



CREATING
GREAT
PLACES

COMPANY PRESENTATION

OCTOBER 2020

CONTENT



Liad Barzilai

Group CEO

c.12 years at Atrium, c.14+ in real estate
Prior experience as CIO of Gazit-Globe



Ryan Lee

Group CFO

c.5 years at Atrium
c.20 years experience as CFO in Central Europe

Atrium in a snapshot

Focus on Poland and the Czech Republic

H1 2020 results

Business overview / COVID-19 impact

Changing retail environment

Atrium by 2024

Summary

Appendices

3

7

11

17

22

25

30

32



atrium in a snapshot



atrium in a snapshot - 30 JUNE 2020

CE portfolio focused on quality urban assets in Warsaw and Prague

2015 to date: from 153 assets to 26, €17m average value to €98m

Redevelopment pipeline of up to €400m

2020-2024: diversification to residential for rent in Warsaw/Prague

€2.5bn

standing investment
portfolio

€1.6bn
Poland

€1bn
5 assets Warsaw

€0.5bn
Czech

€0.4bn
2 assets Prague

808,100

sqm GLA

>95%

Occupancy

6.5%

Net equivalent yield
(31/12/2019: 6.4%)

5.3 yr

WALT



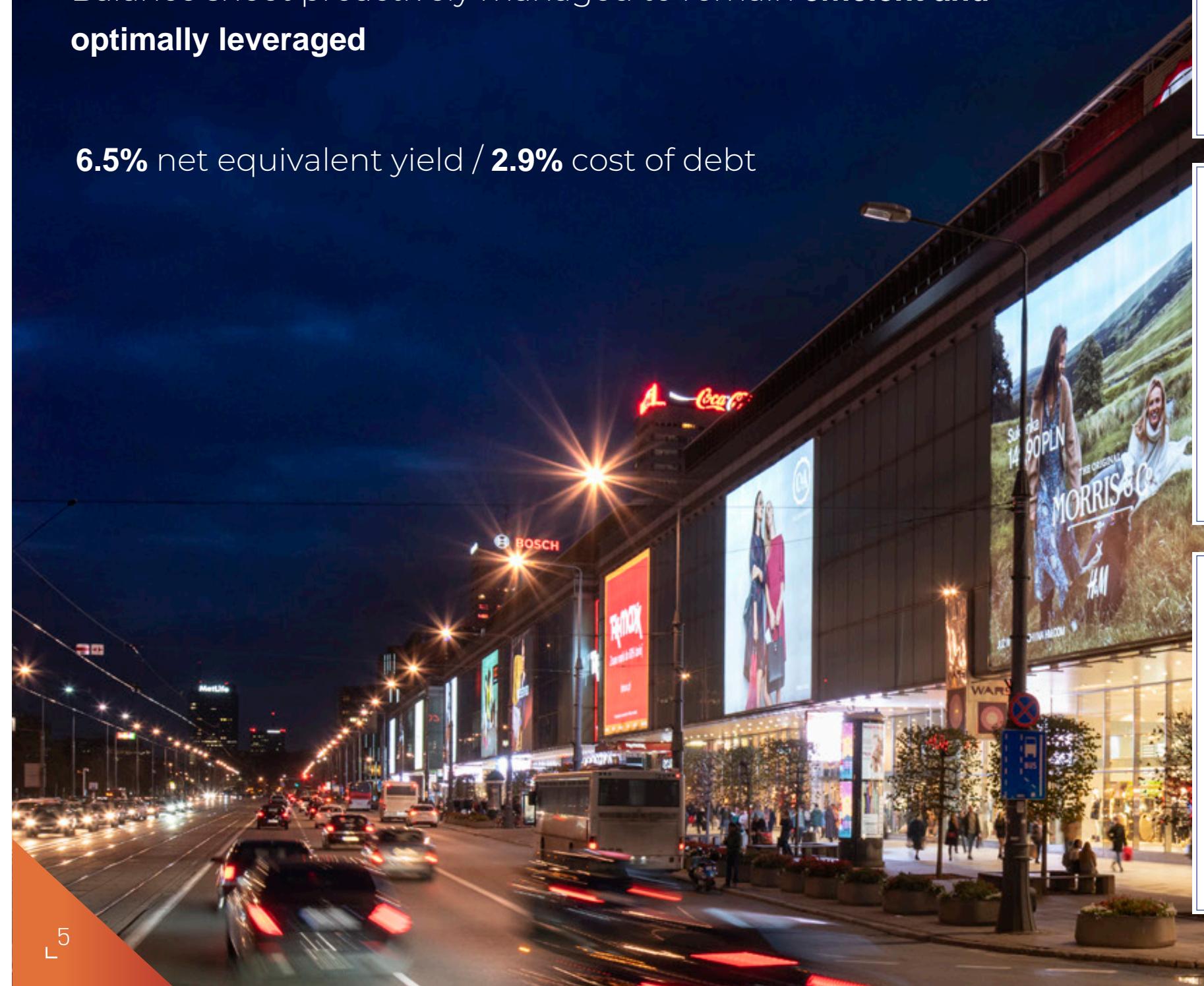
The portfolio figures exclude 5 assets classified as held for sale, sold in July 2020

STRONG LIQUIDITY AND FINANCIAL FLEXIBILITY

Strong track record in DCM with **investment grade rating since 2012**

Balance sheet proactively managed to remain **efficient and optimally leveraged**

6.5% net equivalent yield / **2.9%** cost of debt



36.1%

Net LTV

€274m

Liquidity

€40m cash, €234m unutilised credit facility as of today

BBB

Fitch

Baa3

Moody's

72%

Unencumbered assets

2.9%

Cost of debt

€4.65

EPRA NAV

2015 TO DATE - A PORTFOLIO FOCUSED ON QUALITY

30.06
2020¹

Portfolio Market
value

€ 2.5
bn

Number Of
Assets

26

Number
Of Countries

4

Average Asset
Size In GLA

31,000
sqm

Average
Asset Value

€ 98
m

31.12
2014

€ 2.6
bn

153

7

8,900
sqm

€ 17
m



FOCUS ON POLAND AND THE CZECH REPUBLIC



- CE countries go into the crisis in much better shape financially than Western Europe and responded quicker to COVID-19
- Poland and Czech implemented early and effective lockdowns and as a result have already been able to ease restrictions
- Growth contraction and fiscal support packages will see fiscal deficits and debt ratios spike, however Poland and Czech had moderate debt ratios to begin with
- Considerable hit from COVID-19:
 - GDP in Poland and Czech expected to be -3.8% and -6.3% respectively in 2020, **rebound expected in 2021 to +5.5% in Poland and +6.3% in Czech**
 - Retail sales growth in 2020 is expected to fall to -5.0% for Poland and -6.3% for Czech in 2020, **rebound expected in 2021 to +6.0% in Poland and +5.3% in Czech**

Poland



Source: IMF, Capital Economics

Czech Republic



Source: IMF, Capital Economics

CONTINUED ASSET ROTATION INTO PRIME DOMINANT ASSETS IN MAJOR CITIES

| **2014 to date:** €0.5bn prime assets purchased, €0.8bn secondary assets sold

| **2020:** 6 assets sold → Slovakia (one asset sold) for €37.2m in Q1 2020, Poland (five assets sold) for €32m in July 2020

WARSAW THE HEART OF POLAND ¹

	WARSAW	POLAND
Nr of inhabitants	1.8m	38m
Average monthly salary	€1,478	€1,211

30/06/20:
39% in Warsaw

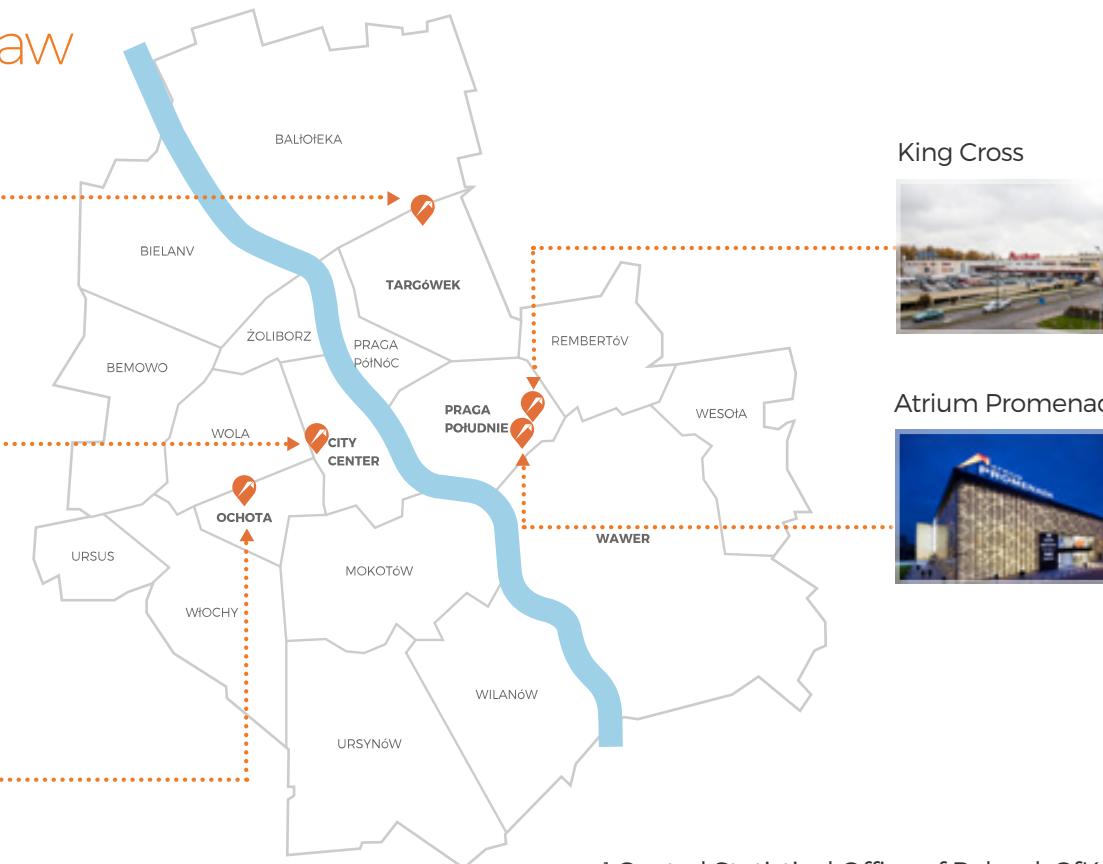
Atrium Targowek



Wars Sawa Junior



Atrium Reduta



¹ Central Statistical Office of Poland, GfK

PRAGUE THE HEART OF THE CZECH REPUBLIC ¹

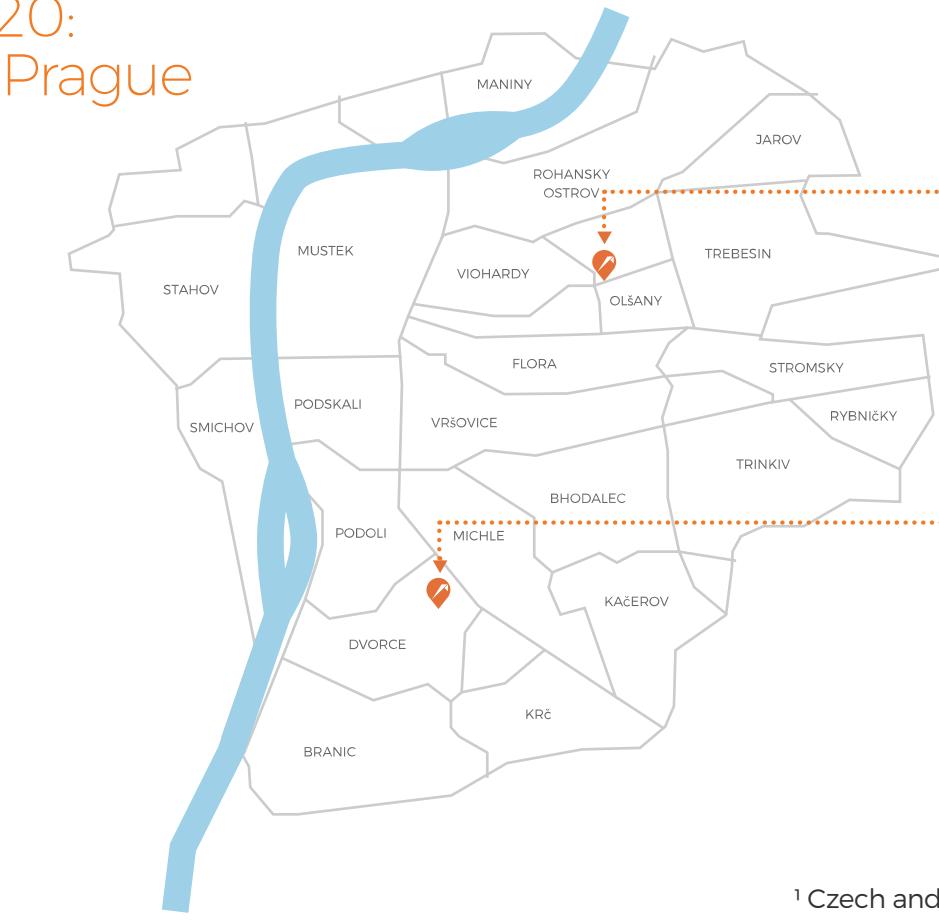
	PRAGUE	CZECH
Nr of inhabitants	1.3m	10.7m
Average monthly salary	€1,667	€1,301

30/06/20:
16% in Prague

Atrium Flora



Arkady Pankrac



¹ Czech and Prague Statistics Offices

STRATEGIC FOCUS AND FUTURE GROWTH: CE SIGNIFICANTLY ABOVE EUROPEAN AVERAGE



Portfolio Repositioning - Strong Macro Environment and Urban Demographic Growth

- | High quality assets in strong urban locations
- | Focus on Poland and Czech - region's strongest economies
- | Scaling up in Warsaw and Prague - over 50% of the portfolio
- | 44% of our rent and over 43% of GLA is from well known global retailers
- | Strengthening the portfolio through extensions and portfolio rotation

Operational Excellence

- | 26 assets managed by our internal professional team¹
- | Strong, diversified range of retail and leisure operators that are appealing to consumers
- | Forging strong long term relationships with our tenants
- | Strong occupancy of 95.4%
- | Deep expertise in CE retail market, 385 employees, pro active hands-on asset management

Strong Financial Profile

- | 36.1% net LTV, 5.0 years average debt maturity, 2.9% cost of debt
- | €274m liquidity²
- | 72%/€1.8bn unencumbered standing investments
- | Investment Grade Rating
- | Next bond repayment of €242m in October 2022

¹ Arkady Pankrac is managed by an external manager

² €40m cash, €234m unutilised credit facility as of today

H1 2020 RESULTS



COMPANY OPERATIONAL INDICATORS H1 2020

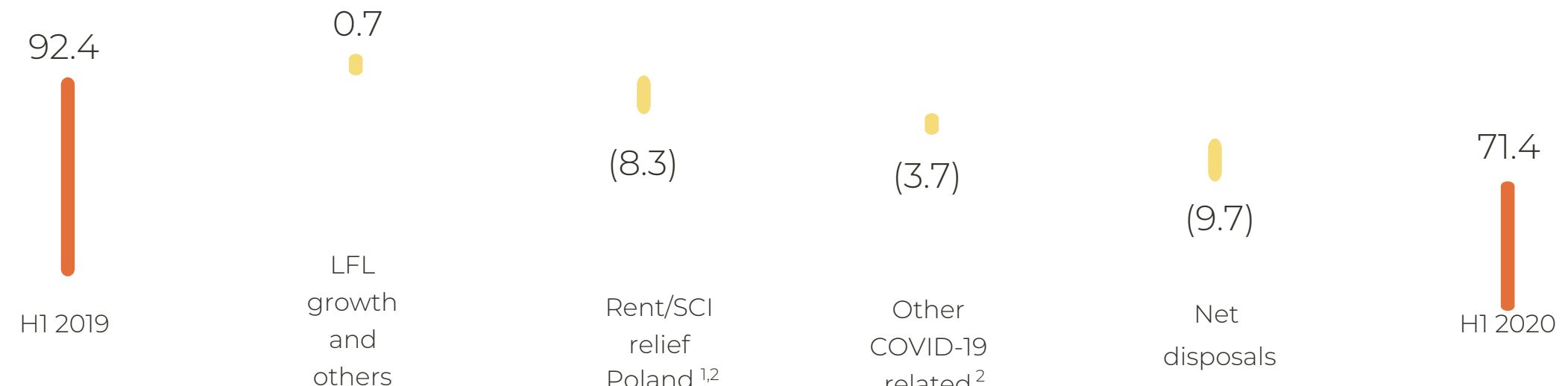


	H1 2020 (in €m)	H1 2019 (in €m)	Change (%/ppt)
Net rental income ("NRI")	71.4	92.4	(22.8)
NRI excl. impact of COVID-19 and disposals	93.1	92.4	0.7
EPRA Like-for-Like NRI	52.2	60.9	(14.2)
EBITDA	61.6	81.5	(24.4)
EBITDA excl. impact of COVID-19 and disposals	82.8	81.5	1.5
Company adjusted EPRA earnings per share (€ cents)	9.8	15.4	(36.4)
Occupancy rate (%)	95.4	97.0 ¹	(1.6)
Operating margin (%)	90.0	95.8	(5.8)

NRI -€21m vs H1 2019: €12m COVID-19, €10m DISPOSALS, OFFSET BY €0.7m LFL GROWTH

NRI decreased 22.8% due to COVID-19 and disposals

(in million €)



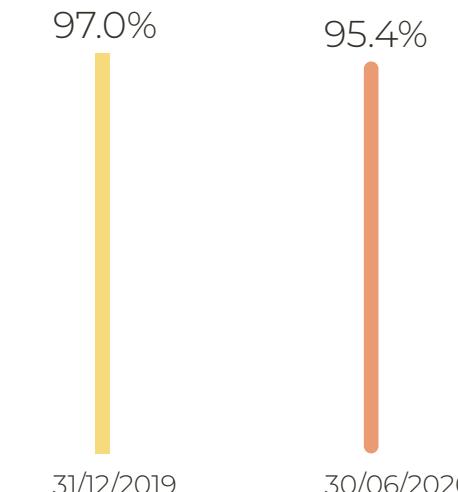
¹ Polish Government imposed rental/service charge relief for the lockdown period.

² Rent concessions from 1/4/2020 were straight-lined over the remaining lease term.

95.4% Occupancy

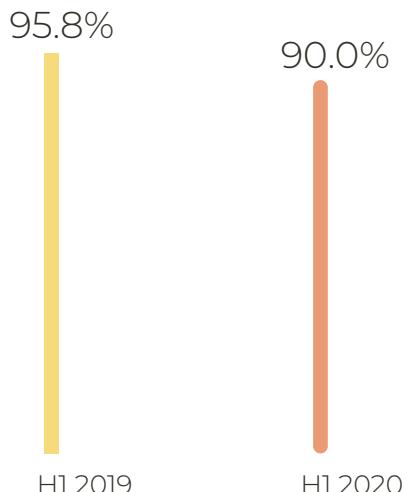
(30/06/2020)

High occupancy due to proactive asset management and tenant support



Operating margin

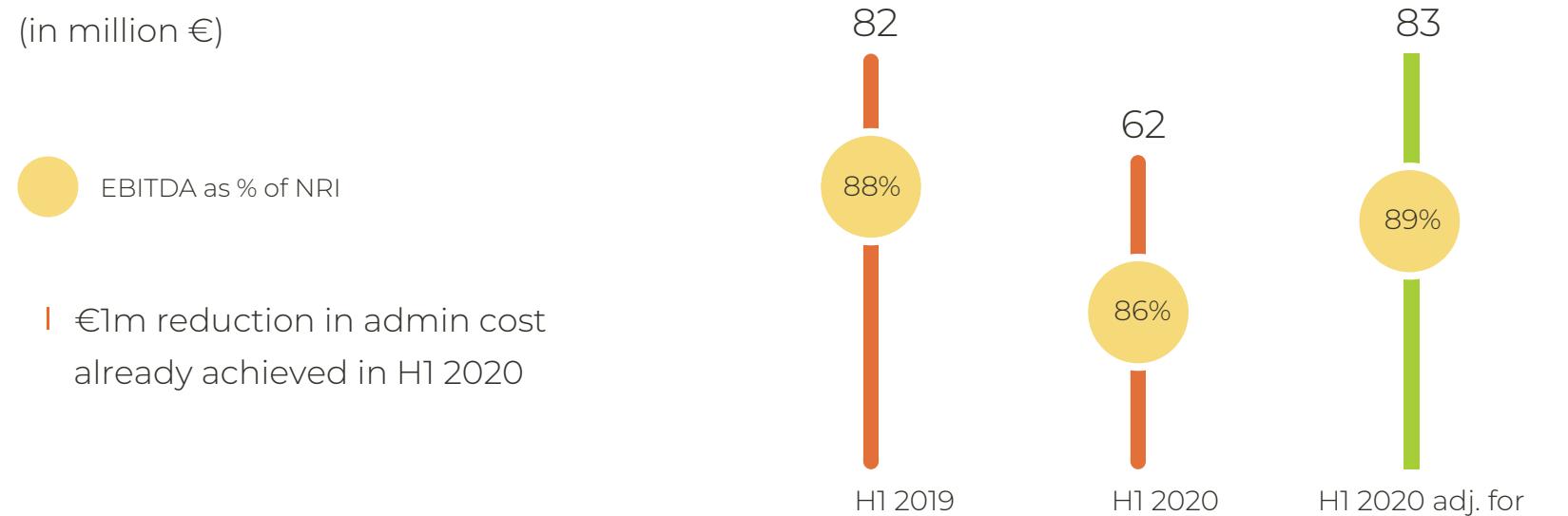
- 4.3% due to COVID-19 (Poland Government service charge relief)
- 1.5% redevelopments and others



EARNINGS: IMPACT OF COVID-19 AND DISPOSALS

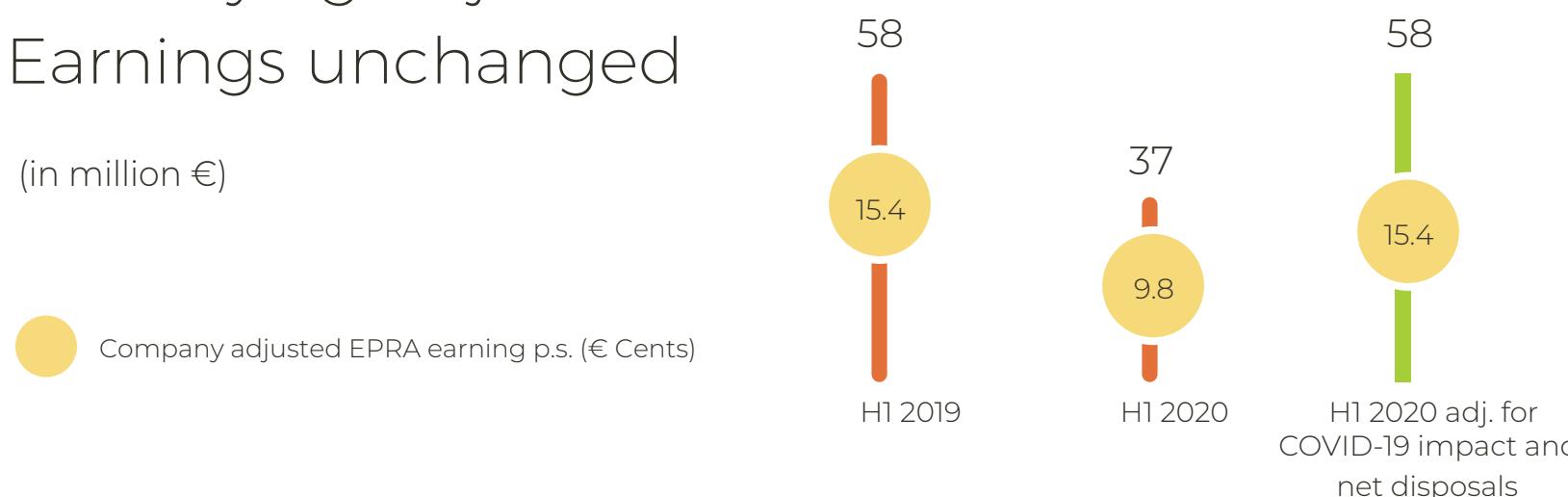
Underlying EBITDA and EBITDA margin are stable

(in million €)



Underlying Adj. EPRA Earnings unchanged

(in million €)



RESILIENT WARSAW AND PRAGUE CENTRIC ASSET BASE

€88m devaluation - yield expansion and short term tenant support

| **Warsaw Prague quality assets - more resilient**

| **Prague and Warsaw valuation change -2.7%, total portfolio excl. Russia -2.9%**

Portfolio overview



	Market value 30/6/2020 €m	Revaluation H1 2020 €m	Revaluation H1 2020 %	NEY ¹ 30/6/2020
Warsaw	981	(26.7)	(2.7%)	5.3%
Other Poland	663	(26.9)	(3.9%)	6.7%
POLAND	1,644	(53.6)	(3.2%)	5.9%
Prague	408	(11.8)	(2.8%)	5.3%
Other Czech	102	(2.4)	(2.3%)	6.0%
CZECH	510	(14.2)	(2.7%)	5.4%
Slovakia	121	-	-	6.7%
SUBTOTAL	2,275	(67.8)	(2.9%)	5.8%
Russia	268	(20.1)	(7.0%)	12.7%
TOTAL	2,543	(87.9)	(3.3%)	6.5%

Property valuation is down
3.3%

-2.0%
market effect
-1.3% one time
cash flow effect

**NEY
6.5%,
up 10 bps**
+12 bps on average
in Warsaw and Prague
+21 bps in
other cities

A STRONG FINANCIAL POSITION TO MANAGE LIQUIDITY NEEDS



€ 274m
liquidity

36.1%
Net LTV

Investment grade rating

BBB (stable)
Baa3 (negative)

Fitch
Moody's

€40m cash

€234m available committed
unsecured revolving facility

5.0 years weighted average maturity

2.9% cost of debt

72% unencumbered standing investments

June 2020: €200m bond tap and €218m
bond buyback extended maturity to 5 YR

Bonds and loans maturities¹

(in million €)

Next bond repayment of €242m is not due until October 2022

- Bonds
- Bank Loans



Significant headroom under the Bonds covenants

	Threshold	30/06/2020
Solvency ratio	< 60%	42.9%
Secured solvency ratio	< 40%	9.4%
Consolidated coverage ratio	> 1.5:1	2.25

BUSINESS OVERVIEW / COVID-19 IMPACT

PRE COVID-19 THE COMPANY CONTINUED TO PERFORM WELL

- | Strong LFL NRI of +3% in Poland and Czech¹
- | Tenant sales +8% January / February
- | Footfall stable in January / February YoY
- | Q1 collection rate 98%
- | Portfolio Strategy execution continued with the sale of Atrium Duben in Slovakia for €37m

¹ Q1 2020 excl impact of COVID-19



LOCKDOWN PERIOD (MID MARCH TO MAY / JUNE)

- | Shopping centres are closed
- | Company action plan
 - Implementation of health and safety measures
 - Dialogue with tenants on a joint solution
 - Capital expenditures reduction
 - Operational and administrative cost reduction
 - Postponement of Redevelopment investments
 - Extending liquidity: Bond refinancing
 - A voluntary scrip dividend programme



| Operational performance

- 98% of the stores within our centres are open
- Tenant discussions extend into Q3 2020
- Footfall and sales gradually recovering to pre- COVID-19 levels
- Focus on collections, H1 2020 91% (Q1: 98%, Q2: 82%)

| Liquidity and financial strength

- €40m cash, €234m unutilised credit facility as of today
- Next bond repayment of €242m in October 2022
- Net LTV 30/6/2020 36.1%, 5 YR maturity
- Completed the sale of 5 assets in Poland for €32m
- A voluntary scrip dividend programme for Q2-Q4 dividends



MOMENTUM CONTINUES TOWARDS PRE-COVID-19 LEVELS

Consumers gain confidence in the public health measures that have been taken

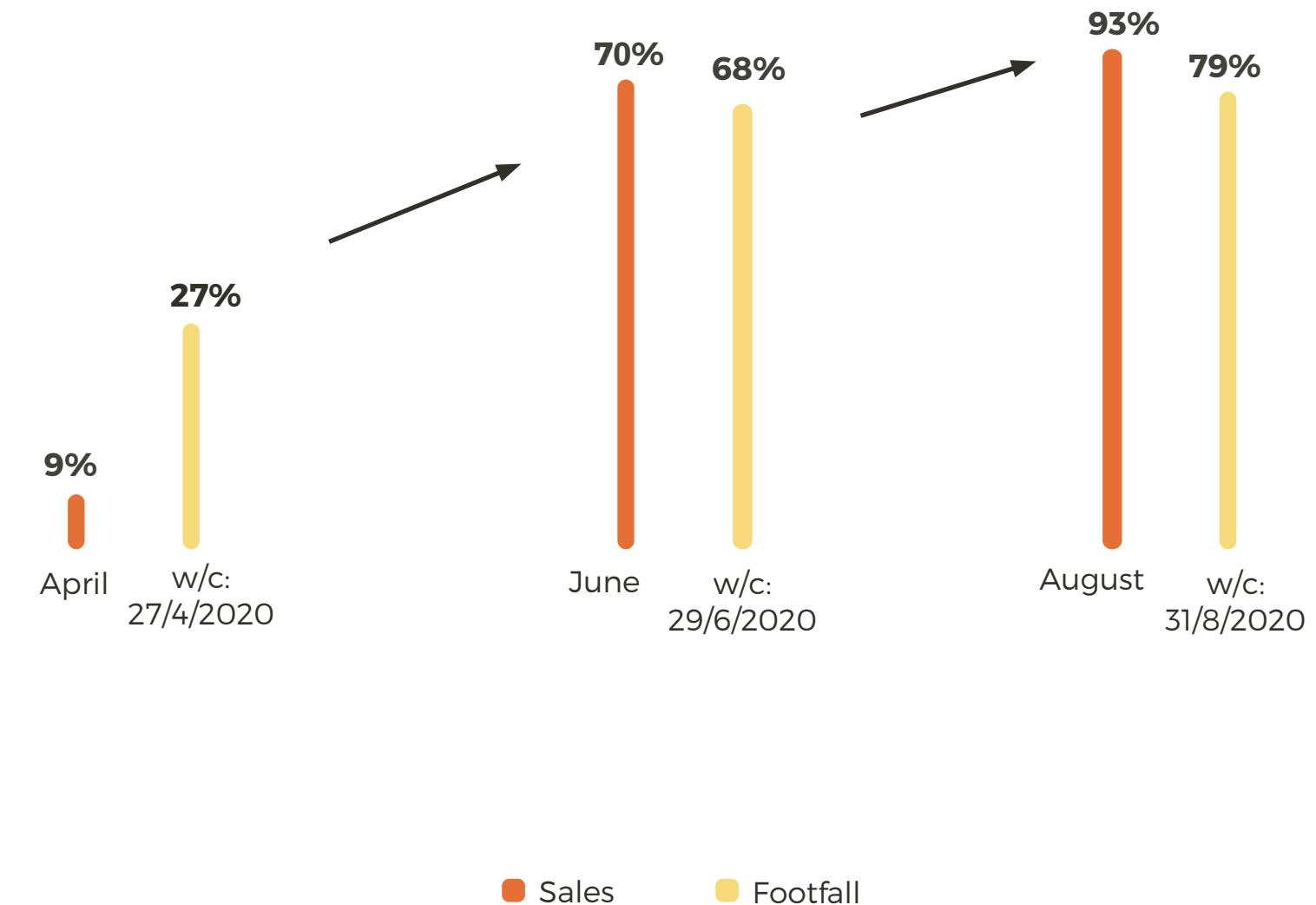
August sales at **93%** vs last year

Footfall at **79%** in the last week of August vs the same week in 2019

Sales are down less than footfall: Higher **conversion** and average **basket**

Positive trends in footfall and sales continue

Footfall and sales as a % of last year levels



CHANGING RETAIL ENVIRONMENT



CHANGING THE WAY CONSUMERS SHOP, WORK AND LIVE – COVID-19 IMPACT

- | Changes to free time and expected lower disposable income are influencing attitudes and behaviors
- | Discretionary spending across categories is anticipated to pull back
- | Consumers remain cautious about visiting public places post the pandemic
- | Health and safety priorities are a strategic differentiator
- | Safety measures implemented by Atrium



Visible sanitizing stations



Vending machines for staff and customers to buy protective masks and gloves



Communication about safety measures and hygiene products visible in all centres



CHANGING WHAT AND HOW CONSUMERS BUY

Consumers are shopping more consciously and efficiently



- Greater awareness of the environment, health and cost
- Atrium advertised “discount” days in 7 major centers in Poland

Efficient shopping motto to reduce sales journey and improve customer experience



Put in place changes that help consumers feel more comfortable in stores, and encouraging them to return

Increased demand for local goods, redefining relationships between retailers and communities



- We are engaged in community involvement programmes
- Opened Fifth Dimension local community centre in Atrium Promenada
- Community workshop projects running during holiday periods

Less people inside with greater shopping done at a time



Higher conversion and average basket

Increase in online retailing during COVID-19, might have a long term impact



- Increased investment in omnichannel services and capabilities
- Improved shipping options are engaged in community involvement

Enhanced customer engagement for greater conversions



- Wars Sawa Junior: vine outdoor, wine & food festival
- Atrium Biała: introduction of “beach space”, roller-skating rink
- Atrium Pardubice: food truck festival

atrium by 2024

CORPORATE STRATEGY

Announced on 26/2/2020



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 residential for rent densification
- 3 Diversification into modern, purpose built residential for rent assets in our core geographies

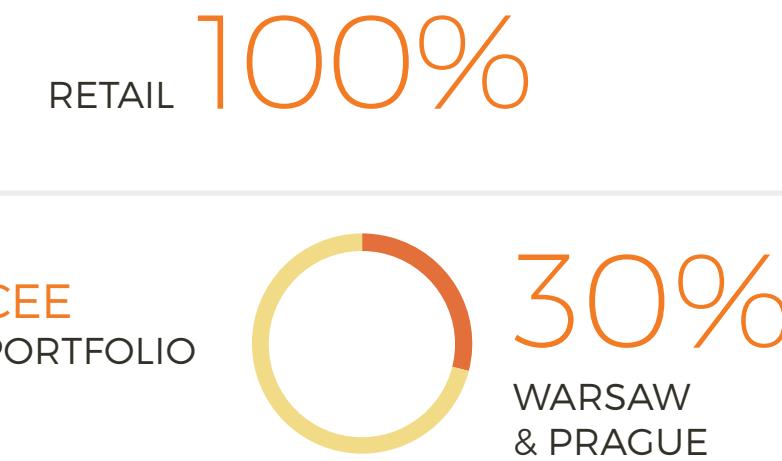
- | Capital recycling of non core retail assets and land bank into residential for rent
- | Optimal balance sheet - extending debt maturity
- | Long term net LTV c. 40%

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



7 COUNTRIES PORTFOLIO

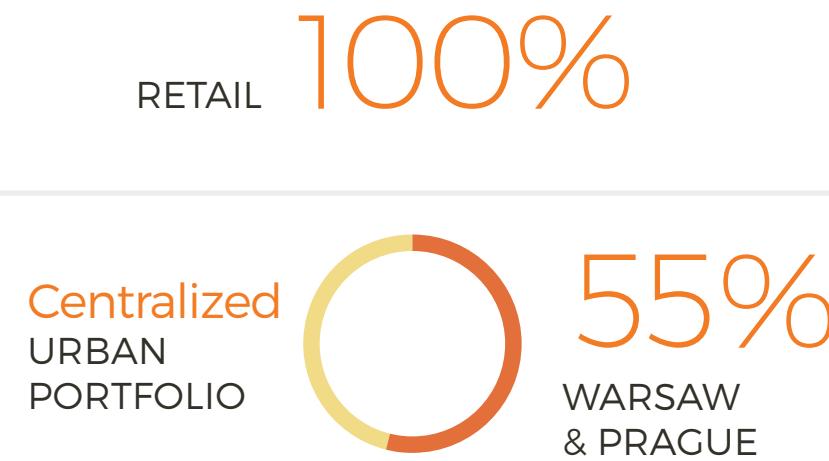
€2.6 bn 8.0% yield

NO. OF ASSETS 153

AVG. ASSET VALUE €17M



atrium 30/6/2020¹



DOMINANT ASSETS WITH DENSIFICATION POTENTIAL



atrium 2024



RETAIL STRATEGY
CREATING VALUE THROUGH A REDEVELOPMENT AND DENSIFICATION PIPELINE

RESIDENTIAL STRATEGY
TARGET 5,000 UNITS

MAJOR CITIES, WARSAW CENTRIC

¹ Excluding assets classified as held for sale

RESIDENTIAL FOR RENT: CAPITILIZING ON THE EMERGING POLISH RESIDENTIAL RENTAL MARKET



INVESTMENT THESIS

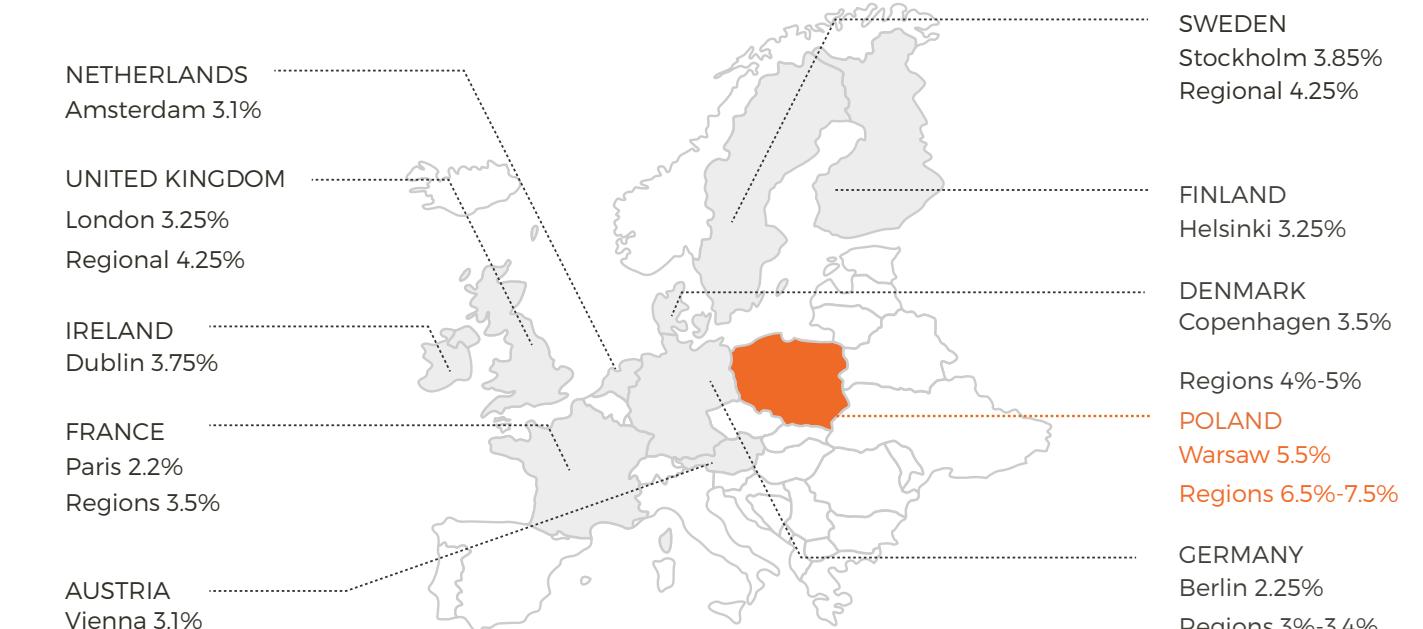
- | Capitalizing on growing residential for rent market
 - Strong demographic fundamentals
 - Largest business service center in CE
- | Diversifying our sources of income
- | Focus on high quality build to rent products
 - size and management efficient
 - client experience
 - on-site amenities.
- | First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

ATTRACTIVE RETURNS

- | Attractive going in yields of 5.5% 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



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

4%
expected population
growth in the
coming years

Increase in The
Average Salary y/y
4.5%



Growth Engine #2
SERVICE CENTERS

Business Service
Centers in Warsaw

279

Employees in the
Service Sector

64,000

Job Creation CAGR
2016-2020

14%



Growth Engine #3
EDUCATION

Students and Graduates

267,600

Universities
and Colleges

69

SUMMARY



A CE portfolio focused on quality urban assets in Warsaw and Prague, representing long-term growth opportunities, both in retail and through diversification into residential for rent

Strong liquidity and financial flexibility

Robust recovery forecast in CE economies in 2021

€2.5bn

standing investment portfolio

€1.6bn

Poland

€1bn

5 assets Warsaw

€0.5bn

Czech

€0.4bn

2 assets Prague

**Net LTV
36.1%**

with financial flexibility

Strong liquidity:

€40m
cash

€234m

unutilised credit facility

95.4%

EPRA occupancy

5.3 yr

WALT



APPENDICES



APPENDIX 1: TOP 15 TENANTS* - WELL-KNOWN GLOBAL RETAILERS

A healthy diversified tenant mix

% OF ANNUALISED RENTAL INCOME	GROUP NAME
4%	LPP
3%	Hennes & Mauritz
3%	AFM
3%	Carrefour
2%	Metro Group
2%	TJX Poland Sp. z o.o.
2%	A.S. Watson
2%	Tengelmann Group
2%	CCC
2%	M.Video
1%	EM&F Group
1%	Sephora
1%	Inditex
1%	New Yorker
1%	Douglas
30%	TOP 15 TENANTS



Marionnaud



house

CROPP

M O H I T O



ROSSMANN



LEROY MERLIN



Auchan



orsay



SEPHORA



Carrefour

PULL&BEAR

Massimo Dutti



ZARA HOME



M.Видео

DOUGLAS



MediaMarkt

RESERVED



ZARA

CCC



KAISER'S



TENGELMANN



stradivarius



NEWYORKER



empik



sinsay



DECATHLON

OYSHO



H&M

APPENDIX 2: MACRO OVERVIEW OF OUR MARKETS



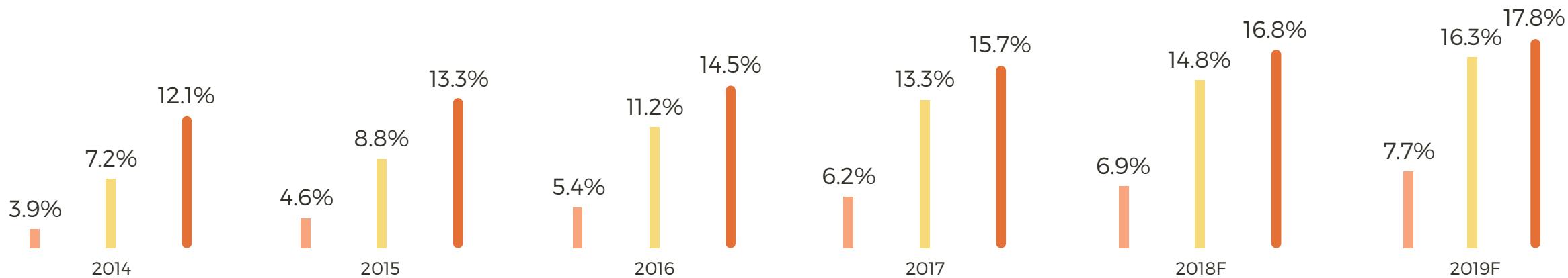
Macro Indicator	Poland	Czech Republic	Russia	Slovakia	Total / Average ¹	France	Germany
2019 population (million people)	37.8	10.7	145.9	5.5	199.9	65.1	83.5
2019 real GDP growth (%)	4.1%	2.6%	1.3%	2.3%	2.6%	1.3%	0.6%
2020F real GDP growth (%)	-3.8%	-6.3%	-5.0%	-7.5%	-5.6%	-3.8%	-6.0%
2021F real GDP growth (%)	5.5%	6.3%	4.0%	6.8%	5.6%	2.7%	6.5%
2019 unemployment (%)	3.3%	2.0%	4.6%	5.8%	3.9%	8.5%	3.2%
2020F unemployment (%)	11.4%	7.5%	7.7%	8.3%	8.7%	12.4%	4.5%
2021F unemployment (%)	10.6%	5.5%	7.5%	6.8%	7.6%	9.8%	3.6%
2019 inflation (%)	3.4%	3.2%	3.0%	3.2%	3.2%	1.6%	1.5%
2020F inflation (%)	1.7%	1.6%	3.9%	1.4%	2.1%	-0.1%	0.3%
2021F inflation (%)	3.6%	2.2%	3.5%	1.3%	2.6%	1.4%	1.3%
2019 retail sales growth (%)	5.9%	4.5%	7.8%	4.7%	5.7%	2.5%	0.8%
2020F retail sales growth (%)	-5.0%	-6.3%	-2.7%	-6.7%	-5.2%	-8.1%	-12.5%
2021F retail sales growth (%)	6.0%	5.3%	10.8%	6.9%	8.1%	8.0%	2.7%
2019 consumer spend growth (%)	3.9%	3.0%	2.5%	2.1%	2.9%	1.2%	1.6%
2020F consumer spend growth (%)	-7.0%	-7.8%	-8.0%	-9.3%	-8.0%	-9.4%	-11.7%
2021F consumer spend growth (%)	6.0%	5.3%	5.5%	4.3%	5.3%	6.7%	3.5%
Country rating / outlook – Moody's	A2 / stable	Aa3 / stable	Baa3 / stable	A2 / stable	n.a.	Aa2 / stable	Aaa / stable
Country rating / outlook – S&P	A- / stable	AA- / stable	BBB- / stable	A+ / negative	n.a.	AA / stable	AAA / stable
Country rating / outlook – Fitch	A- / stable	AA- / stable	BBB- / stable	A / stable	n.a.	AA / negative	AAA / stable

Source: IMF, Eurostat, Oxford Economics, PMR, C&W, Capital Economics

¹ Simple arithmetic average for comparison purposes

E-commerce penetration

■ Poland
■ Czech Rep
■ UK



On-line sales are rising but the increase is different across countries

Repositioning plan completed in the Czech Republic

No available data for 2020 amid COVID-19

Source: Trading Economics

CE



Western Europe



US



Shopping Centre space (sqm millions)

15.9

109.7

674.2

Population (millions)

64.3

397.5

327.2

Shopping Centre per 1,000 capita per sqm

248

276

2,060

Supply of shopping centers per capita within CE is significantly lower with strong opportunities for growth

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