520	-4.758	42.659	37.901
Post-tax profit (loss) of discontinued operations				-1.840	-3.661	-5.501			
PROFIT (LOSS) OF THE PERIOD	6.231	2.673	8.904	-6.111	35.631	29.520	-4.758	42.659	37.901
Intercompany elimination	1.737	-1.737	0	1.426	-1.426	0	2.837	-2.837	0
CONSOLIDATED RESULT	7.968	936	8.904	-4.685	34.205	29.520	-1.921	39.822	37.901
Overall profits and losses of the period attributable to third parties	-92		-92	-84		-84	-168		-168
Group share result	8.060	936	8.996	-4.601	34.205	29.604	-1.753	39.822	38.069

In thousands of EUR	30.06.2022			30.06.2021			31.12.2021		
	Western Europe	Central Europe	Total	Western Europe	Central Europe	Total	Western Europe	Central Europe	Total
ASSETS									
NON-CURRENT ASSETS	218.713	619	219.332	146.575	438	147.013	162.664	428	163.092
Property, plant and equipment	8.100	504	8.604	2.963	427	3.390	4.128	352	4.480
Investment properties	21.482		21.482						
Intangible assets	21	48	69	27	5	32	21	4	25
Investments consolidated by the equity method	81.964		81.964	62.991		62.991	78.729		78.729
Deferred tax assets	3.131		3.131	4.572		4.572	3.267		3.267
Other non-current financial assets	92.562	67	92.629	52.965	6	52.971	56.914	72	56.986
Non-current trade and other receivables	11.453		11.453	23.057		23.057	19.605		19.605
CURRENT ASSETS	653.685	321.917	975.602	726.738	297.683	1.024.421	788.665	278.057	1.066.722
Assets held for sale									
Inventories	577.553	294.530	872.083	575.639	270.870	846.509	674.026	258.968	932.994
Other current financial assets	4.385		4.385	9.851		9.851	1.523		1.523
Current tax receivables	568	356	924	1.415	97	1.512	3.551	204	3.755
Current trade and other receivables	61.929	9.330	71.259	123.811	11.464	135.275	19.088	5.682	24.770
Current loans payments	10		10	15		15	25		25
Cash and cash equivalents	4.425	13.818	18.243	13.429	12.996	26.425	80.759	10.122	90.881
Other current assets	4.815	3.883	8.698	2.578	2.256	4.834	9.693	3.081	12.774
TOTAL ASSETS	872.398	322.536	1.194.934	873.313	298.121	1.171.434	951.329	278.485	1.229.814
LIABILITIES AND EQUITY									
TOTAL EQUITY	300.035	-15.202	284.833	275.948	22.703	298.651	309.152	-8.109	301.043
Group shareholders' equity	297.647	-15.202	282.445	273.384	22.703	296.087	306.672	-8.109	298.563
Issued capital	133.621		133.621	133.621		133.621	133.621		133.621
Reserves	179.099	-15.202	163.897	154.836	22.703	177.539	188.124	-8.109	180.015
Treasury shares (-)	-15.073		-15.073	-15.073		-15.073	-15.073		-15.073
Non controlling interest	2.388		2.388	2.564		2.564	2.480		2.480
Non-current liabilities	528.725	31.978	560.703	475.556	40.656	516.212	476.249	33.787	510.036
Non-current interest bearing borrowings	512.898	17.243	530.141	462.531	18.191	480.722	460.962	17.618	478.580
Non-current provisions	3.528	1.267	4.795	4.621	15.515	20.136	4.795	4.731	9.526
Pension obligation	1.094		1.094	902		902	1.094		1.094
Derivatives		-140	-140		279	279		184	184
Deferred tax liabilities	764		764	546	73	619	594		594
Non-current trade and other payables	10.387	12.357	22.744	6.956	5.525	12.481	8.775	10.016	18.791
Other non-current liabilities	54	1.251	1.305		1.073	1.073	29	1.238	1.267
Current liabilities	43.638	305.760	349.398	121.809	234.762	356.571	165.928	252.807	418.735
Current interest bearing debts	293.801	1.187	294.988	295.290	1.149	296.439	354.811	1.152	355.963
Current provisions	910	4.430	5.340	153		153	2.135	2.377	4.512
Deferred tax liabilities	4.386	4	4.390	2.250	3.672	5.922	4.193	2.802	6.995
Current trade and other payables	25.049	11.106	36.155	29.823	12.748	42.571	32.467	10.096	42.563
Other current liabilities	7.787	738	8.525	10.881	605	11.486	8.164	538	8.702
Intercompany elimination / not allocated	-288.295	288.295		-216.588	216.588		-235.842	235.842	
TOTAL EQUITIES AND LIABILITIES	872.398	322.536	1.194.934	873.313	298.121	1.171.434	951.329	278.485	1.229.814

Note 5. Income taxes and deferred taxes

TAXES	In thousands of EUR		
	30.06.2022	30.06.2021	31.12.2021
Income tax expense / Income - current			
Current period tax expense	-361	-5.090	-10.839
Adjustments to tax expense/income of prior periods	-6	103	826
Total current tax expense, net	-367	-4.987	-10.013
Income tax expense / Income - Deferred			
Related to the current period	-169	-576	-223
Related to tax losses	-137	62	-1.644
Total deferred tax expense	-306	-514	-1.867
Total current and deferred tax expense	-673	-5.501	-11.880

For the six-month period ending June 30, 2022, the tax expense amounts to €0.67 million and is mainly composed of current and deferred tax liabilities relating to the City Dox and Twist projects.

As a reminder, as of June 30, 2021, taxes amounted to €5.50 million. They were mainly composed of current and deferred tax liabilities relating to the Vaci Greens, City Dox, Buzz, and Au Fil des Grands Prés projects for a total of €5.43 million.

Note 6. Paid dividends

	In thousands of EUR		
	30.06.2022	30.06.2021	31.12.2021
Dividends on ordinary shares declared and paid during the period:	-17.078	-16.272	-16.272
Final dividend for 2021: € 2.54			
Final dividend for 2020: € 2.42			

ATENOR offers no interim dividends.

Note 7. Capital

For the six-month period ending June 30, 2022, there was no change in the capital structure; the reference shareholders remain the same.

The movements on own shares are as follows:

MOVEMENTS IN OWN SHARES	Amount (in thousands of €)	Number of shares
On 31.12.2021 (average price € 48.09 per share)	15.073	313.427
Movements during the period		
- acquisitions	105	1.834
- sales	-105	-1.834
On 30.06.2022 (average price € 48.09 per share)	15.073	313.427

As a reminder, ATENOR SA no longer holds any own shares as at 30/06/2022 (situation unchanged from 31 December 2021). The Atenor Group Investments and Atenor Long Term Growth subsidiaries always hold 163,427 and 150,000 ATENOR shares respectively (situation unchanged from 31 December 2021).

These shares aim to enhance the AGI (2018) and ALTG (2019 to 2022) stock option plans allocated to ATENOR staff and some of its service providers.

The shares acquired during the first half-year were acquired and immediately sold as partial payment of remuneration in the form of company shares.

Note 8. Property, plant, and equipment

“Tangible assets” totalled €8.60 million as at 30 June 2022, versus €4.48 million as at 31 December 2021. This includes the group’s furniture and rolling stock, fixtures and improvements made to rented properties and the rights to use the rented properties (IFRS 16).

Investments total €4.12 M for the year and are mainly related to the recognition of land use rights (150 years) for the Fleet House project in England.

Depreciation for the 6-month period ending 30 June 2022 amounted to €0.42 million (6-month period ending 30 June 2021: €0.33 million). No impairment loss was recognised.

Note 9. Investment properties

This item includes the Nysdam building in La Hulpe. This building is currently 94% leased and generates net rental income of €0.48 million as at June 30, 2022. The building is currently under management and may subsequently be redeveloped or sold.

It was therefore transferred from inventory and, in application of IAS 40, valued at its net fair value of €21.48 million, based on an expert's report as at June 30, 2022 (30 June 2021: Nil). Based on data from the valuation technique, the fair value of the investment property was classified as Level 3 fair value.

Fair value measurement

Investment property is the company's only asset that is measured at fair value on a recurring basis.

The fair value of investment property (including investment property held by joint ventures) is determined by professionally qualified independent appraisers using valuation techniques that meet recognised international professional appraisal standards.

ATENOR determines that the fair value established reflects the maximum and optimal use of the investment property by the company. Models used to measure investment property may include the net current value of estimated future cash flows and/or recent transactions on comparable properties.

The property's fair value was determined on the basis of discounted cash flows using equivalent returns of between 5.50% and 7.0%. This data includes:

- Future rental cash inflows: Based on the actual location, type, and quality of the properties and supported by the terms of any existing lease, other contracts, or external evidence such as current market rents for similar properties.
- Discount rate: discount rate reflecting current market assessments of uncertainty as to the amount and timing of cash flows;
- Estimated vacancy rates: based on current and future market conditions after the expiration of any current lease;
- Maintenance costs: including the investments necessary to maintain the functionality of the property during its intended useful life;
- Capitalisation rate: based on the actual location, size, and quality of the properties, and taking into account market data at the valuation date;
- Final value: taking into account assumptions about maintenance costs, vacancy rates, and market rents.

In thousands of EUR	30.06.2022
At the end of the preceding period	0
Gains / (losses) arising from changes in the fair value	6.044
Investments	36
Transfer from "Inventories" (at cost)	15.402
At the end of the period	21.482

There was no transfer from Level 3 to Level 2 during the 6-month period ending 30 June 2022.

Note 10. Investments consolidated by the equity method

Participations	In thousands of EUR		
	30.06.2022	30.06.2021	31.12.2021
VICTOR ESTATES	883	968	926
VICTOR PROPERTIES	38	46	40
VICTOR BARA	4.294	4.332	4.312
VICTOR SPAAK	7.687	7.752	7.718
IMMOANGE	701	795	719
MARKIZAAT	10.300	10.093	10.183
CCN DEVELOPPEMENT	49.697	34.958	50.113
DE MOLENS	220	14	125
CLOCHE D'OR DEVELOPMENT	3.751		
TEN BRINKE MYBOND VERHEESKADE	4.307	4.232	4.386
LAAKHAVEN VERHEESKADE II	86	299	207
LANKELZ FONCIER		-498	
Total	81.964	62.991	78.729

Movements of participations	In thousands of EUR		
	30.06.2022	30.06.2021	31.12.2021
At the end of the preceding period	78.729	64.180	64.180
Share in result	-1.079	-1.509	-2.480
Acquisitions, price adjustments and restructuring	3.918	320	16.098
Reclassification to other items	396		931
At the end of the period	81.964	62.991	78.729

	In thousands of EUR	
	Sums due to related parties	Sums due to the group from related parties
IMMOANGE	-	1.634
VICTOR ESTATES	-	5.304
VICTOR PROPERTIES	-	295
VICTOR BARA	-	2.266
VICTOR SPAAK	-	4.018
MARKIZAAT	5.495	
CCN DEVELOPMENT	-	810
CLOCHE D'OR DEVELOPMENT		30.753
DE MOLENS	-	1.537
TEN BRINKE MYBOND VERHEESKADE	-	7.832
LAAKHAVEN VERHEESKADE II	-	14.831
LANKELZ FONCIER	-	15.356

In 2019, ATENOR entered into a partnership (33%) with AGRE and AXA through CCN Development as part of the CCN Brussels project. This participation has been increased to 50% in 2021.

Following the sale of 50% of Cloche d'Or Development stake in June 2022, the latter is now recognised under the equity method.

No other important change occurred concerning the related parties during the first half of 2022.

Note 11. Inventory

	In thousands of EUR		
	30.06.2022	30.06.2021	31.12.2021
Buildings intended for sale, beginning balance	932.994	775.706	775.706
Activated costs	102.193	253.646	404.663
Disposals of the year	-6.173	-74.705	-90.262
Exits from the consolidation scope	-135.912	-114.042	-159.971
Transfers from/to the "Inventories"	-13.690		
Borrowing costs (IAS 23)	2.612	3.160	6.429
Foreign currency exchange increase (decrease)	-9.427	2.619	-3.604
Write-offs (written back)		125	375
Movements during the year	-60.911	70.803	157.287
Buildings intended for sale, ending balance	872.083	846.509	932.994
Accounting value of inventories mortgaged (limited to granted loans)	175.687	134.874	203.123

The "properties held for sale" classified under "**Inventories (Stock)**" represent the real property projects in the portfolio and under development. This item amounts to €872.08 million, down €60.91 million net from 31 December 2021. This variation results primarily from (a) the acquisition of the Fleet House (London) and Astro (Brussels) projects for a total of €36.78 million, (b) the continuation of the works and studies of the Arena Business Campus, Roseville, Bakerstreet, Lake 11 (Budapest), @Expo, UP-site (Bucharest), Lakeside (Warsaw), Am Wherharhn, Heinrichstrasse (Dusseldorf), Well'be (Lisbon), Twist (Luxembourg), City Dox (Brussels), Victor Hugo, and Com'Unity (Paris) projects, for a total of €59.37 million, (c) the sale of flats in the City Dox and Twist projects, and the sales of the Au Fil des Grands Prés office properties, reducing the stock by €6.10 million, (d) the exit of the Cloche d'Or project from stock following the equity accounting of the Cloche d'Or Development shareholding (-€135.91 million) and (e) the transfer of the Nysdam building to the "**investment property**" heading in the amount of €15.4 million (see Note 9). The conversion differences related to the projects in Central Europe had a downward impact on the stock of €9.43 million; finally, the balance of the net change in this item (€9.78 million) is distributed over other projects under development.

Note 12. Current and non-current financial assets

In thousands of EUR	Other financial investments	Trade and other receivables	Cash and cash equivalents
MOVEMENTS IN FINANCIAL ASSETS			
Non-current financial assets			
Beginning balance	56.986	19.605	
Acquisitions	5.152	241	
Disposals (-)	-68	-8.507	
Reclassification (to) from other items	30.560		
Increase (decrease) in the discounted amount arising from the passage of time and of any change in the discount rate		114	
Foreign currency exchange increase (decrease)	-1		
Ending balance	92.629	11.453	0
Fair value	92.629	11.453	
Valuation	niveau 3	niveau 3	
Current financial assets			
Beginning balance	1.523	24.770	90.881
Acquisitions	2.836		
Disposals (-)		-1.645	-72.056
Exits from the consolidation scope		-19.136	-116
Reclassification (to) from other items		67.568	
Impairments (-)	26		
Foreign currency exchange increase (decrease)		-298	-466
Ending balance	4.385	71.259	18.243
Fair value	4.385	71.259	18.243
Valuation	levels 1 & 3	level 3	level 3

“Other non-current financial assets” mainly relate to net advances to companies accounted for by the equity method. The change is explained, *in particular*, by the advances granted during the first half of the year (€4.69 million) as well as by the transfer to “Clients and other current debtors” of 50% of the debt on Cloche d’Or Development following the sale of 50% of this holding “Other current financial assets” include short-term deposits (€4.07 million) and debt securities (€0.31 million), the valuation of which at the 30 June 2022 stock market price resulted in a €26,000 reversal of value loss.

As at 30 June 2022, “Clients and other non-current debtors” totalled €11.45 million. This item covers the maturity in 2024 of the discounted debt on the purchaser of the NGY shareholding (€7.71 million), the discounted debt on the development of the Verheeskade II project (€2.36 million) and the proceeds receivable related to the sales of the flats in the Twist and City Dox Lot 7.1 projects (€1.38 million).

“Clients and other current debtors” increased from €24.77 million to €71.26 million as at 30 June 2022, an increase of €46.49 million. This includes:

- The part of the claim on the purchaser of the NGY shareholding to be cashed out in 2023 (€8 million);
- The balance to be paid on the sale of 50% of Cloche d’Or Development securities (€41.57 million);
- Claims on the VAT administrations (€13.43 million);
- The turnover acquired following the sales agreement signed for 5 productive activities in Lot 3 of the City Dox project (€2.50 million).

Foreign exchange, default, credit, and liquidity risks are detailed in Note 16 of the 2021 Annual Financial Report.

Fair value hierarchy levels

For each category of financial instrument, ATENOR supplies the methods applied to determine their fair value.

Level 1: Prices listed on active markets

Beaulieu certificates

Level 2: (Directly or indirectly) observable data other than listed prices

Derivative instruments are, where appropriate, valued by a financial institution on the basis of market parameters.

Level 3: Non-observable market data

The fair value of “Current and non-current financial assets” (including liquid assets) is close to the market value. The fair value of unlisted financial assets available for sale is estimated at their book value, taking into account changes in the activity of the companies concerned and existing shareholder agreements. Their amount is insignificant.

The fair value of “Trade and other receivables” corresponds to their nominal value (deducting any impairment loss) and reflects the sale price of the goods and other assets sold in provisional agreements and notarial deeds.

Sensitivity analysis

Taking into account the nature of the financial assets and their short maturities, a sensitivity analysis is not necessary, as the impact of the rate variations is negligible.

Cash and Cash equivalents

	In thousands of EUR		
	30.06.2022	30.06.2021	31.12.2021
CASH AND CASH EQUIVALENTS			
Short-term deposits	4.070	9.277	1.235
Bank balances	18.241	26.423	90.880
Cash at hand	2	2	1
Total cash and cash equivalents	22.313	35.702	92.116

Note 13. Current and non-current financial liabilities

In thousands of EUR 30.06.2022	Current	Non current		Total	Fair value (*)	Valuation
	Up to 1 year	1-5 years	More than 5 years			
Derivatives		-140		-140	-140	level 2
Financial liabilities						
Finance lease debts (IFRS 16)	415	1.258	4.171	5.844	5.840	level 3
Credit institutions	86.873	137.754		224.627	221.295	level 3
Bond issue	20.000	269.819		289.819	281.976	levels 1 & 3
Other loans	187.700	62.139	55.000	304.839	302.863	levels 1 & 3
Total financial liabilities according to their maturity	294.988	470.970	59.171	825.129	811.974	
Other financial liabilities						
Trade payables	24.876			24.876	24.876	level 3
Other payables	10.477	22.744		33.221	33.221	level 3
Other financial liabilities		1.305		1.305	1.305	level 3
Total amount of other liabilities according to their maturity	35.353	24.049		59.402	59.402	
31.12.2021	Current	Non current		Total	Fair value	Valuation
	Up to 1 year	1-5 years	More than 5 years			
Derivatives		184		184	184	level 2
Financial liabilities				-		
Finance lease debts (IFRS 16)	377	1.148	93	1.618	1.611	level 3
Credit institutions	137.586	112.192		249.778	229.863	level 3
Bond issue	20.000	214.786	75.000	309.786	314.815	levels 1 & 3
Other loans	198.000	70.361	5.000	273.361	274.007	levels 1 & 3
Total financial liabilities according to their maturity	355.963	398.487	80.093	834.543	820.296	
Other financial liabilities						
Trade payables	26.459			26.459	26.459	level 3
Other payables	14.609	18.791		33.400	33.400	level 3
Other financial liabilities		1.267		1.267	1.267	level 3
Total amount of other liabilities according to their maturity	41.068	20.058		61.126	61.126	

(*) The fair value of financial instruments is determined as follows:

- If their maturity is short-term, the fair value is presumed to be similar to the amortised cost.
- For non-current fixed-rate debts, by discounting the future interest flows and capital reimbursements at a rate of 2.45%, which corresponds to the Group's weighted average financing rate.
- For listed bonds, on the basis of the closing price

The policy on indebtedness, financial risks, and interest rate risk are set out in Note 20 of the annual financial report for 2021.

Derivatives (liabilities)

ATENOR uses financial derivative instruments exclusively for the purposes of hedging. These financial instruments are measured at their fair value with variations in value charged to the P&L account, except for the financial instruments qualified as "Cash flow hedges", for which the part of the profit or the loss on the hedging instrument considered to constitute an effective hedge is booked directly through equity account under the "other items of the overall result" heading. As far as "Fair value hedges" are concerned, changes in the fair value of the derivatives defined and qualified as fair value hedges are booked in the results account as changes to the fair value of the hedged asset or liability, charged to the hedged risk.

As part of the financing of €22 million by its Polish subsidiary Haverhill Investments in February 2019, ATENOR simultaneously concluded a hedging rate contract which covers 71% of the credit. The fair value of this financial instrument qualified as a "cash flow hedge" (-€0.32 million) is directly recognised under equity.

Following the investments made in the United Kingdom, an FX Forward Swap was issued for £20 million to cover the foreign exchange risk. This coverage will be renewed semi-annually, if applicable, and the amount of income or expenses to be carried forward is recorded in the accounts.

Financial debt

	In thousands of EUR		
	Current	Non-current	TOTAL
	Up to 1 year	More than 1 year	
MOVEMENTS ON FINANCIAL LIABILITIES			
On 31.12.2021	355.963	478.580	834.543
Movements of the period			
- New loans	10.000	109.078	119.078
- Reimbursement of loans	-44.774	-20.000	-64.774
- Rent debts (IFRS 16)	38	4.187	4.225
- Exits from the consolidation scope		-68.000	-68.000
- Variations from foreign currency exchange	1	-39	-38
- Short-term/long-term transfer	-26.274	26.274	
- Other	34	61	95
On 30.06.2022	294.988	530.141	825.129

Please see the comment on page 4 of the consolidated balance and the increase in indebtedness.

For the 6-month period ending June 30, 2022, the €9.41 million net decrease in financial debt is due to:

- New borrowing during the half-year (+€119 million), namely a €55million "Green" bond issue (characteristics set out below), €10 million in corporate financing, and two loans in the amounts of €45 million and €8 million respectively for the Victor Hugo and Astro projects;
- The exit from the scope of the BGL loan for Cloche d'Or Development following the sale of 50% of the shareholding (-€68 million);
- The half-yearly repayments (-€64.77 million), including €23.55 million from CP and MTN, the matured bond loan of €20 million, and the Belfius rollover of €20 million.

During the 6-month period ending June 30, 2022, the main real estate lease agreement covered by IFRS 16 is the lease of land for the Fleet House project in England. The initial rent debt of this new contract was calculated by discounting the future payments related to the property lease at the rate of 5.10%.

The book value of the financial debts is their nominal value adjusted for the costs and commissions related to the establishment of these loans and the adjustment related to the valuation of derivative financial instruments.

Sensitivity analysis for interest rate variations

The commercial perspectives of our projects and corresponding cash flows do not lead to major interest rate risk.

Given the structure of the group's indebtedness and the fixed rates for long-term debt, sensitivity analysis thus becomes superfluous. As in previous years, such an analysis will reveal an impact of very little significance. Subject to events not known on the date of publication of this report, ATENOR intends to redeem the MTN and EMTN bonds issued at maturity.

Main characteristics of the new bond issues in S1-2022:

No.1 – 2022 - 2028

- "Green Retail Bond" issued in the context of the EMTN programme
- Amount: €55,000,000
- Gross annual interest: 4.625%
- Gross actuarial yield: 4.26%
- Issue date: 05/04/2022
- Maturity date: 05/04/2028
- Issue price: 101.875%
- Nominal minimum subscription amount: €1,000.00
- Bond listed on Euronext Brussels
- ISIN code: BE0002844257
- Coordinator: Banque Belfius
- Co-leaders: Belfius, KBC and Degroof Petercam

FINANCIAL DEBTS on 30.06.2022			Nominal value (in EUR)
Bonds issues			
Retail bond - tranche 2 at 3.50%	05.04.2018 to 05.04.2024		30,000,000
Retail bond - tranche 1 at 3%	08.05.2019 to 08.05.2023		20,000,000
Retail bond - tranche 2 at 3.50%	08.05.2019 to 08.05.2025		40,000,000
Retail bond - tranche 1 at 3.25%	23.10.2020 to 23.10.2024		35,000,000
Retail bond - tranche 2 at 3.875%	23.10.2020 to 23.10.2026		65,000,000
Green Retail bond - tranche 1 at 3.00%	19.03.2021 to 19.03.2025		25,000,000
Green Retail bond - tranche 2 at 3.50%	19.03.2021 to 19.03.2027		75,000,000
Green Retail bond (EMTN) - at 4.625%	05.04.2022 to 05.04.2028		55,000,000
Total bond issues			345.000.000
Via credit institutions			
Atenor Group Participations			9.000.000
Atenor Long Term Growth			6.940.000
Atenor	Corporate (BNPPF)		10.000.000
Atenor	Corporate (Belfius)		10.000.000
Projects	Le Nysdam (via Hexaten)		13.000.000
	City Dox (via Immobilière de la Petite Île)		18.000.000
	Realex (via Leaselex)		50.000.000
	Realex (via Immo Silex)		10.000.000
	Beaulieu (via Atenor)		18.900.000
	Lakeside (via Haverhill)		18.150.000
	Twist (via Atenor Luxembourg)		7.743.700
	Victor Hugo (via 186 Victo Hugo)		45.000.000
	Victor Hugo (via 186 Victo Hugo)		8.000.000
Total financial debts via credit institutions			224.733.700
Other loans			
CP	2022		88.950.000
	2023		39.250.000
MTN	2022		28.250.000
	2023		14.500.000
	2025		5.000.000
	2026		500.000
EMTN	2022		18.000.000
	2023		30.000.000
	2024		8.100.000
	2025		10.000.000
	2026		2.500.000
	2027		5.000.000
Total other payables			250.050.000
Leases liabilities (IFRS 16)			
Atenor France			346.589
Atenor Hungary			151.994
Atenor Luxembourg			774.450
Atenor Deutschland			156.748
Atenor Romania			234.525
Fleethouse			4.179.744
Total leases liabilities			5.844.050
TOTAL FINANCIAL DEBTS			825.627.750

Fair value hierarchy levels

The Group measures the fair value of its financial liabilities using a fair value hierarchy. A financial instrument is classified within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement.

Level 1: Prices listed on active markets

For instruments listed on an active market, such as bond issues and (E)MTNs included in “other borrowings”, the fair value corresponds to the listed price on the closing date.

Level 2: (Directly or indirectly) observable data other than listed prices

Derivative instruments are, where appropriate, valued by a financial institution on the basis of market parameters.

Level 3: Non observable market data

Depending on their maturity, “Financial liabilities” are valued on a discounted cash flow basis or at amortised cost based on the effective interest rate, justified by conventions and amounts borrowed.

The fair value of trade and other payables is considered to be equal to the respective carrying amount of these instruments due to their short-term maturity.

Note 14. Stock option plans for personnel and other share-based payments

On 8 March 2022, ATENOR issued a stock option plan (SOP 2022) for the Atenor Long Term Growth (ALTG) subsidiary.

The options issued to this subsidiary benefit the members of the Executive Committee, employees, and some ATENOR service providers.

This SOP 2022 may be exercised during the following three periods: from 10 March to 31 March 2025, from 9 March to 31 March 2026, and from 8 March to 31 March 2027, after each publication of the annual results.

It may be recalled that on 29 August 2018, the Board decided to acquire 150,000 securities via the Atenor Long Term Growth SA subsidiary with a view to implementing the aforementioned new share option plan from 2019 onwards.

Note 15. Events subsequent to the closing date

As announced in the press release published on August 29, 2022 the Board of Directors has approved the appointment of Value Add Consulting SRL, represented by Mr Laurent Jacquemart, as a member of ATENOR’s Executive Committee. It has appointed him as Chief Financial Officer to replace Mr Sidney D. Bens, with effect as of 5 September 2022.

No other major event is to be noted since 30 June 2022.

E. Management declaration

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

- The condensed financial statements as at 30 June 2022 were prepared in accordance with IFRS standards as adopted by the European Union and provide a true and fair view of ATENOR's assets, financial situation, and profits, as well as those of the enterprises included in the consolidation²;
- The half-year financial report contains a true reflection of the major events and the principal transactions between related parties occurring during the first six months of the financial year and their impact on the condensed financial statements, as well as a description of the main risks and uncertainties for the remaining months of the financial year (see page 5 of the present document).;
- Continuity accounting principles are applied.

² Affiliated companies of ATENOR as defined by Article 1.20 of French Code on companies and associations

F. External audit

Statutory auditor's report to the Board of Directors of Atenor SA on the review of the condensed consolidated interim financial information as at 30 June 2022 and for the six-month period then ended

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of ATENOR SA as at 30 June 2022, the condensed consolidated statements of profit, comprehensive income, changes in equity and cash flows for the six-month period then ended, and notes (“the condensed consolidated interim financial information”). The board of directors is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with 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 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 accompanying condensed consolidated interim financial information as at 30 June 2022 and for the six-month period then ended is not prepared, in all material respects, in accordance with IAS 34, “Interim Financial Reporting” as adopted by the European Union.

Diegem, 1 September 2022

EY Réviseurs d’Entreprises SRL

Statutory auditor, represented by Carlo-Sébastien D'Addario*

Partner

**Acting on behalf of a BV/SRL*