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## Regulated information

### **STRATEGY STAYS ON COURSE, DIVIDEND POLICY CONFIRMED**

Third quarter 2022 interim statement<sup>1</sup> and update

*La Hulpe, 17 November 2022*

- Operational evolution
  - Residential sales target: 415 apartments (-12% vs 2021)
  - Office leasing target: 85,000 m<sup>2</sup> (+40% vs 2021)
  - Areas under agreement for sale or lease 180,000 m<sup>2</sup>.
- Strategy
  - Company has received a GRESB 5-star rating and Global Listed Sector Leader title
  - Sustainability put forward as a competitive argument
  - International diversification of revenue sources
- Balance sheet
  - Debt under control: \* Balanced spread of maturities until 2028
  - \* Average cost of debt: 2.55%
- Outlook
  - Timeline for ongoing negotiations uncertain in the face of a wait-and-see investor market
  - 2022 outlook heavily impacted by postponed deals, results close to break-even
  - 2023 outlook strengthened by business pushed back in 2022
  - Dividend policy maintained

During the third quarter, the increase in central bank interest rates hit the real estate sector as a whole. In this context, ATENOR has continued its business as a real estate developer by applying its strategy resolutely focused on sustainability and internationalization of its activities. Taking into account the most recent acquisitions and disposals, the portfolio currently has 34 projects under development in 16 cities and 10 countries, for a total of approximately 1,300,000 m<sup>2</sup>, offering investors geographical and functional diversification.

After the publication of the updated Sustainability Report in April 2022, ATENOR has continued its efforts in the field of sustainability with the aim of implementing a high level of sustainability in each of the projects in the portfolio.

This is evidenced in- the fact that ATENOR, in its first participation, obtained the highest score – 5 stars out of 5 – awarded by the **GRESB** (Global Real Estate Sustainability Benchmark), an international organization that evaluates the Environmental, Social and Governance (ESG) performance in the real estate sector. The 5-star score is reserved for the top 20% of the companies that make up the benchmark.

ATENOR has also been recognised as **Regional Listed Sector Leader Europe** and **Global Listed Sector Leader**.

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<sup>1</sup> *The purpose of this interim press release is to inform our shareholders, the financial markets and, more broadly, the public in the context of the Royal Decree of 14 November 2007 on the obligations of issuers, particularly with regard to periodic information.*



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### General overview of the activities

In order to facilitate the understanding of our activities and to track their evolution, we provide the key comments regarding the third quarter activities according to the main stages of the value creation cycle of our core business. The 2022 forecasts below represent the gross m<sup>2</sup> of floor space, estimated for the entire year 2022.

## Value creation cycle



**Acquisitions:** In September, ATENOR acquired two new projects in Lisbon (Portugal): (1) MULTI39, which has a building permit for the development of 14,000 m<sup>2</sup> of office space and 450 m<sup>2</sup> of retail space, and (2) a project located opposite the Oriente train Station, which includes the construction of a mixed-use building of offices (6,800 m<sup>2</sup>) and retail space (1,800 m<sup>2</sup>). These acquisitions are part of the international growth plan, which aims to both increase the level of activity in each country and reduce projects' average development time.

**Building permit applications:** Building permit applications for several major projects were submitted during the first half of the year. As planned, we will submit new applications for additional residential phases for the City Dox (Brussels) and Au Fil des Grands Prés (Mons) projects, while applications for phase 2 of the UBC project in Warsaw and The Stage in Den Hague will be postponed to the first quarter of 2023.

**Getting building permits:** After obtaining the building permits for the office projects Wellbe (Lisbon) and Bakerstreet II (Budapest), ATENOR also received, in October, the building permit for the thorough renovation of the 2 office buildings (26,000 m<sup>2</sup>) of the Beaulieu project (Auderghem), formerly occupied by the European Commission, as well as the building permit for the second phase of the residential project De Molens (Deinze). The permits for London (Fleethouse) and Warsaw (Fort 7) have been postponed to the first half of 2023 due to administrative delays that are not a cause for concern.



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**Construction launches:** The figures for the first half of the year relating to construction launches concerned the Lake 11 residential project in Budapest and City Dox in Brussels. During the second half of the year, we are examining on a case-by-case basis the relevance of immediately launching other constructions, which have a potential of almost 180,000 m<sup>2</sup>, 50% of which are residential, spread across 3 countries.

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

**Leases:** After signing with the E.ON group for the occupation of 16,200 m<sup>2</sup> in the Bakerstreet I building in Budapest, we concluded an agreement with Ennismore (lifestyle hospitality company) for the development of the « TRIBE Warsaw Airport » hotel project in Warsaw.

Two new leases have also been signed for the Berges de l'Argentine project (La Hulpe), bringing the occupancy rate to 78%.

Other discussions are in progress with well-known tenants in several countries, allowing rental figures for 2022 to exceed expectations.

**Sales:** After a slowdown during the summer, sales in the residential sector have been satisfactory again since September in countries where marketing is active (Belgium, Hungary, Romania and Luxembourg).

As explained below, investment in the office sector slowed down significantly in the third quarter. Contacts are underway for the sale of several projects, although it is not possible at this stage to say whether the planned sales can be concluded before 31 December 2022.

### ***Financing policy***

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ATENOR pursues a financial policy aimed at the sustainable financing of projects under development and the diversification of its sources and maturities of financing. In this perspective, ATENOR continues to solicit the market of institutional investors as well as the banking market. No less than €73 million of bank financing qualified as "green loans" (meeting the criteria of the Green Finance Framework) have been granted in recent months for the development of projects in Belgium and abroad. The "greening" of the group's financing sources is continuing successfully.

In addition to bank financing, ATENOR has a volume of €413 million in (green) bonds / EMTNs with a balanced maturity profile until 2028 as well as a short- and medium-term commercial paper (CP/MTN) / MLTN line of €200 million for which long maturities are favoured wherever possible.

ATENOR also has €85 million in backup line.

The average cost of the total financing is 2.55%.

### ***Outlook for 2022***

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The third quarter was marked by the increase in key rates by central banks in the face of persistent inflationary pressures. This increase in key rates had a very unfavourable impact on the real estate sector in general and especially among investors. This context of acute uncertainty has created a "wait and see" attitude among the sector players.

The third quarter was also marked by a combination of climatic disasters (drought, floods, hurricanes) and the rising cost of energy, implying the urgent need to reduce energy consumption, imposed by the political situation.

These dramas represent two sides of the same emergency, both for companies and for individuals and other organisations (including national governments themselves): that of integrating the principles of sustainability into all decisions and actions taken.

ATENOR sees these developments as reasons to continue with its strategy focused on sustainability and internationalization: the added value of its business, real estate developer, is not reduced by the economic situation but is supported by structural changes.



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As a reminder, projects in inventory are recorded at their historical acquisition value, independent of market fluctuations. Any margin is only taken into account on the basis of both building permits obtained and final contracts concluded with third parties.

We confirm, however, that these macro-economic and political circumstances, experienced in the wake of the COVID health crisis, are impacting ATENOR's timing of earnings. In this respect, the announced slowdown in the global economy has added a degree of uncertainty.

In this context, and despite the quality and maturity of the project portfolio, the level of the company's performance in 2022 cannot yet be affirmed; several discussions were initiated before this third quarter but the timing of their closure remains uncertain.

It already appears that the 2022 results will be close to the break-even point, with the decline mainly due to postponed transactions rather than cancellations. This will make the outlook for 2023 outlook even more favourable.

In view of the outlook for 2022 and 2023, we can confirm our dividend policy for the year 2022.

### ***Financial Calendar***

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Publication of annual results 2022	10 March 2023
Annual General Meeting 2022	28 April 2023
Interim statement for first quarter 2023	17 May 2023
Half-yearly results 2023	1 September 2023
Interim statement for third quarter 2023	20 November 2023

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ATENOR is an urban real estate development company with European expertise listed on the Euronext Brussels market. Its mission is to provide, through its urban and architectural approach, adequate responses to the new requirements imposed by the evolution of urban and professional life. Within this framework, ATENOR invests in large-scale real estate projects that meet strict criteria in terms of location, economic efficiency and respect for the environment.

Reuters: ATE0.BR - Bloomberg: ATEB BB