

*Creating great places!*

*Half Year 2019 Results*





## HIGHLIGHTS H1 2019

### A Portfolio Focused On Quality Urban Assets In Capital Cities (51% in Warsaw and Prague)

- Continued to strengthen the portfolio through redevelopments and asset rotation
- €298m sale of two Polish shopping centres, Atrium Koszalin and Atrium Felicity in July 19
- Disposal of Atrium Duben Shopping centre in Zilina, Slovakia for €37m at book value, closing Q4 2019
- Warsaw portfolio now comprises 5 assets following €43m acquisition of King Cross in June 19
- **YTD disposals €364m, acquisitions €53m**





### Operational Performance

- **NRI benefited from portfolio recycling and completed Re-dev in the first half of the year**
- LFL NRI **↑1.5%** in Poland and Czech (**↑1.0%** Poland, **↑3.1%** Czech) **↓2.7%** Russia
- Repositioning plan continues in Poland and completed in Czech
- Russia was mainly affected by 2 large tenants exiting the market as anticipated
- Strong occupancy and operating margin of **95.2%** and **95.8%**, respectively

### H1 2019 Results

- EBITDA and EBITDA margin stable at **€81m** and **88%** respectively
- **€58m** company adj. EPRA, marginally lower due to a higher debt level
- **€28m** Cash, **€189m** RCF unutilized at 30.06.2019, **39.3%** net LTV
- Net LTV expected to decrease to approx. **34%** following the completion of the disposals of Atrium Koszalin and Atrium Felicity
- EPRA NAV per share **€5.05**, **↑0.4%** from year end 2018
- **€189m** cash, **€300m** RCF unutilized as at 29/7/2019

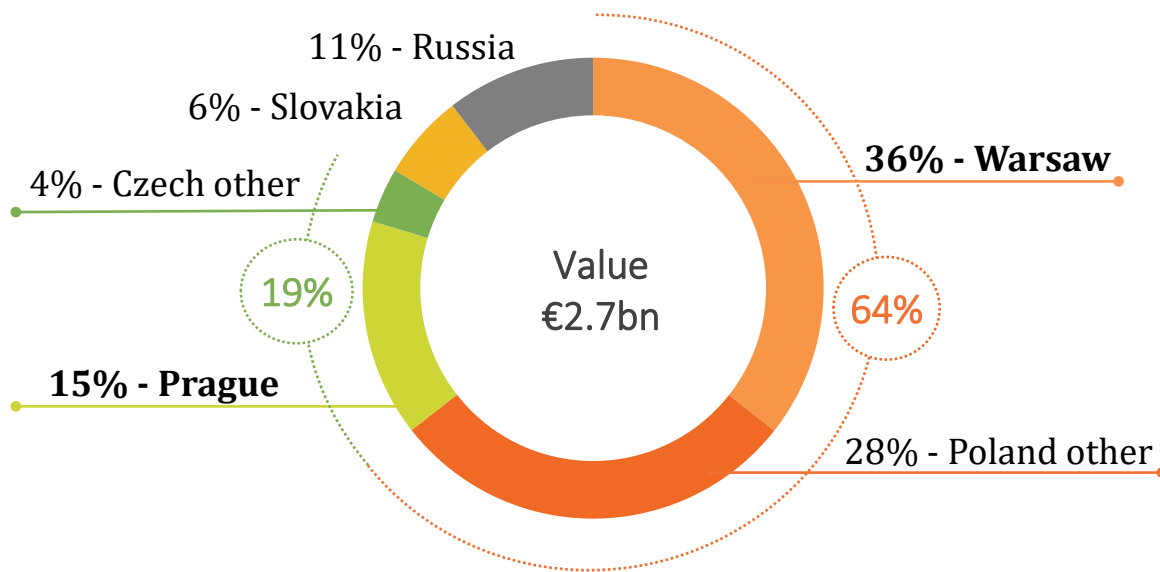
# PORTFOLIO QUALITY BOOST: €0.5bn PRIME ASSET PURCHASED, €0.7bn SECONDARY ASSETS SOLD

	31/12/14	30/06/19 <sup>1</sup>				
Portfolio Market Value	€2.6bn	€ <b>2.7</b> bn	Poland €1.7bn	Czech €0.5bn	Slovakia €0.2bn	Russia €0.3bn
Number Of Assets	153	<b>32</b>	Poland 20	Czech 3	Slovakia 2	Russia 7
Average Asset Size	8,900 sqm	<b>27,200</b> sqm	Poland 23.7k sqm	Czech 30.3k sqm	Slovakia 34.2k sqm	Russia 33.9k sqm
Average Asset Value	€17m	€ <b>84</b> m	Poland €86m	Czech €171m	Slovakia €80m	Russia €40m

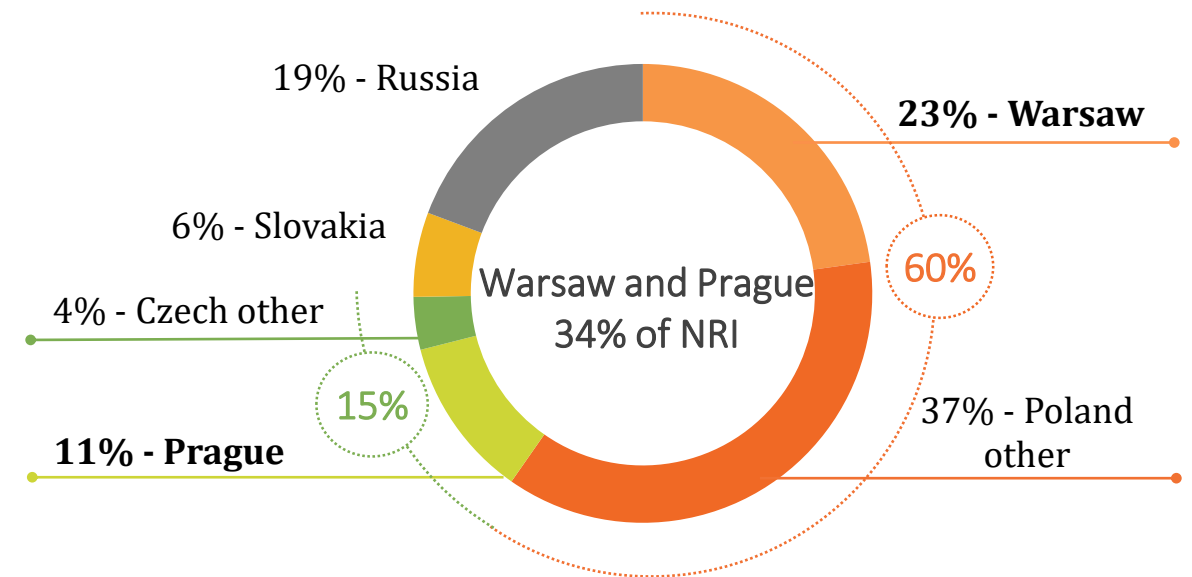
<sup>1</sup> Including Atrium Duben (signed in July) and excl. Atrium Koszalin and Atrium Felicity (completed in July)

# 83% OF THE PORTFOLIO IS LOCATED IN POLAND AND THE CZECH AND 51% IN WARSAW AND PRAGUE

## GEOGRAPHIC MIX OF THE PORTFOLIO BY VALUE AS AT 30/06/2019<sup>1</sup>



## NRI 6M 2019 PER COUNTRY



<sup>1</sup> Including Atrium Duben (signed in July) and excl. Atrium Koszalin and Atrium Felicity (completed in July)

Wars Sawa Junior



Atrium Targówek



King Cross



Atrium Promenada



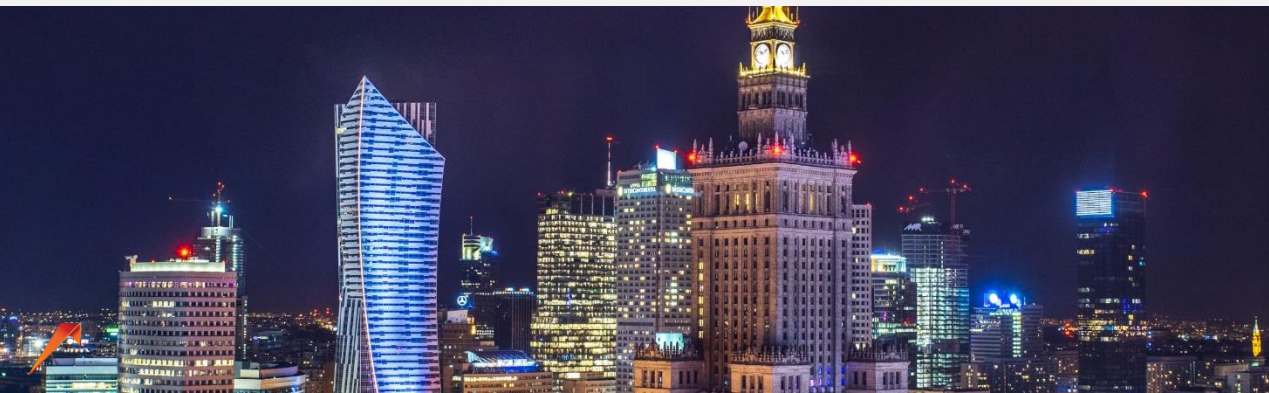
## 36% OF THE PORTFOLIO IS LOCATED IN WARSAW

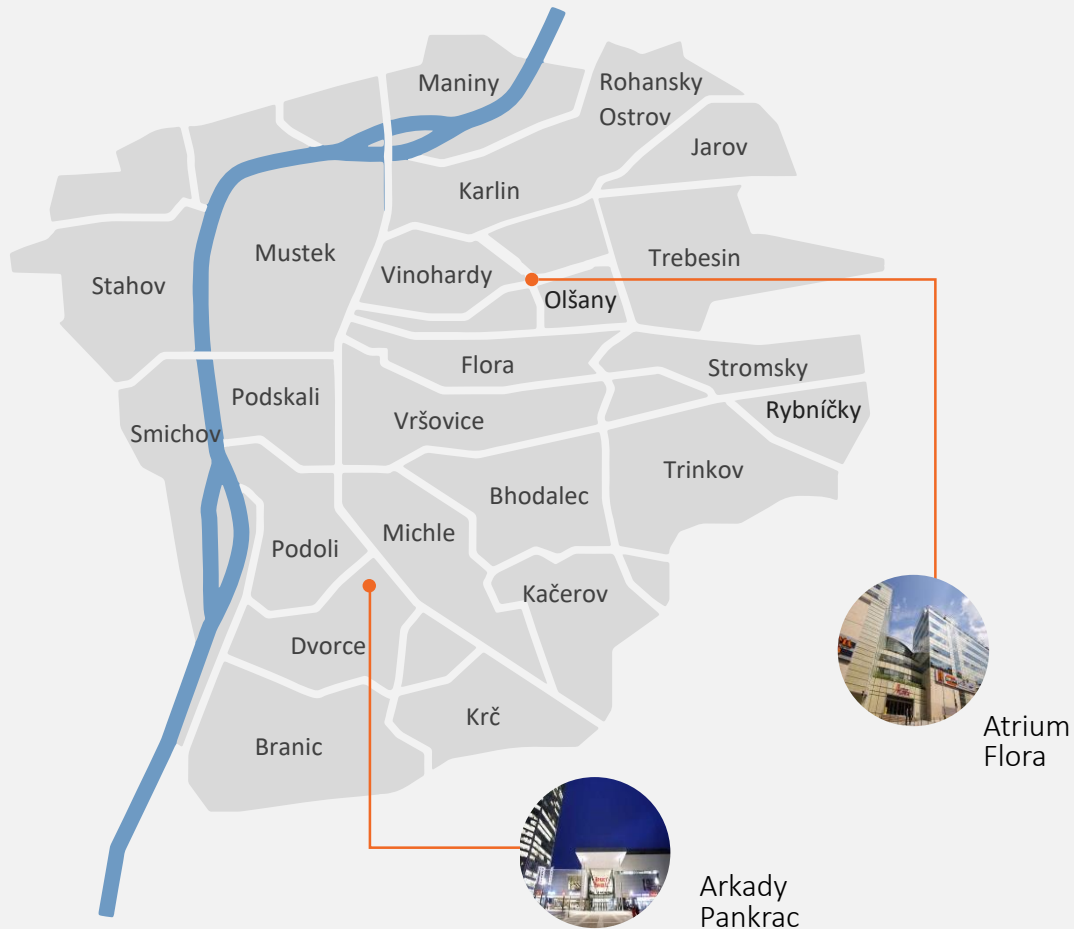
- 5 prime assets in distinct catchment areas
- Over 179,000 sqm GLA, c.€1bn value
- High occupancy levels and tenant demand
- Creating great places in a growing capital city
- All assets will be refurbished, €300m programme, +60,000 sqm GLA

### WARSAW THE HEART OF POLAND <sup>1</sup>

	Warsaw	Poland
Nr of inhabitants	1.8m	38m
Average salary	€1,585	€1,209
Unemployment	1.5%	3.6%
Retail Related Purchasing Power per inhabitant	EUR 3.9k	EUR 2.5k

<sup>1</sup> Sources: Central Statistical Office of Poland, GfK





## 15% OF THE PORTFOLIO IS LOCATED IN PRAGUE

- 2 prime assets in distinct catchment areas
- App. 70,000 sqm GLA, over €400m value
- Consistently high occupancy levels of over 95%
- Providing great shopping destinations in Prague
- Both assets have refurbishment programmes

### PRAGUE THE HEART OF THE CZECH REPUBLIC<sup>1</sup>

	Prague	Czech
Nr of inhabitants	1.3m	10.6m
Average salary	€1,553	€1,342
Unemployment	2.2%	3.1%

<sup>1</sup> Sources: Czech and Prague Statistics Offices



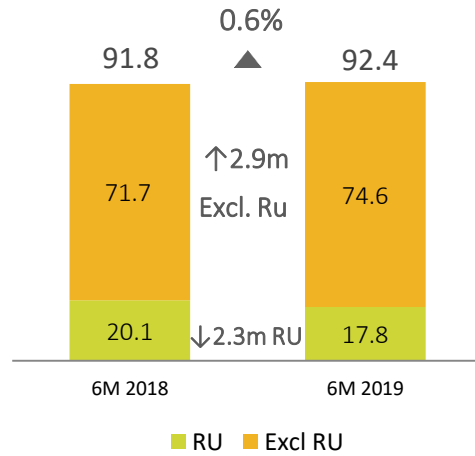
## FINANCIAL HIGHLIGHTS

	6M2019 €M	6M2018 €M	CHANGE %/ppt
<b>NET RENTAL INCOME</b>			
Net rental income excl. Russia	74.6	71.7	4.0%
EPRA Like-for-Like NRI excl. Russia	40.5	39.9	1.5%
Net rental income	92.4	91.8	0.6%
EPRA Like-for-Like NRI	51.5	51.2	0.5%
<b>OPERATIONAL KPIs</b>			
EBITDA	81.0	80.9	0.2%
Occupancy rate (in %)	95.2	97.0	(1.8%)
Operating margin (in %)	95.8	97.3	(1.5%)
<b>EPRA PERFORMANCE</b>			
Company adj. EPRA earnings per share (in €cents)	15.4	15.6	(1.2%)
EPRA NAV per share (in €)	5.05	5.03 <sup>1</sup>	0.4%

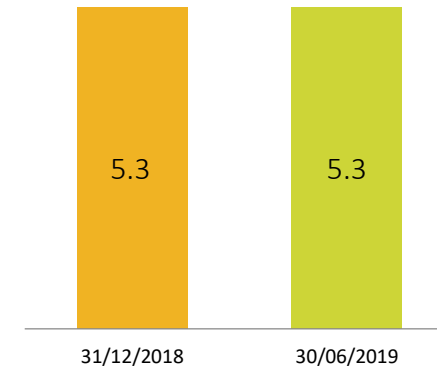
<sup>1</sup>as at 31 December 2018

# PORTFOLIO ROTATION: NRI +0.6% ACQUISITIONS AND RE-DEV. OFFSET DISPOSALS

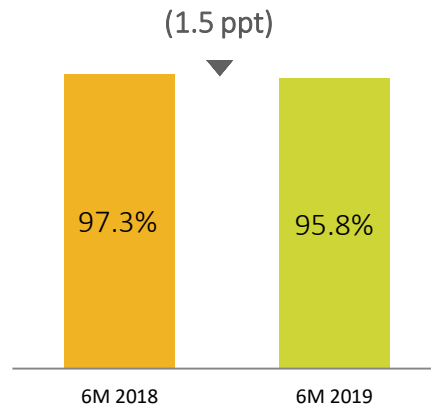
Net rental income +4% excl. Russia  
(in million €)



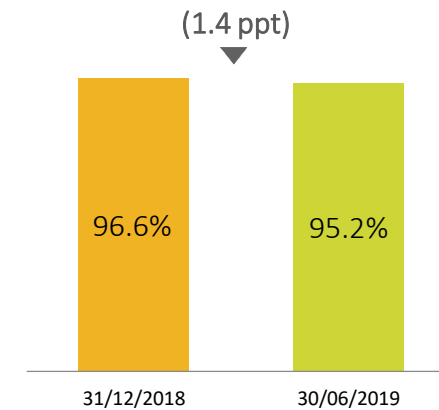
WALT (years)



Operating margin



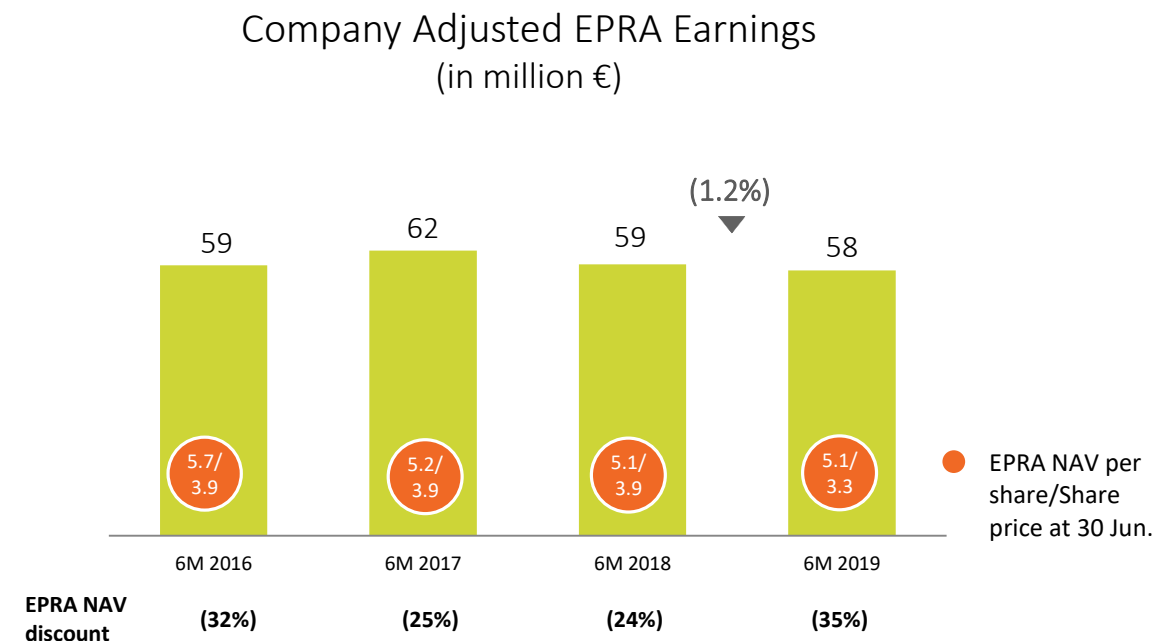
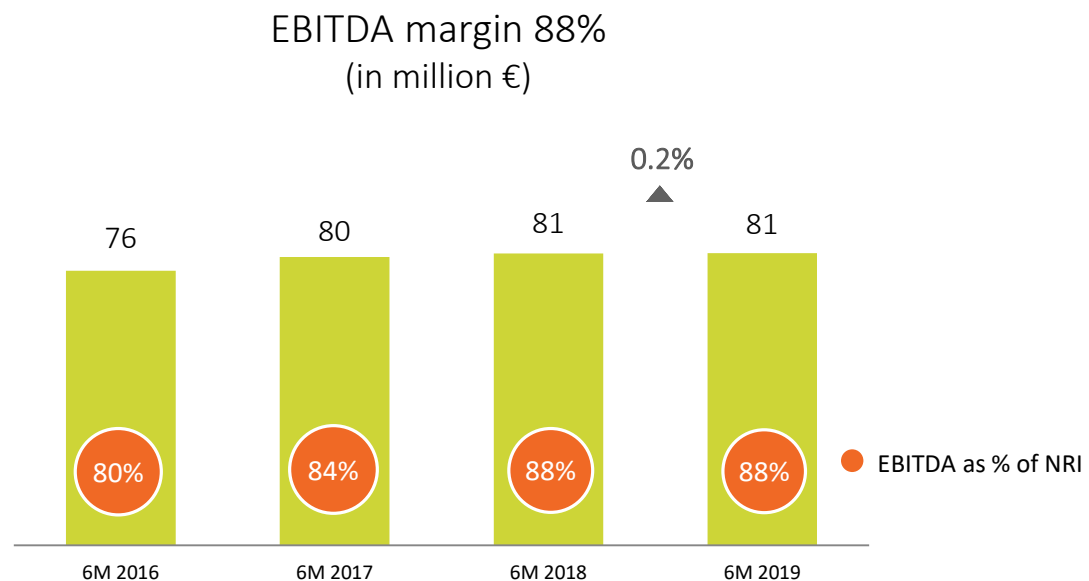
EPRA occupancy



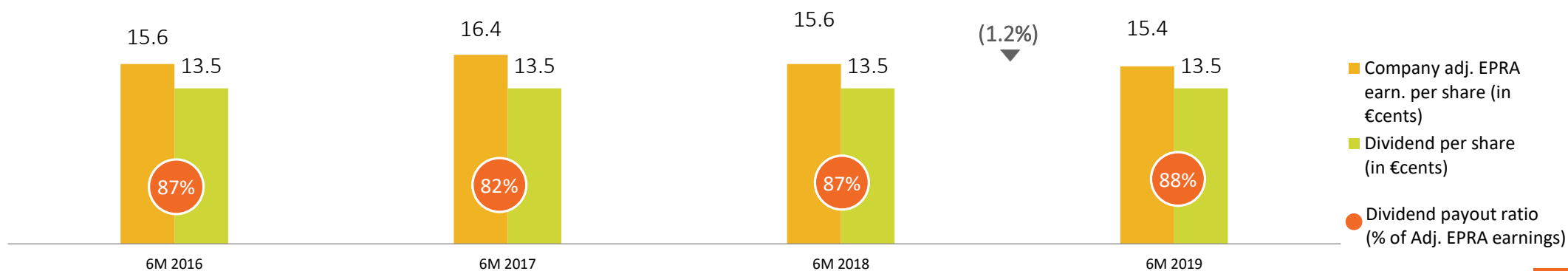
Operating margin and EPRA occupancy temporarily impacted by re-tenanting and redevelopments in Russia and Arkady Pankrac



# EARNINGS STABILIZED IN H1 2019 AS DISPOSALS WERE OFFSET BY ACQUISITIONS AND RE-DEV. IMPACT



## Company Adjusted EPRA Earnings per share and regular Dividend<sup>1</sup> per share (in € cents)

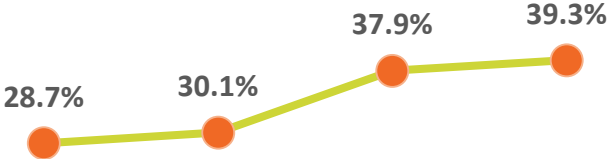


<sup>1</sup> Excl. the impact of special dividends

# AVERAGE COST OF DEBT AT C.3%

## LTV (net)

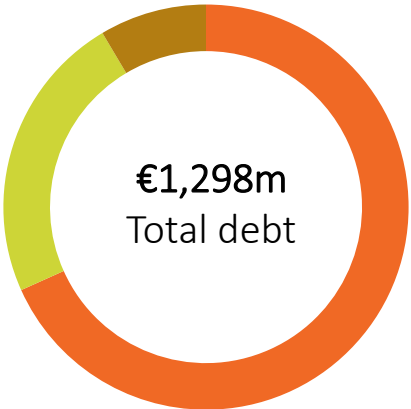
34.3% following the disposal of Koszalin and Felicity



31/12/2016    31/12/2017    31/12/2018    30/06/2019

## Borrowings (as at 30/06/2019)

76% unencumbered standing investments

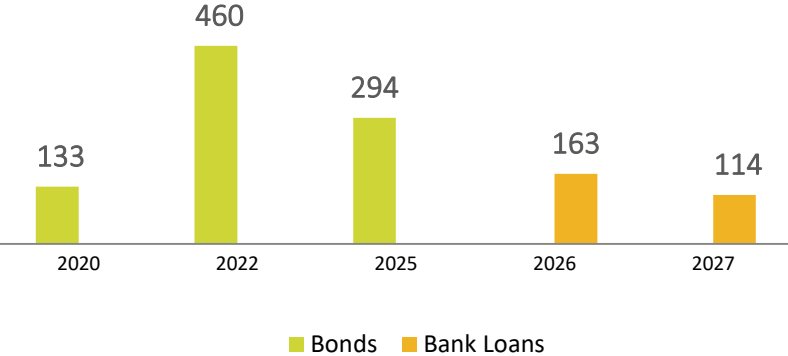


€1,298m  
Total debt

■ Bonds €886m    ■ Loan €301m    ■ RCF €111m

## Debt maturities (in million €)

4.9 years average maturity



■ Bonds    ■ Bank Loans



ATRIUM PROMENADA, WARSAW

## Strengthening our portfolio, creating irreplaceable assets in attractive urban destinations in capital cities

- Portfolio rotation:
  - €0.5bn prime assets acquired and €0.7bn secondary assets sold since 2015
  - €364m YTD disposals, €53m acquisitions
  - Completing the €298m sale of two Polish shopping centres, Atrium Koszalin and Atrium Felicity in July 19
  - 5 assets in Warsaw following the acquisition of King Cross in June 2019
- Strong and diverse re-dev. and extension pipeline, €151m invested until 30/6/2019
- Significant liquidity to support growth
  - €189m cash, €300m RCF unutilized as at 29/7/2019
  - c.34% net LTV following completed transaction in July 2019
  - 76% unencumbered standing investments



## RECOMMENDED CASH ACQUISITION BY GAZIT-GLOBE LTD. (“GAZIT”) ON 23/07/19

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The Independent Committee of the Board of Directors of the Company and the Board of directors of Nb (2019) B.V. (“Bidco”), which is an indirect wholly-owned subsidiary of Gazit, announced on 23 July 2019 that they have reached an agreement on the terms and conditions of a recommended cash acquisition of the entire issued and to be issued ordinary share capital of the Company that is not already owned directly or indirectly by Gazit or its affiliates. It is intended that the Acquisition will be implemented by means of a court-sanctioned scheme of arrangement under Article 125 of the Jersey Companies Law. At the date of the Announcement, Gazit and its affiliates owned together approximately 60.1% of the Company's issued share capital.

The announcement (and other reference materials) can be found on the Company's website at: <https://www.aere.com/investors-lobby.aspx>

Questions can be submitted in writing to [ol-renoir-ubs@ubs.com](mailto:ol-renoir-ubs@ubs.com)



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*Thank you*

ATRIUM  
TARGÓWEK

ATRIUM TARGÓWEK, WARSAW

