



Regulated information

APPROPRIATE ACTIONS TO DEAL WITH THE PERSISTENT REAL ESTATE CRISIS

Interim statement¹ for Q1 2023 and update

La Hulpe, 17 May 2023 (5:45 pm CET)

Highlights

- **Market:**
 - The widespread real estate crisis persists which has resulted in a slower pace of sales in which Atenor is equally affected.

- **Appropriate actions:**
 - Faced with the crisis, Atenor is taking appropriate actions, which very specifically include:
 - ❖ Sale of some of its projects (which were initially planned in 2022 and 2023) under current market conditions, without the margin maximisation initially targeted. These sales relate to surface areas of around 10% of the total surface area in the portfolio, i.e., 130,000 m²
 - ❖ Search for new partnerships on existing projects in the portfolio
 - ❖ Continuation of the gradual and partial replacement of financing in the financial markets (CP and EMTN) through project financing
 - ❖ Analysis of the completion of a capital increase in the coming months

- **Operational development**
 - 2023 residential sales target: 360 apartments (statu quo vs. 2022)
 - Office letting target: 85,000 m²
 - Growth of the entire portfolio through the value creation cycle, particularly in terms of submitting and obtaining urban planning permits for sustainable buildings (92% of the projects under development – all EU taxonomy aligned).

- **Outlook**
 - 2023 outlook: the 2023 results will be potentially impacted by the effects of the persistent real estate crisis and thus, appropriate actions taken in this respect.
 - 2024 outlook: back to a normal pace of project sales, driven in particular by the sale finalisations of the conference centre (Realex) in Brussels, apartments in Bucharest (UP-site) and in Belval, Luxembourg, the sale or possible exercise of a purchase option by the Luxembourg State (Twist).

- **Resetting the optional dividend**

¹ *This interim communiqué aims to inform our shareholders, the financial markets and more broadly the public under the Royal Decree of 14 November 2007 on the obligations of issuers in particular regarding periodic information.*

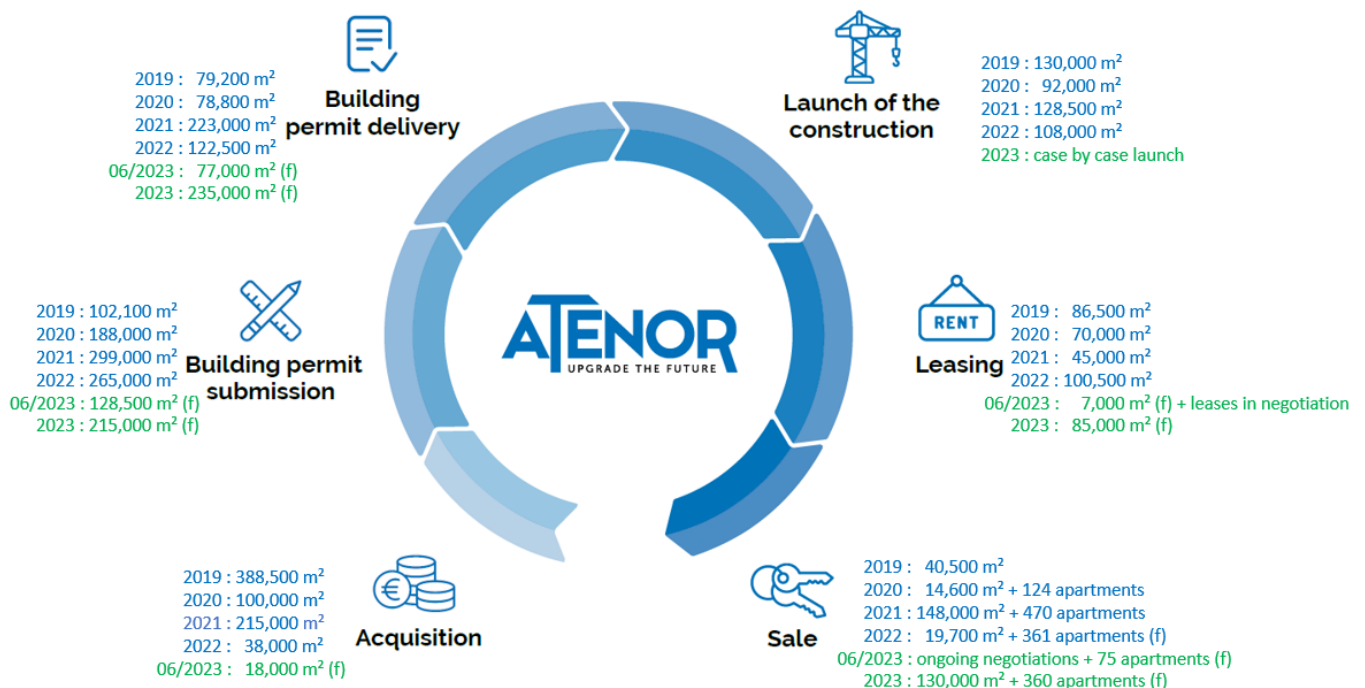


General overview of activities

To facilitate the understanding of our activities and track their development, we are providing relevant comments on the first quarter activities in accordance with the main stages of the value creation cycle in our core business.

The figures "in green" below represent estimates of gross above ground surface areas in m².

Value creation cycle



Acquisition: In March, Atenor entered into a partnership agreement for the redevelopment of the Westbourne site in London. Atenor continues its search for new opportunities in the 10 countries where it is present, strictly favouring non-cash out projects during 2023.

Planning permit submission: Several permit applications will be submitted before the end of the half-year period, reflecting the continued momentum of the portfolio's evolution on the value creation cycle. The planning application for the in-depth renovation of UBC II in Warsaw was submitted during Q1. Atenor will submit new planning applications related to Astro 23 (mixed-use project) located in Brussels, Au Fil des Grands Prés (new residential phase 2) in Mons, Verheeskade I (first residential phase) in The Hague and Oriente (offices) in Lisbon.

Obtaining planning permit: After obtaining the building permit (renovation) for the "10 New Bridge Street" (formerly Fleet House) office project in London, Atenor also received planning permit for the construction of Square 42 in Luxembourg this month. Atenor expects that the permits for the Cloche d'Or and Fort 7 projects (office part, 49,000 m²), the Victor Hugo project in Paris and part of the residential phase in Mons will be delivered in the first half of this year.

Launch of construction: In general, all projects under construction are progressing according to plan. Atenor will continue on an in-depth and case-by-case analysis on the relevance of launching additional constructions.



Leasing: Atenor envisages by H1 2023, leases for a total area of around 25,000 m² across Poland, Hungary and Romania to be signed. Tenants are increasingly attracted to efficient and sustainable office space in a market where vacancies are nevertheless rising. The commercialisation of the Com'Unity building in Bezons is suffering from the high rental vacancies in the Paris peripheral market.

Sales: Despite a residential market heavily affected by rising interest rates, at this stage Atenor forecasts sales practically identical as for the previous year, i.e., around 360 apartments. These forecasts are mainly due to the bulk sale of part of the Verheeskade I project in The Hague.

As explained below, investment in the office sector has not returned to the expected pre-crisis, leading Atenor to re-assess the sale of certain projects. Nonetheless, the sale of the equivalent of 130,000 m², i.e 10% of Atenor's current portfolio, is envisaged.

Financing policy

As already announced, Atenor has opted for a gradual and partial replacement of financing on the financial markets (CP and EMTN) by project financing.

Furthermore, the Board of Directors is analysing the realisation of a capital increase in the coming months noting that the structure, amount and other parameters of this increase are still under discussion at this stage.

Outlook for FY 2023

Atenor business model is based on the sale of projects after adding value (development). Real estate markets recognise added value at varying yields depending on the economic cycle; in strong economic cycles, Atenor regularly concludes sales before completion.

Since July 2022, real estate investors have been in "wait & see" mode, due to macro-political and economic events and mainly due to the very rapid rise in interest rates.

Under the current conditions, the market's recognition of this future value created by Atenor has however slowed and will be postponed in spite of the strong sustainability criteria in which Atenor fully values and recognises in its projects for its users, cities and end-clients (i.e investors).

In March 2023, disruptions in the financial and banking sectors appeared at international level, extending the wait & see position investors had adopted a few months earlier. The real estate sector is clearly in crisis.

Atenor has taken stock of these circumstances and intends to take appropriate measures in light of the situation.

On the one hand, Atenor plans to bring partners into existing projects; this is one way of recognising the value created at an interim project development stage.

On the other hand, Atenor intends to sell some projects (around 10% of the portfolio in terms of surface area) benefiting from an advanced (pre-)lease rate, under current market conditions, without maximising the full expected margin that a dynamic real estate market would have brought.

These actions, the implementation of which is to contribute in improving its cash/debt position, aims to bring a sufficient rotation of its projects and retain in the portfolio the projects that will allow to generate higher value during 2024 and the following years.

The current sales envisaged could be carried out at a lower margin, or even at a loss. However, it is premature at this stage to give forecasts for the consolidated profit or loss for the 2023 financial year.

Atenor expects a return to a normal pace of project sales as from early 2024 and notably also driven in particular by the concluded sales of the conference centre (Realex), the apartments in Bucharest (UP-site) and Twist (Belval, sale or possible exercise of a purchase option by the Luxembourg State).



Resetting the optional dividend

Given the recent change in the share price on Euronext since 3 May in the framework of a general recent decrease of the real estate values, the Board of Directors has decided, in accordance with the provisions of the information document (art. 3.8), to reset the optional dividend procedure giving the opportunity to the holders of coupons n°18 to reformulate their choice. The initial optional dividend² was abolished as well as the acceptances received.

The Board of Directors envisages to launch a new optional dividend. A new reference period of 2 weeks will thus open on 22 May and end on 2 June 2023. At the end of this period, a reference price will be determined. A discount of around that of the initial optional dividend will be applied to this reference price (i.e. a discount on the average price (ex coupon) of around 18%); the terms of exchange will be adapted accordingly. The final issue price will not be, in any event, higher than the issue price of the initial optional dividend, i.e. €35.17.

An option period will be opened from 7 to 20 June 2023.

Consequently, the date of payment of the dividend initially scheduled for 30 May 2023 will be postponed to 28 June 2023.

The reference shareholders have already confirmed that they will maintain their choice to convert their dividends into shares.

The resetting of the optional dividend procedure and its final terms shall be the subject of a future press release.

Financial Calendar

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| Period of choice of the shareholder | from Wednesday 7 to Tuesday 20 June 2023 |
| Payment of the 2022 dividend and listing of new shares | 28 June 2023 |
| 2023 half-yearly results | 1 September 2023 |
| Interim statement for the third quarter 2023 | 20 November 2023 |
| Publication of the 2023 annual results | March 2024 |
| Annual General Meeting 2023 | 26 April 2024 |

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Atenor is a sustainable real estate development company recognised among the *Global Listed Sector Leaders* by the GRESB, with pan-European experience and listed on the Euronext Brussels market. Its mission is to respond to the new evolving requirements of urban and professional life using sustainable urban planning and architectural practices. Within this context, Atenor invests in large-scale real estate projects that meet strict criteria in terms of location, economic efficiency and respect for the environment. Atenor is recognised as an international and sustainable urban developer, aligned with European taxonomy and aiming for the highest BREEAM and WELL standards.

Reuters: ATE0.BR - Bloomberg: ATEB BB

² References made to the information document and press release