



CREATING
GREAT
PLACES

2019 FINANCIAL RESULTS AND CORPORATE STRATEGY REVIEW PRESENTATION

26 February 2020



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2019 HIGHLIGHTS



A CE PORTFOLIO FOCUSED ON QUALITY URBAN ASSETS IN WARSAW AND PRAGUE

POLAND AND CZECH 85%
OF THE PORTFOLIO

WARSAW AND PRAGUE 54%
THE GROWTH DRIVER

€2.6bn

standing investment
portfolio

€1.7bn
Poland

€1bn
5 assets Warsaw

€0.5bn
Czech

€0.4bn
2 assets Prague

809,000

sqm GLA

97%

Occupancy

6.4%

Net equivalent yield

€0.4bn

redevelopment pipeline

CONSERVATIVE BALANCE SHEET WITH STRONG LIQUIDITY AND INVESTMENT GRADE RATING

€4.96

EPRA NAV

BBB^(stable)

Fitch

Baa3^(positive)

Moody's

72%

Unencumbered
assets

35.1%

Net LTV

€127m

cash 31/12/19

€300m

unutilized RCF

c. 3%

Cost of debt

2019 RESULTS OVERVIEW



POLAND AND CZECH DRIVE GROWTH: LFL NRI +2.4%¹ IN 2019

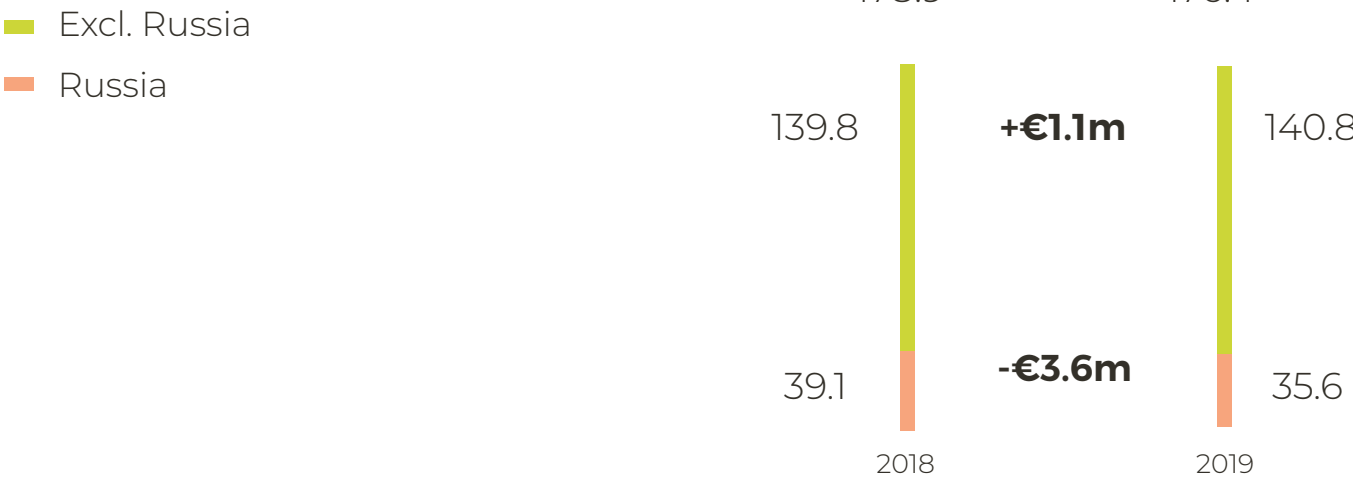


- | **+2.4% LFL NRI** excluding Russia and assets held for sale, +1.1% Group LFL NRI
- | Asset rotation continues in Poland and completed in the Czech Republic
- | Russia anchor retenancing, 35,000 sqm GLA completed

¹Excl. assets held for sale

Net rental income broadly flat -phasing of asset rotation

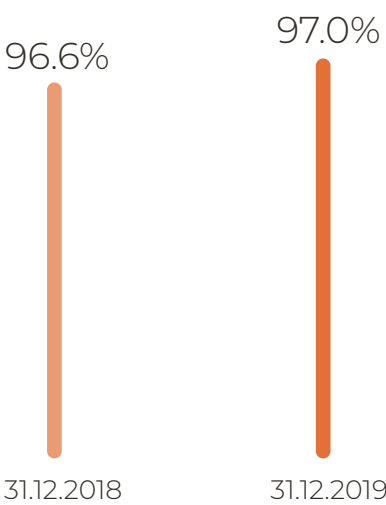
(in million €)



97% Occupancy

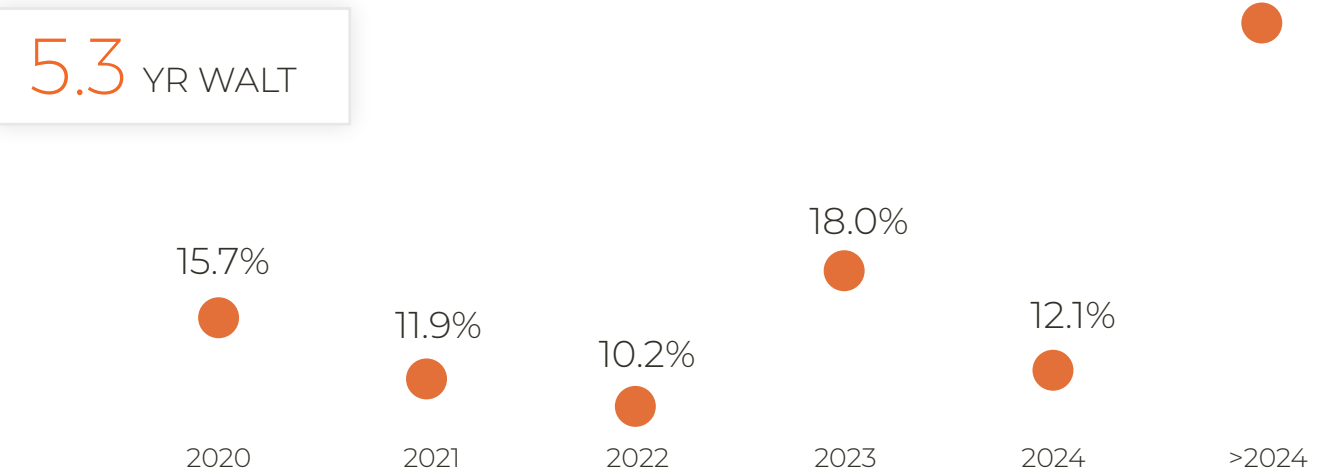
31/12/2019

Strong demand drives high occupancy



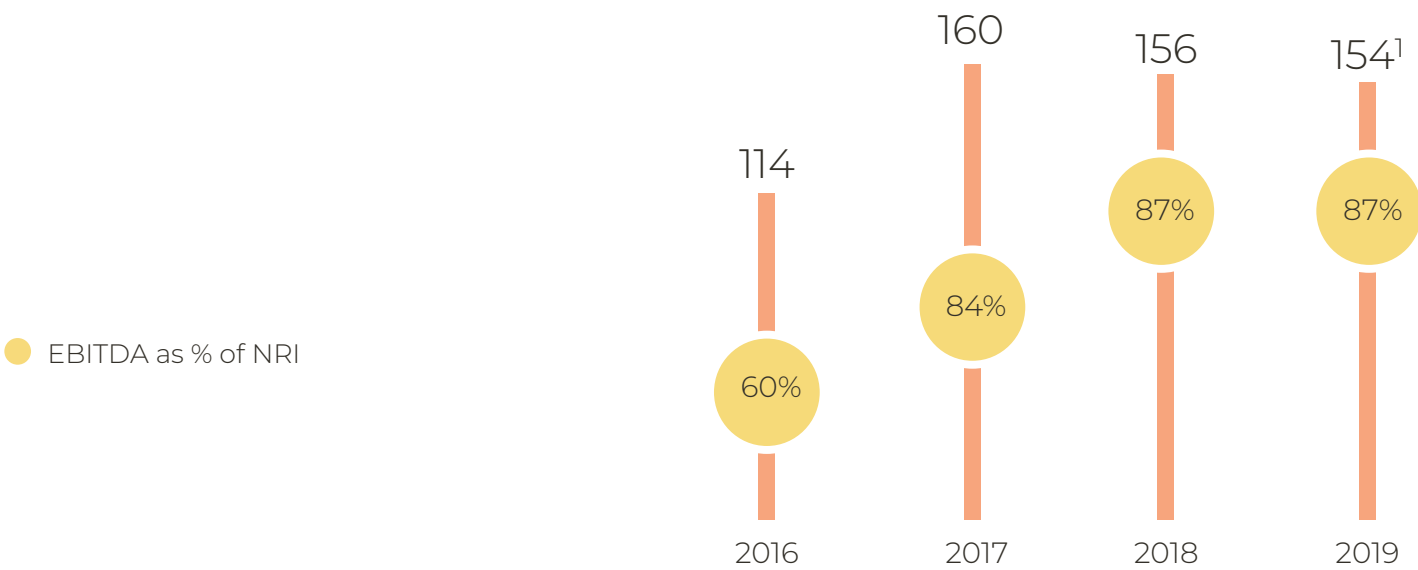
Lease expiry: > 60% Renewals 2023 & beyond

(31/12/2019) (% of ARI)



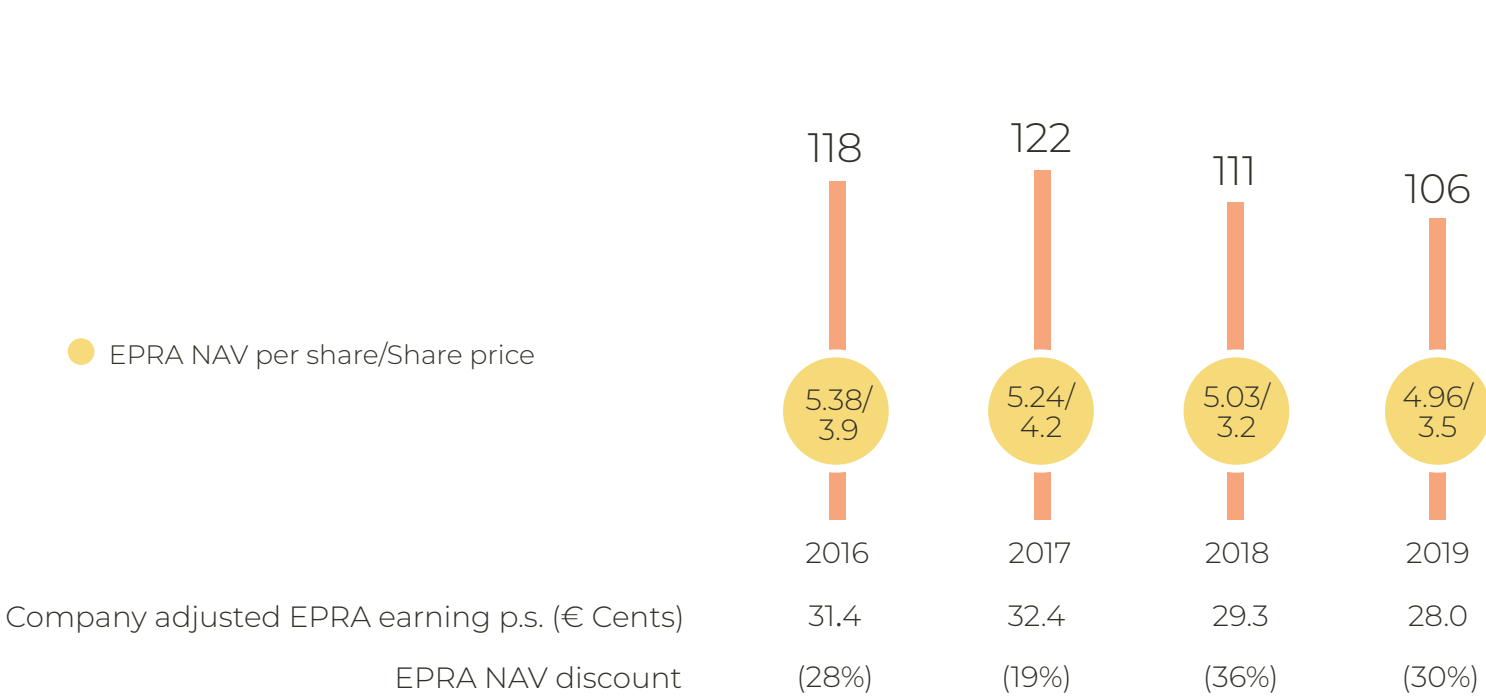
>1,000 leases signed in 2019 at passing rent and 2.8% above ERV

EBITDA margin 87% (in million €)



¹Adjusted for €6.2m in 2019 and €2m in 2018 for transaction costs in relation with the recommended cash acquisition by Gazit Globe and in 2018: €4.5m fee in relation with the takeover of Atrium Dominikanska management contract

Company Adjusted EPRA Earnings (in million €)

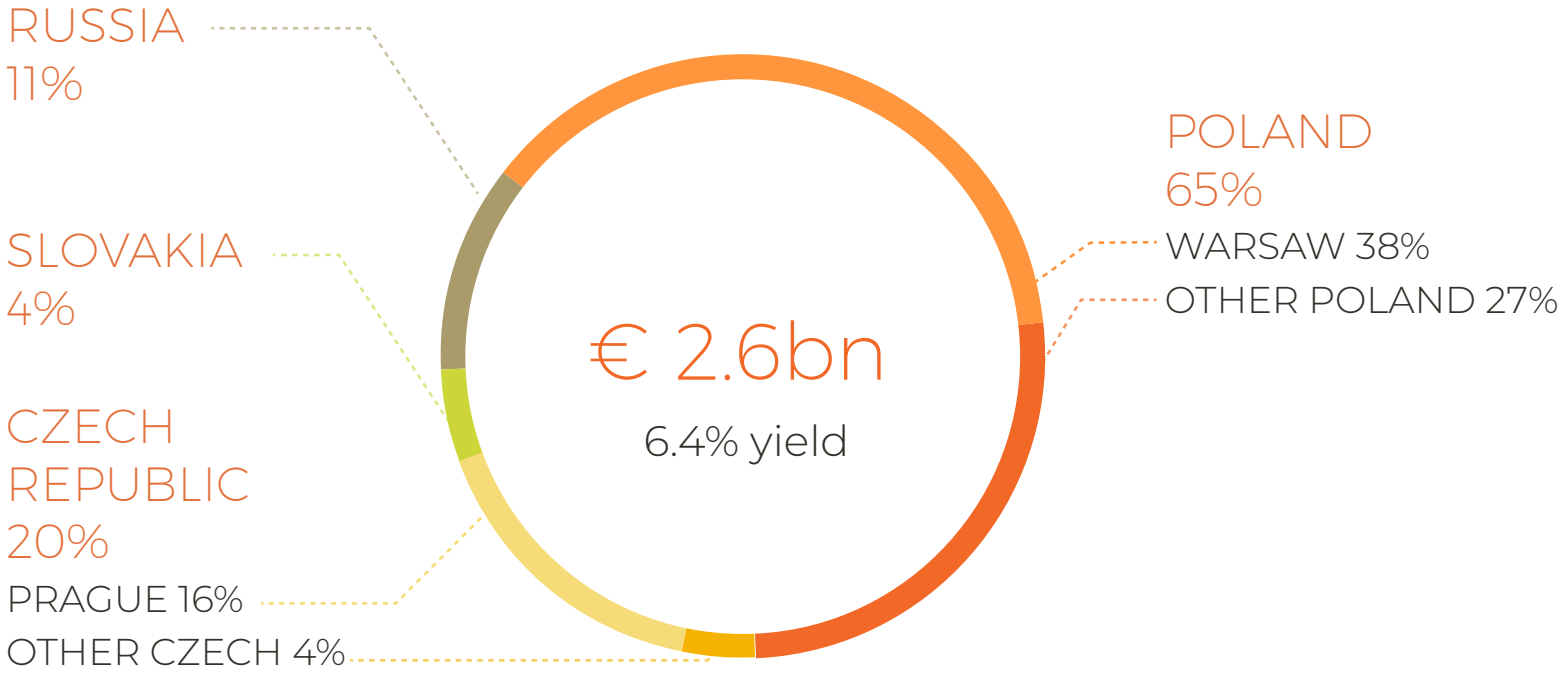


2020 dividend

The Board of Directors has approved an annual dividend of €cents 27 per share for 2020 (to be paid quarterly as capital repayments)



PORTFOLIO OVERVIEW, WARSAW AND PRAGUE CENTRIC ASSET BASE



PROPERTY VALUATION STABLE IN 2019

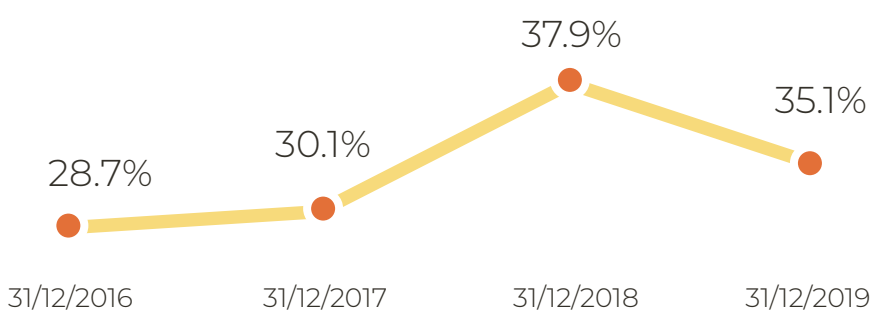
	Dec. 2019 Market value €m	Net equivalent yield %
Warsaw	1,006	5.2%
Other Poland	689	6.5%
POLAND	1,695	5.7%
Prague	418	5.1%
Other Czech	104	5.8%
CZECH REPUBLIC	522	5.3%
Slovakia	121	6.7%
Russia	287	12.8%
TOTAL	2,625	6.4%



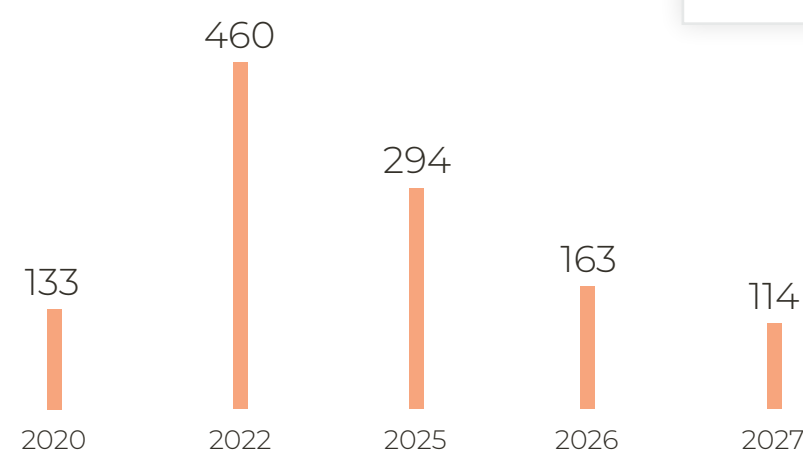
SIGNIFICANT LIQUIDITY TO SUPPORT GROWTH, €127M CASH 31/12/19, €190M CASH AS OF TODAY, €300M RCF UNUTILIZED



LTV (net)



Debt maturities (in million €)



4.4 years average maturity

Financial Performance Indicators

EPRA NAV per share

€4.96

31/12/2018 €5.03

Cost of Debt

c. 3%

Borrowings (as at 31/12/2019)

- Bonds €887m
- Loans €300m



72% unencumbered standing investments

ESG AND GREEN FINANCING FRAMEWORK



ATRIUM'S SUSTAINABILITY MILESTONES



OUR FOCUS



OUR CUSTOMERS

UNDERSTAND CUSTOMER BEHAVIOUR AND MEET EXPECTATIONS TODAY AND IN THE FUTURE



OUR PLACES

PROVIDE SAFE AND HEALTHY SPACES THAT OPERATE EFFICIENTLY BY STIMULATING INNOVATION AND OPTIMAL DESIGN



OUR PEOPLE

DEVELOP AND ENGAGE EMPLOYEES WHO ARE PROUD TO WORK FOR US AND EMBRACE OUR ATRIUM VALUES

Green financing framework

- | Atrium has focused on sustainability since 2014
- | Including the integration of ESG into our financing activities from 2020 onwards
- | In February 2020, a green financing framework has been endorsed by Sustainalytics and approved by the Board
- | Green financing instruments to become a regular part of the financing activities
- | Financing proceeds will be allocated to assets certified as BREEAM in use "Very Good or Higher"

ATRIUM BY 2024

CORPORATE STRATEGY REVIEW



The Backdrop

- | Atrium is a CE real estate player offering exposure to the largest, fastest growing, most stable CE Countries of Poland and Czech
- | Outstanding macro indicators:
 - Poland >25 years of consecutive growth
 - 4.0% and 2.5% GDP growth in Poland and Czech
 - Poland credit rating A-/stable, Czech AA-/stable
 - 1.3% unemployment rate and 6.3% wage growth in Warsaw in 2019
- | Lack of good quality in residential for rent units in Warsaw to satisfy the rising levels of demand
- | Attractive going in yields in the residential sector in Warsaw compared with other European major cities
- | Robust value and rental growth create an opportunity
- | Leveraging urbanisation , demographic trends
- | Benefit from having a skilled team on the ground

Vision

- | A leader in retail and residential for rent in Warsaw
- | Provide sustainable income growth to our shareholders
- | De-risk cash flow volatility by diversification
- | Creates an opportunity for NAV growth.
- | Passionate about Our people, Our communities, Our customers



Mission

Capital structure

- 1 Continue the rotation of the retail portfolio into prime dominant assets in major cities
- 2 Reinforcement of dominant retail assets via redevelopments and densification
- 3 Diversification into modern, purpose built residential for rent assets in our core geographies

- | Capital recycling of non core retail assets
- | Optimal balance sheet - extending debt maturity / lower costs of financing
- | Long term net LTV c. 40%



2024 Portfolio

- | A unique Warsaw/Prague portfolio of 60% retail / 40% residential for rent
- | Cash generating and resilient retail portfolio with a sustainable LFL growth
- | First class retail/residential destinations for our retailers, customer and residents
- | Being at the heart of our communities



ATRIUM 2014-2024 - THE JOURNEY CONTINUES



ATRIUM 2014



ATRIUM 2019¹



ATRIUM 2024

RETAIL 100%

CEE
PORTFOLIO



29%
WARSAW
& PRAGUE

7 COUNTRIES
PORTFOLIO

€2.6_{bn} 8.0%_{yield}

NO. OF ASSETS

153

AVG. ASSET VALUE

€17M

RETAIL 100%

Centralized
URBAN
PORTFOLIO



54%
WARSAW
& PRAGUE

DOMINANT ASSETS WITH
DENSIFICATION POTENTIAL

€2.6_{bn} 6.4%_{yield}

NO. OF ASSETS

26

AVG. ASSET VALUE

€101M

¹ Excluding assets classified as held for sale

RESIDENTIAL
TO RENT
40%



WARSAW/PRAGUE
PRIME SHOPPING
CENTRES
60%

RETAIL STRATEGY
CREATING VALUE THROUGH
A REDEVELOPMENT AND
DENSIFICATION PIPELINE

RESIDENTIAL STRATEGY

TARGET 5,000 UNITS

MAJOR CITIES, WARSAW CENTRIC

RETAIL PORTFOLIO

A. Continued asset rotation

B. Redevelopment and densification opportunities



Targets

- | Create and utilise building rights on and around our core assets - **drive footfall and income**
- | **Increase variety of complementary uses** within zoning plans by adding mixed use non retail elements
- | **Transform** shopping centres into mixed-use offering work, live, play balance
- | **Future proof** the existing centres to adapt to changing consumers behaviors and retail environment

The opportunity

- | Our footprint offers densification and redevelopment potential
- | **> 55,000 sqm** of additional residential / office extensions identified in Warsaw & Prague
- | **Attractive redevelopment yields**
- | Diversification of **rental income streams** from offices and residential for rent
- | **Densification creates additional daily footfall and sales**, leading to long term sustainable income and capital value growth
- | **Redeveloping prime assets** in line with consumer trends (F&B, leisure)



RETAIL REDEVELOPMENT PIPELINE OVERVIEW



COMPLETING EXISTING PIPELINE

+20,000
sqm

prime new GLA completed in 2018

+50,000
sqm

GLA to be completed by end of 2023,
primarily in Warsaw

€0.4bn

pipeline, €161m spent
up to 31/12/19

Expansion

through to 2023

IN PROGRESS PROMENADA, COMPLETION BY 2023 OF AN ICONIC ASSET

Adding up to 35,000 sqm in phases, including refurbishment and upgrade of the centre

IMPROVE THE OFFER & EXPERIENCE IN ARKADY PANKRAC, PRAGUE

- | Upgrading and extending the food court in response to competition and changes in catchment area
- | Repositioning over 20 fashion concepts to bring latest offerings



RESIDENTIAL FOR RENT



INVESTMENT THESIS

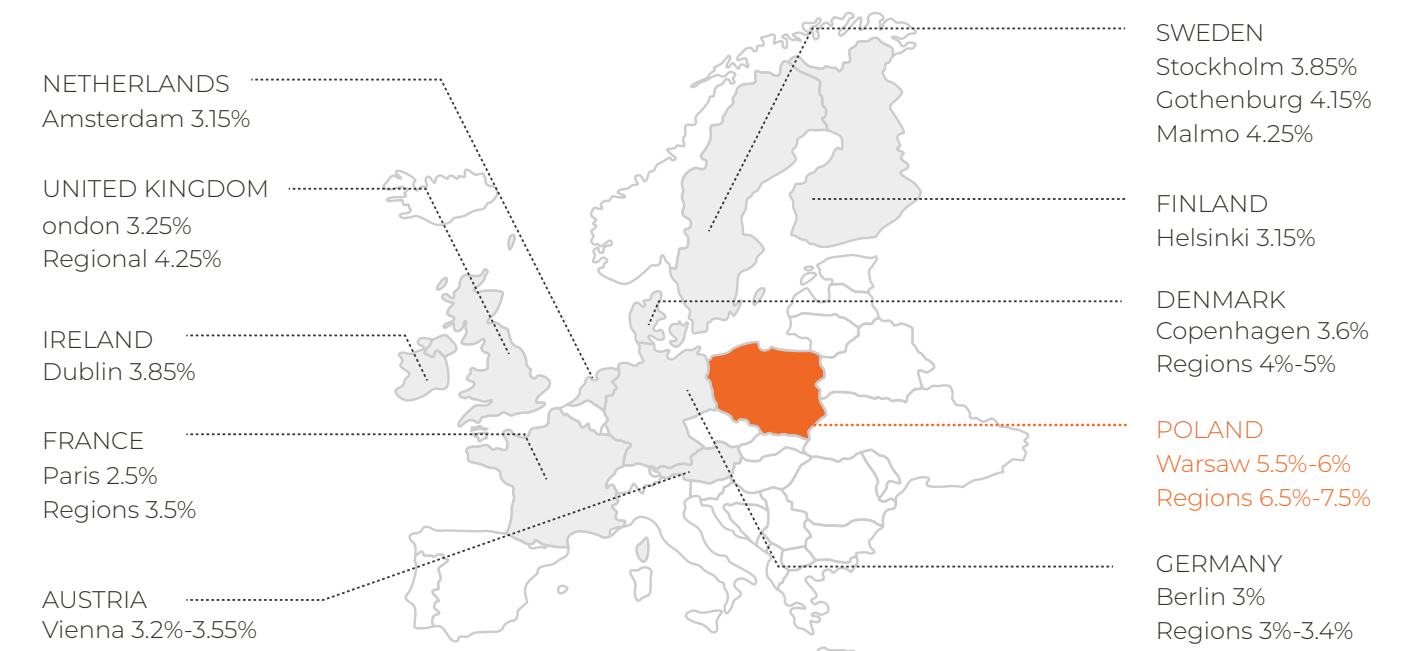
- | Capitalizing on growing residential for rent market
 - Strong demographic fundamentals
 - Largest business service center in CE
- | Diversifying our sources of income
- | Focus on high quality build to rent products
 - size and management efficient
 - client experience
 - on-site amenities.
- | First mover advantage
- | Leveraging our local management team skills

ATTRACTIVE RETURNS

- | Attractive going in yields of 5.5%-6% compared with <4% in comparable European cities
- | Robust rental growth creates an opportunity for value uplift
- | Superior return on investment

ATTRACTIVE GOING IN YIELDS COMPARED WITH OTHER EUROPEAN CITIES

Prime yields in the BtR sector



Source: CBRE, Q3 2019

WHY WARSAW?



UNDERDEVELOPED RENTAL MARKET

- | 10-12% residential for rent stock
- | Fragmented ownership, primarily by private investors
- | Supply shortfall



Growth Engine #1
DEMOGRAPHIC
AND LABOR MARKET

1.8m
Inhabitants

1.3%
historically low
unemployment
rate

4%
expected population
growth in the coming
years

Increase in The
Average Salary y/y
6.3%



Growth Engine #2
SERVICE CENTERS

Business Service
Centers in Warsaw
236

Employees in the
Service Sector
56,000
(62,000+Q1/20)

Job Creation CAGR
2016-2019
14%



Growth Engine #3
EDUCATION

Students
216,000

Universities
and Colleges
68

Source: Central Statistical Office of Poland, GfK.
2019 ABSL report, 2020 JLL report on Warsaw

5,000 UNITS FOR RENT BY 2024

ADDRESSING WARSAW'S GROWING DEMAND FOR HIGH QUALITY
RENTAL ACCOMMODATION UNITS

OFFER AN ATTRACTIVE PRODUCT TO WARSAW RESIDENTS

PIPELINE: TARGET OF 5,000 UNITS BY 2024

- | **On board:** Option to acquire **900 high quality units** in central Warsaw
- | **Densification:** use of existing building rights in Warsaw for **c. 700 new units** in planning phase

BUILD FOR RENT - PLATFORM CRITERIA

- | **Designed to rent:** high quality / efficient units
- | **Customer Driven:**
 - professionally managed
 - amenities and services
 - providing lease contract certainty
- | **Location, Location, Location:**
 - Connectivity with metro, tram and bus terminals
 - Walking distance from shopping and business centers, universities and colleges

SUMMARY



CORPORATE STRATEGY REVIEW

MISSION

Continue asset rotation, redevelop and densify prime urban assets in capital cities, diversify into residential for rent

CAPITAL STRUCTURE

Capital recycling + optimal balance sheet with long term net LTV c. 40%

2024 PORTFOLIO

Warsaw/Prague portfolio 60% Retail / 40% Residential for rent

First class retail/residential destinations for our retailers, customer and residents

EXECUTION

Sustainable growth from
**high quality
assets**

**Strong
operational**
KPI's

**Strong balance
sheet**
and investment
grade rating

Operating in
Warsaw & Prague
**strong
fundamentals**

FOCUS ON

**Redevelopment
& densification**
Creating best in class assets

Diversification
into residential for rent



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