



CREATING  
GREAT  
PLACES

# COMPANY PRESENTATION

MARCH 2021



**Liad Barzilai**

Group CEO

c.12 years at Atrium, c.4 years CEO Atrium

c.14+ in real estate



**Ryan Lee**

Group CFO

c.6 years at Atrium

c.21 years experience as CFO in Central Europe

# CONTENT

Atrium in a snapshot	3
Focus on Poland and the Czech Republic	7
2020 Business overview / COVID-19 impact	10
Atrium by 2025	14
2020 results	18
Summary	24
Appendices	26



# ATRIUM IN A SNAPSHOT



# ATRIUM IN A SNAPSHOT

(31 DECEMBER 2020)



**CE portfolio** focused on high quality urban assets in Warsaw and Prague (55% of portfolio value)

Committed to ongoing asset rotation strategy since 2015 (€78m of disposals in 2020)

Higher quality sustainable cash flow. A portfolio that has gone **from 153 to 26 assets**, with an average asset value increasing **from €17m to €94m in 5 years**

**2020-2025:** diversification into residential for rent in Poland / Czech

€2.5bn

Standing Investment Portfolio

809,000

sqm GLA

€1.6bn

Poland

€0.9bn  
5 assets Warsaw

92.3%

Occupancy

€0.5bn

Czech

€0.4bn  
2 assets Prague

6.6%

Net equivalent yield

5.1 yr

WALT

# ADEQUATE LIQUIDITY AND FINANCIAL FLEXIBILITY

Active cash conservation initiatives > €100m



Balance sheet proactively managed with long term target of **40% net LTV**

February 2021: First green bonds of €300m issued, maturing in Sep. 2027, together with a buy back of €78m of 2022 notes

38.6%

Net LTV  
31.12.2020

€483m

Liquidity  
€183m cash, €300m unutilised  
credit facility (5.3.2021)

BBB Fitch

Baa3 Moody's

71%

Unencumbered  
assets

2.8%, 5.1 yr  
Average cost of debt / maturity  
as of today

€4.25  
EPRA NRV per share  
31.12.2020

# 2015 TO DATE - A PORTFOLIO FOCUSED ON QUALITY IN POLAND AND THE CZECH REPUBLIC



31.12  
2020

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

€ 94  
m

31.12  
2014

€ 2.6  
bn

153

7

8,900  
sqm

€ 17  
m

€0.5bn prime assets  
purchased

€0.8bn secondary  
assets sold

€51m of land plots  
monetised

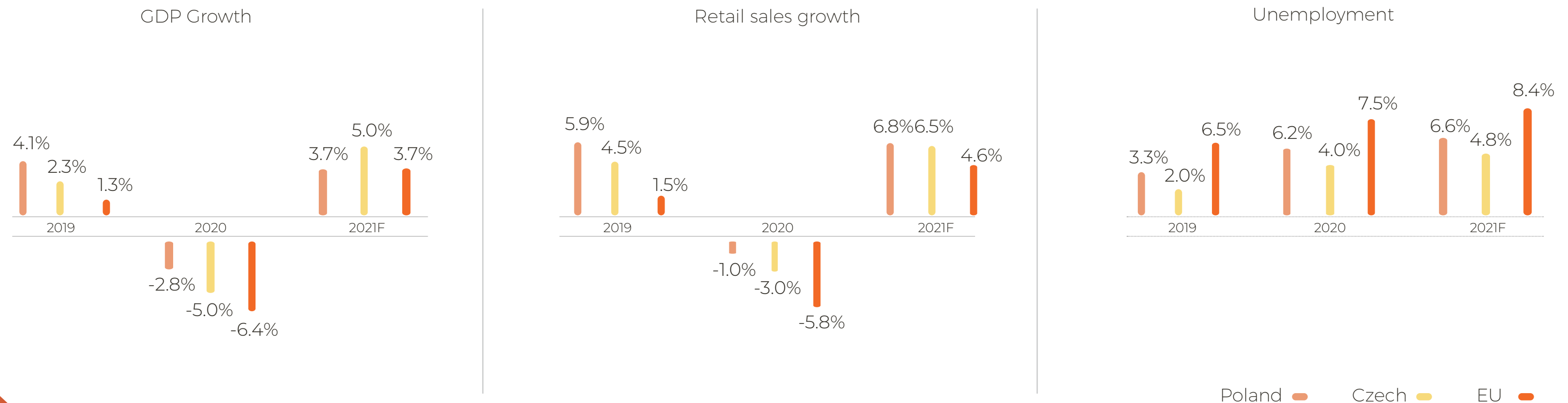
FOCUS ON POLAND  
AND THE CZECH  
REPUBLIC,  
WARSAW AND  
PRAGUE



# POLAND AND CZECH - STRONG RECOVERY EXPECTED IN 2021

- | CE countries went into the crisis in much better shape financially than Western Europe and responded quicker to COVID-19
- | 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 fell by -2.8% and -5.0% respectively in 2020, **rebound expected in 2021 to +3.7% in Poland and +5.0% in Czech**
  - Retail sales growth in 2020 reduced by -1.0% for Poland and -3.0% for Czech in 2020, **rebound expected in 2021 to +6.8% in Poland and +6.5% in Czech**
  - Unemployment in 2021 is expected to be more resilient in Poland and Czech compared to the EU
  - Online penetration returning to pre-Covid-19 levels when centres reopen (see appendix 3 for additional details)

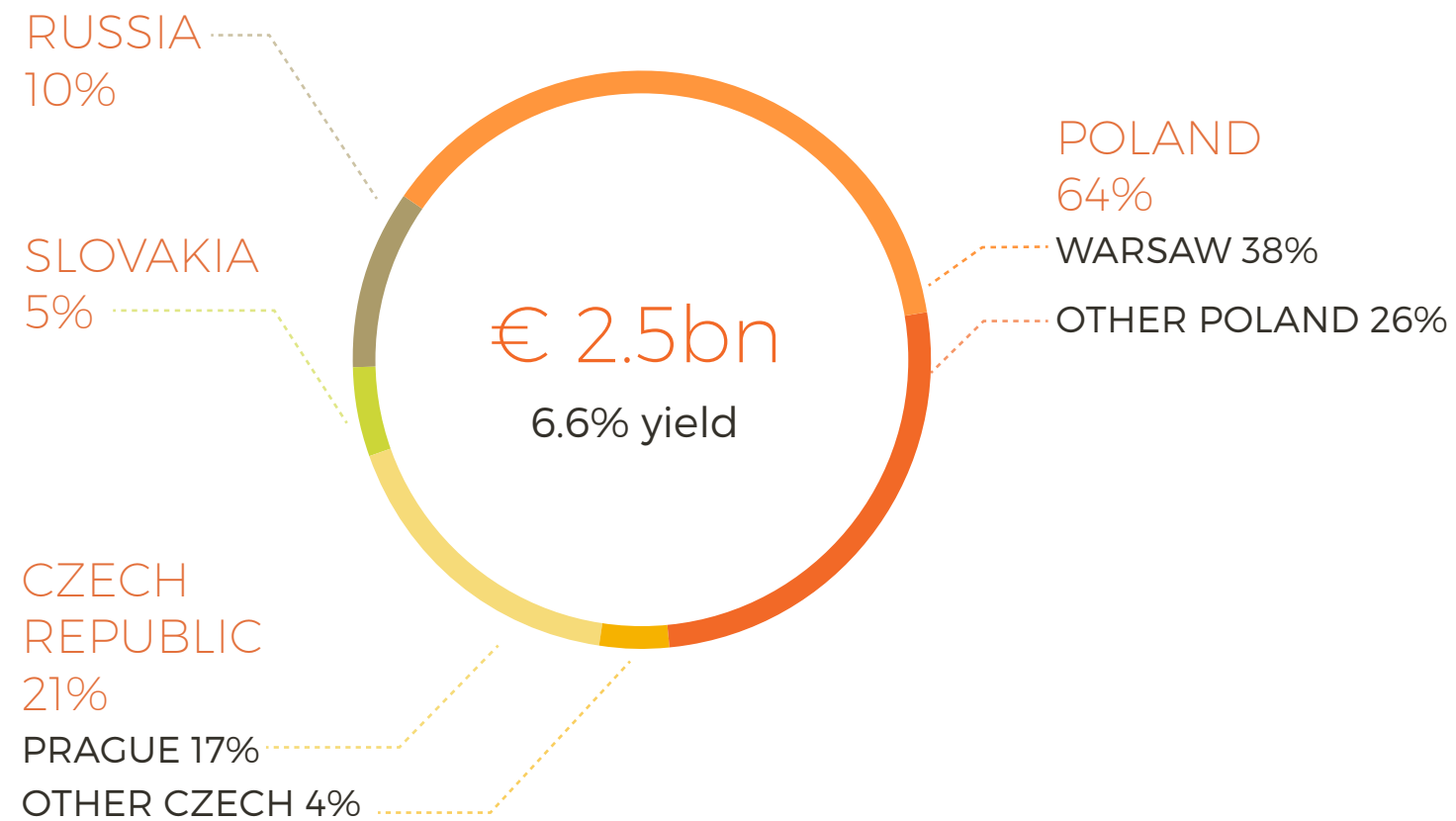
## Growth in Poland and Czech expected to continue post Covid-19:



Source: European Commission, Focus Economics, IMF and Trading Economics



## Portfolio Diversification by Country

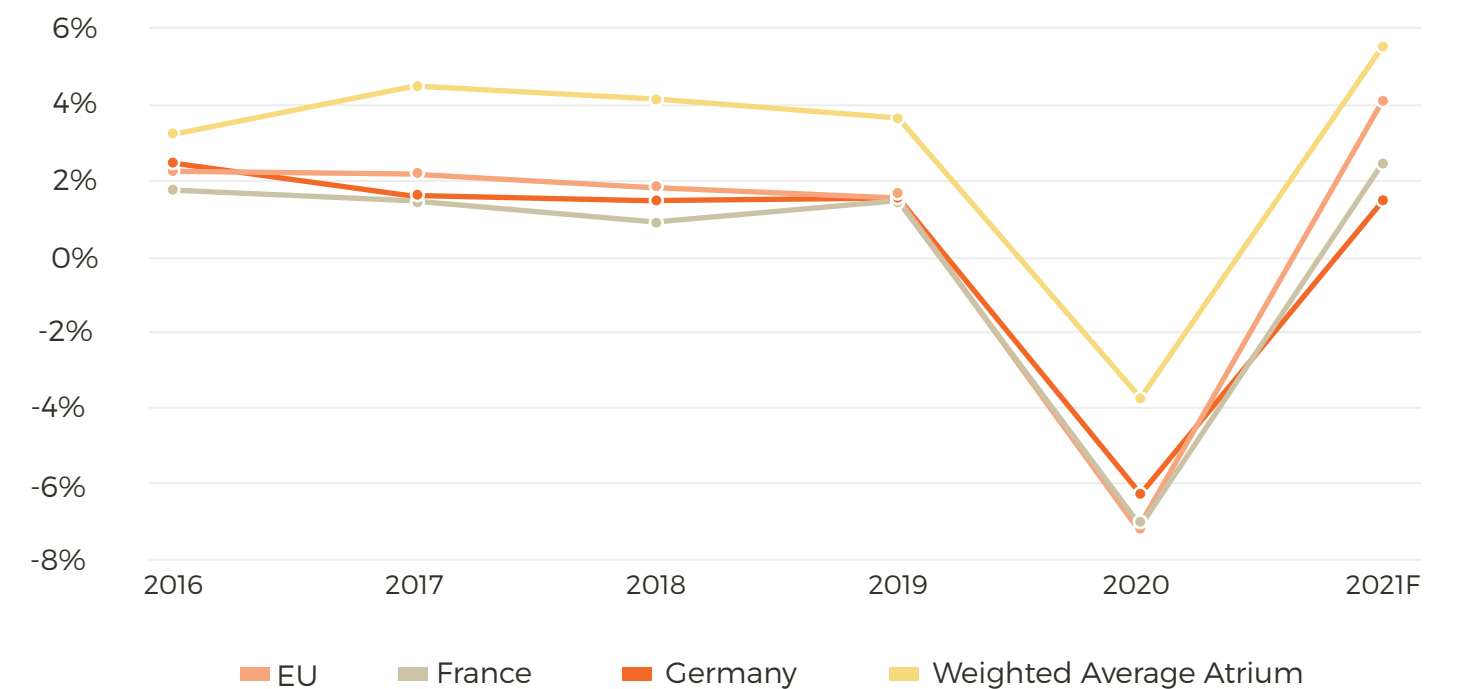


## Centralized Urban Portfolio

- | 85% of the portfolio is in Poland and Czech - region's strongest economies
- | Warsaw and Prague centric asset base - 55% of the portfolio
- | 5 assets in Warsaw, €0.9bn market value
- | 2 assets in Prague, €0.4bn market value

## Consumer spending 2016 - 2021F<sup>1</sup>

Consumer spending in the countries in which we operate outperforms the EU



<sup>1</sup>Source: Capital Economics, Macrotrends and World Bank Weighted average based on portfolio value

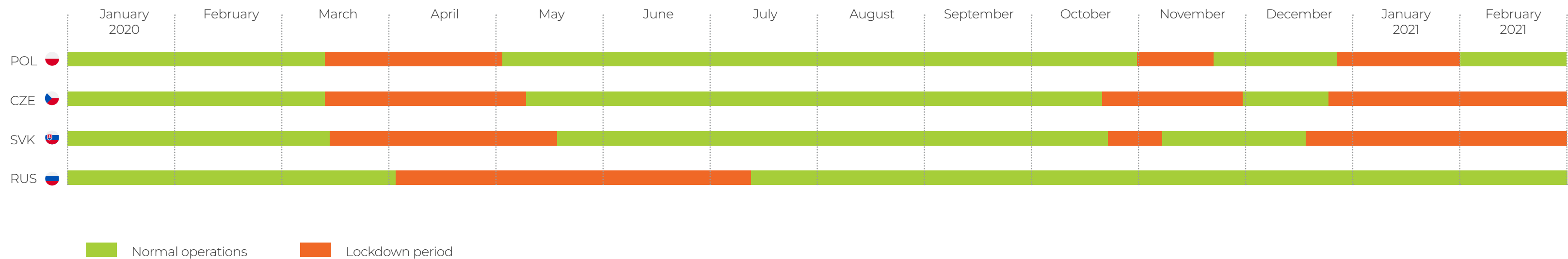
# 2020 BUSINESS OVERVIEW / COVID-19 IMPACT

# STRONG RECOVERY OF TENANTS' SALES AND FOOTFALL AS CENTRES REOPENED

- | Good start of 2020, pre-covid, with strong LFL NRI of +3% in Poland and Czech
- | 3 lockdowns in 2020 led to significant volatility in tenants' performance
- | Strong rebound when centres reopened
- | As of today, shopping centres in Poland and Russia are open, Czech and Slovakia are in lockdowns

## 3 lockdowns in the period March 2020 to February 2021

From March 2020 to end of February 2021, operations were closed<sup>1</sup> on average for c. 30% of the period



<sup>1</sup> Only essential stores were open

## Management Focus

- | Implementation of health and safety measures
- | Safety and Confidence of Employees, Consumers and Customers
- | Maintain occupancy - tenant support strategy

Continued execution of asset rotation strategy - divested €78m

## Cash Conservation / Financing

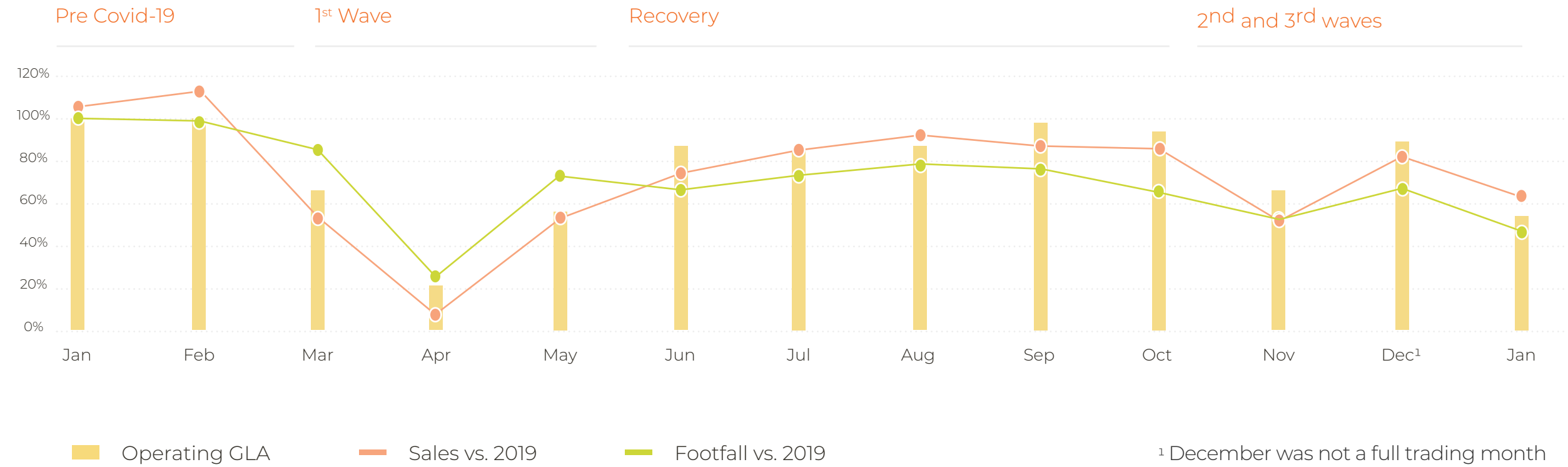
- | €20m capex, opex, admin. cost reductions
- | €60m postponement of redevelopments spend
- | Optional scrip dividend, €32m cash conserved in 2020
- | €200m bond refinancing, June 2020
- | €300m green bond issuance / €78m 2022 notes repurchased Feb. 2021

Extended the average maturity to 5.1 years and reduced average cost of debt to 2.8%

| **€483M LIQUIDITY:** €183m cash and €300m available revolving facility as of today

# STRONG RECOVERY WHEN RESTRICTIONS ARE LIFTED

- | Operational volatility from March 2020 onwards
- | August sales were at 93% vs. last year, footfall at 79%
- | Footfall recovery outperformed by sales
- | **86% of the Group's operating GLA is now open following the lift of the lockdown in Poland**



# ATRIUM BY 2025

CORPORATE STRATEGY

Announced on 26/2/2020



# BUILDING A PORTFOLIO OF RESIDENTIAL FOR RENT PROPERTIES IN MAJOR CITIES IN OUR CORE GEOGRAPHIES

## Market trends supporting our strategy

- | Strong demographic fundamentals of Poland and the Czech Republic
- | Growing residential for rent demand in these markets
- | Urbanization and blending of work and leisure time

## Starting with Warsaw

- | Offers attractive yields for long term value creation and potential rental growth
- | Local platform: Expert team in place and a commensurate understanding of the demographic trends

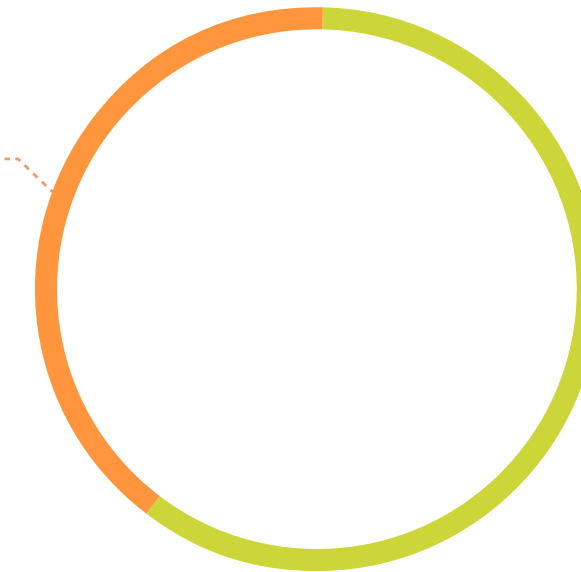
## Action Plan

- | Build on or adjacent to our existing retail properties, providing mutually beneficial densification and creating our own neighbourhood destinations
- | Acquiring ready residential buildings
- | Buying forward purchases

## 2025 TARGET

retail to residential portfolio split

RESIDENTIAL TO RENT  
**40%**



WARSAW/PRAGUE PRIME SHOPPING CENTRES  
**60%**

- | A prime retail portfolio balanced with a first-class residential portfolio, generating high quality and diversified income streams
- | Goal of c. 5,000 units in Poland and Czech

# ATRIUM 2014-2025 - DIVERSIFICATION INTO RESIDENTIAL FOR RENT



## ATRIUM 2014



## ATRIUM 31/12/2020



## ATRIUM 2025

RETAIL **100%**

RETAIL **100%**

RESIDENTIAL TO RENT **40%**



WARSAW/PRAGUE PRIME SHOPPING CENTRES

**60%**

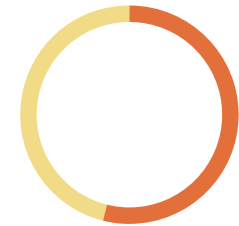
CEE PORTFOLIO



**30%**

WARSAW & PRAGUE

Centralized URBAN PORTFOLIO



**55%**

WARSAW & PRAGUE

**7** COUNTRIES PORTFOLIO

DOMINANT ASSETS WITH DENSIFICATION POTENTIAL

RETAIL STRATEGY  
CREATING VALUE THROUGH A REDEVELOPMENT AND DENSIFICATION PIPELINE

€2.6 bn **8.0%** yield

€2.5 bn **6.6%** yield

RESIDENTIAL STRATEGY

TARGET **5,000** UNITS

NO. OF ASSETS

AVG. ASSET VALUE

**153**

**€17M**

NO. OF ASSETS

AVG. ASSET VALUE

**26**

**€94M**

MAJOR CITIES, WARSAW CENTRIC



# FIRST STEPS TOWARDS PORTFOLIO DIVERSIFICATION INTO RESIDENTIAL FOR RENT

## Densification opportunity - Promenada

- | Five residential buildings totaling c. 800 apts. with ground floor retail units, will be developed over the next few years within our 2025 strategy target
- | Adjacent to the Promenada shopping and leisure centre
- | High demand area due to excellent public transport connections to the city center and planned future Metro connections
- | In a planning and permitting stage
- | Designed as standard modules that enable the mix to be changed either during construction or at a future date
- | Apartments will be rented fully furnished



# 2020 RESULTS OVERVIEW



# COMPANY OPERATIONAL INDICATORS 2020



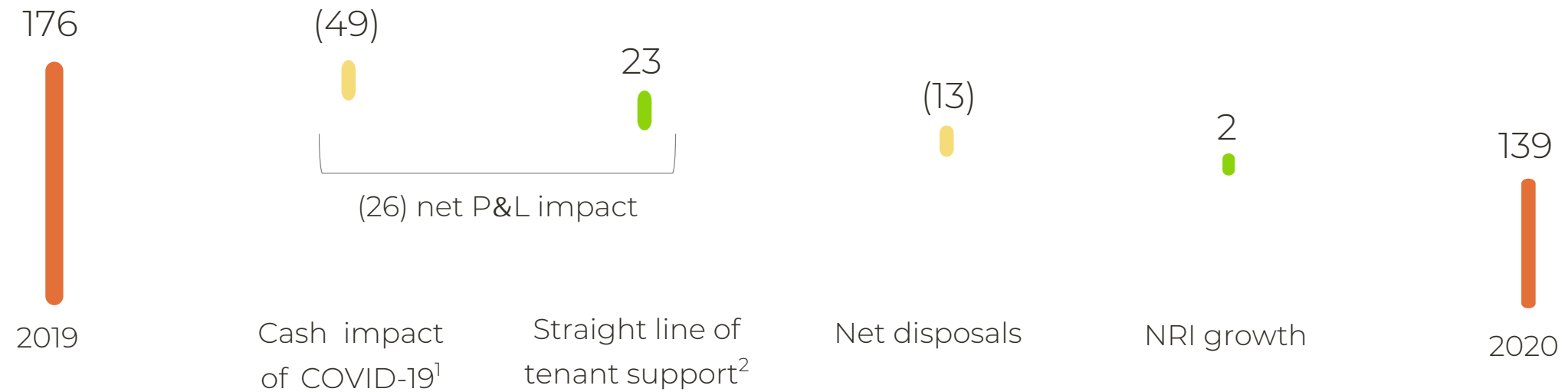
	2020 (in €m)	2019 (in €m)	Change (%/ppt)
Net rental income ("NRI")	138.9	176.4	(21.3)
NRI excl. impact of disposals	151.4	176.4	(14.2)
EPRA Like-for-Like NRI	98.9	116.9	(15.4)
EBITDA	118.8	153.6	(22.6)
EBITDA excl. the impact of disposals	131.3	153.6	(14.5)
Company adjusted EPRA earnings	74.3	106.0	(29.9)
Occupancy rate (%)	92.3	97.0	(4.7)
Operating margin (%)	89.9	94.2	(4.3)

# 2020 NRI: IMPACT OF COVID-19 AND DISPOSALS



## NRI decreased 21.3%

(in million €)



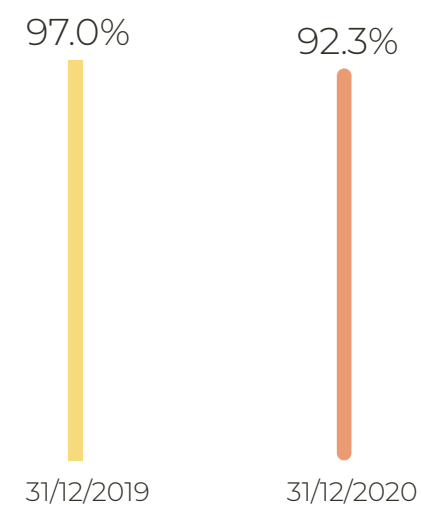
<sup>1</sup> Including €16m rental / service charge relief imposed in Poland, €20m tenant support, €13m vacancies, expected credit loss and others

<sup>2</sup> Straight line of tenant support which was recognised in accordance with IFRS will be amortised over the leases terms

## 92.3% Occupancy

(31/12/2020)

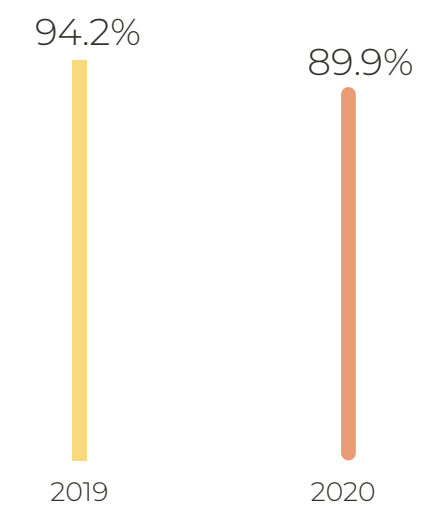
Atrium's occupancy remained solid although 4.7% lower than 2019 occupancy



## Operating margin

(2020)

Mainly the impact of Polish service charge relief during lockdowns



## -5.9% valuation change in CE countries, -7.2% Group

- | Yield shift due to uncertain market conditions and decreased liquidity on the investment market
- | CE region was less affected by the European market sentiment (+33 bps on average)
- | Prime assets were resilient with yield expansion at least 15bps lower on average than secondary centres

	N° of properties	Market value (in €m)		Valuation change <sup>1</sup>		NEY 31/12/2020
		2020	2019	€m	%	
Warsaw	5	941	1,007	(70)	(7.0%)	5.5%
Other Poland	10	642	689	(51)	(7.4%)	6.9%
<b>POLAND</b>	<b>15</b>	<b>1,583</b>	<b>1,696</b>	<b>(121)</b>	<b>(7.1%)</b>	<b>6.1%</b>
Prague	2	409	418	(12)	(2.9%)	5.5%
Other Czech	1	102	104	(3)	(2.4%)	6.3%
<b>CZECH</b>	<b>3</b>	<b>511</b>	<b>522</b>	<b>(15)</b>	<b>(2.8%)</b>	<b>5.7%</b>
Slovakia	1	119	121	(2)	(1.4%)	6.8%
<b>SUBTOTAL CE</b>	<b>19</b>	<b>2,213</b>	<b>2,338</b>	<b>(138)</b>	<b>(5.9%)</b>	<b>6.0%</b>
Russia	7	238	287	(51)	(17.8%)	12.6%
<b>GROUP</b>	<b>26</b>	<b>2,451</b>	<b>2,625</b>	<b>(189)</b>	<b>(7.2%)</b>	<b>6.6%</b>

€ 483m

Liquidity

€183m cash, €300m unutilised credit facility (5.3.2021)

38.6%

Net LTV 31.12.2020

Investment grade rating

BBB (stable)

Fitch

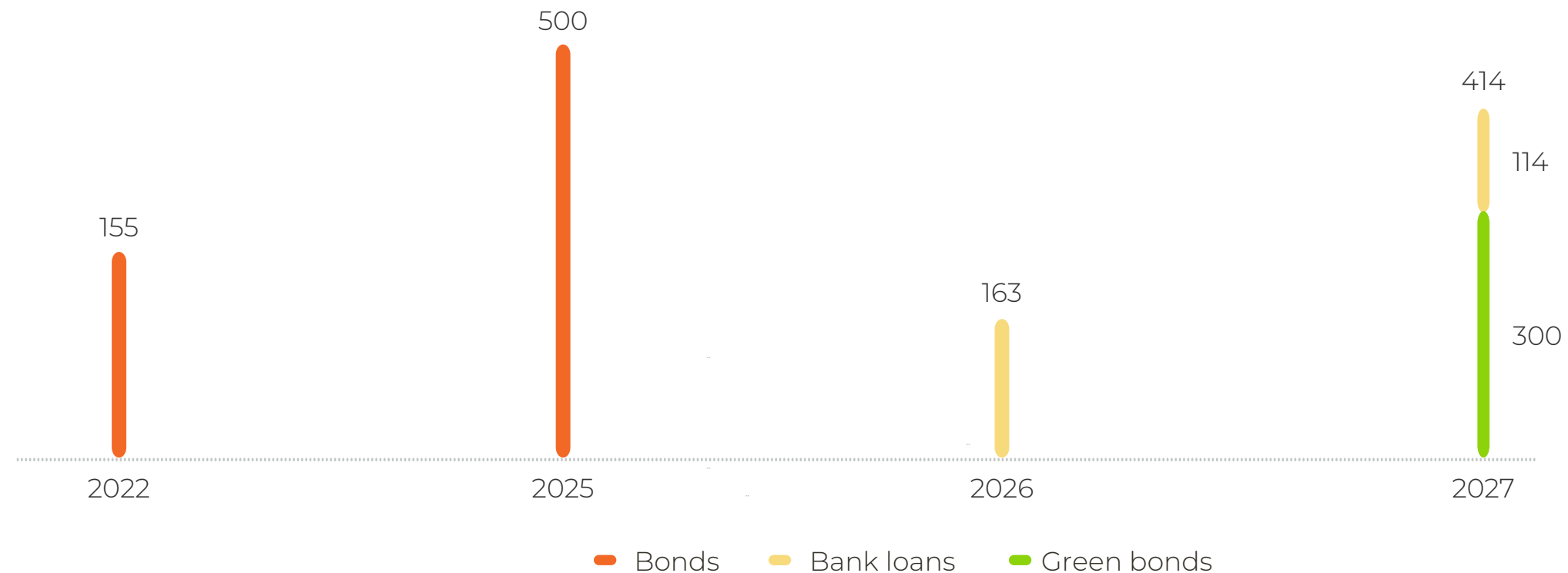
Baa3 (negative)

Moody's

## Bonds and loans maturities (5.3.2021)

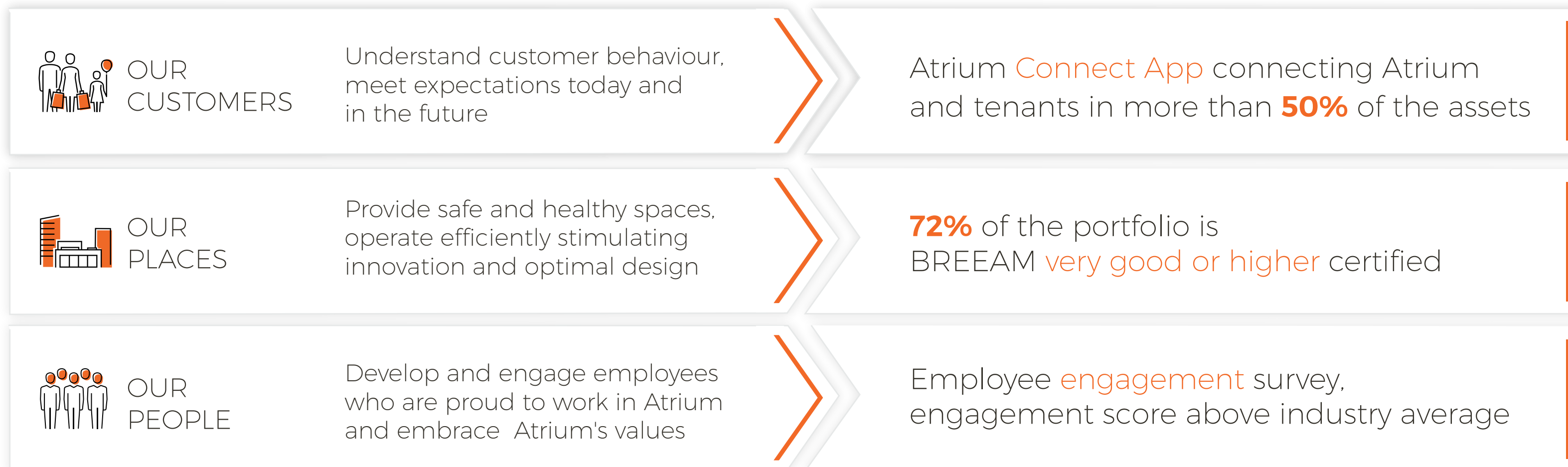
(in million €)

Next bond repayment of €155m is not due until October 2022



## ESG strategy

## 2020 key activities



## Green financing

- | Green Financing Framework launched in Feb. 2020, with Second Party Opinion from Sustainalytics
- | Inaugural green bond of €300m in Feb. 2021
- | Proceeds to be used for refinancing existing green assets



# SUMMARY





## 2020 Summary

### In challenging times:

- | Continued asset rotation -€78m divested
- | Advanced the ESG programme of the company
- | Launched EMTN programme
- | Issued first green bonds
- | Initiated deals for residential for rent
- | Conserved c. €110m of cash

## Sound Financial Profile

### Proactively addressed liquidity

- | €483m liquidity <sup>1</sup>
- | 38.6% net LTV
- | 5.1 years average debt maturity, 2.8% cost of debt
- | Investment Grade Rating reaffirmed
- | Next bond repayment of €155m in late 2022

<sup>1</sup> €183m cash, €300m unutilised credit facility as of 5.3.2021

## Outlook

### We believe in the resilience of our core markets and prime assets

- | Strong CE macro economics
- | As vaccines roll out - hopefully the pandemic passes
- | Bricks and mortar benefit from rebound in footfall / sales
- | Proactive management of capital structure
- | Advance residential for rent
- | For 2021: €0.27 per share dividend with a scrip dividend option <sup>1</sup>

<sup>1</sup> Subject to the renewal of the authorisation to issue scrip shares in the next AGS

# APPENDICES



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

A healthy diversified tenant mix

% OF ANNUALISED RENTAL INCOME	GROUP NAME	Marionnaud	house	CROPP	M O H I T O
3%	Hennes & Mauritz				
3%	LPP	ROSSMANN	LEROY MERLIN	Auchan	orsay
2%	AFM				
2%	Inditex		Carrefour	PULL&BEAR	Massimo Dutti
2%	CCC				
2%	TJX Poland Sp z o.o.	SEPHORA	Bershka	eobuwie.pl	MedioMarkt
2%	A.S. Watson				
2%	Metro Group	ZARA HOME	M. Cugco	DOUGLAS	T.K. MAXX
1%	Carrefour				
1%	Douglas				
1%	EM&F Group	RESERVED	ZARA	CCC	KAISER'S
1%	Sephora				
1%	Amrest	TENGELMANN	Stradivarius	NEW YORKER	empik
1%	New Yorker				
1%	Tengelmann Group				
26%	<b>TOP 15 TENANTS</b>	sinsay	DECATHLON	OYSHO	H&M

# APPENDIX 2: MACRO OVERVIEW OF OUR MARKETS

Macro Indicator	Poland	Czech Republic	Russia	Slovakia	Total / Average <sup>1</sup>	France	Germany
2020 population (million people)	38.0	10.7	146.8	5.5	200.9	65.0	83.2
2019 real GDP growth (%)	4.1%	2.3%	1.3%	2.4%	2.6%	1.5%	0.6%
2020F real GDP growth (%)	-2.8%	-5.0%	-3.1%	-2.7%	-3.4%	-5.0%	-3.9%
2021F real GDP growth (%)	3.7%	5.0%	3.6%	3.5%	4.0%	2.7%	2.5%
2019 unemployment (%)	3.3%	2.0%	4.6%	5.8%	3.9%	8.5%	3.1%
2020F unemployment (%)	6.2%	4.0%	5.9%	7.6%	5.9%	8.0%	4.6%
2021F unemployment (%)	6.6%	4.8%	5.5%	6.8%	5.9%	10.2%	4.2%
2019 inflation (%)	3.4%	3.2%	3.0%	3.2%	3.2%	1.6%	1.5%
2020F inflation (%)	2.4%	2.3%	4.9%	1.6%	2.8%	0.2%	-0.3%
2021F inflation (%)	1.6%	2.2%	3.5%	1.3%	2.2%	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 (%)	-1.0%	-3.0%	-3.3%	-1.1%	-2.1%	-6.7%	-9.0%
2021F retail sales growth (%)	6.8%	6.5%	11.8%	4.0%	7.3%	5.6%	4.8%
2019 consumer spend growth (%)	4.0%	3.0%	3.2%	2.1%	3.1%	1.5%	1.6%
2020F consumer spend growth (%)	-3.0%	-4.8%	-8.6%	-0.5%	-4.2%	-7.1%	-6.3%
2021F consumer spend growth (%)	6.0%	3.8%	6.5%	4.0%	5.1%	2.4%	1.4%
<b>Country rating / outlook – Moody's</b>	<b>A2 / stable</b>	<b>Aa3 / stable</b>	<b>Baa3 / stable</b>	<b>A2 / stable</b>	<b>n.a.</b>	<b>Aa2 / stable</b>	<b>Aaa / stable</b>
<b>Country rating / outlook – S&amp;P</b>	<b>A- / stable</b>	<b>AA- / stable</b>	<b>BBB- / stable</b>	<b>A+ / negative</b>	<b>n.a.</b>	<b>AA / stable</b>	<b>AAA / stable</b>
<b>Country rating / outlook – Fitch</b>	<b>A- / stable</b>	<b>AA- / stable</b>	<b>BBB / stable</b>	<b>A / negative</b>	<b>n.a.</b>	<b>AA / negative</b>	<b>AAA / stable</b>

Source: Capital Economics, C&W, Eurostat, IMF, Macrotrends, Oxford Economics, PMR, Trading Economics and World Bank

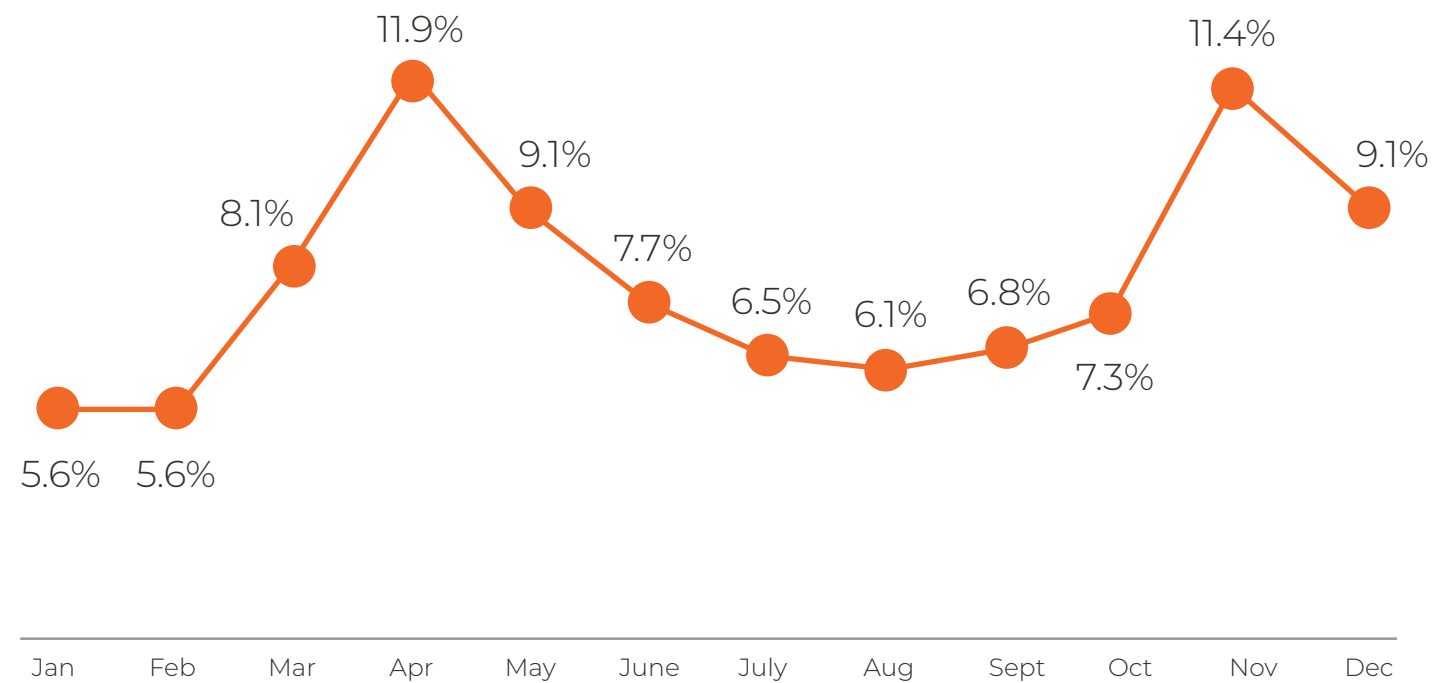
<sup>1</sup> Simple arithmetic average for comparison purposes

# APPENDIX 3: COVID-19 IMPACT - E-COMMERCE PENETRATION RETURNING TO PRE-COVID-19 LEVELS

## Poland

### Online sales of total retail sales in 2020

Online penetration reached almost 12% in the lockdown period and recovered to 9% in December

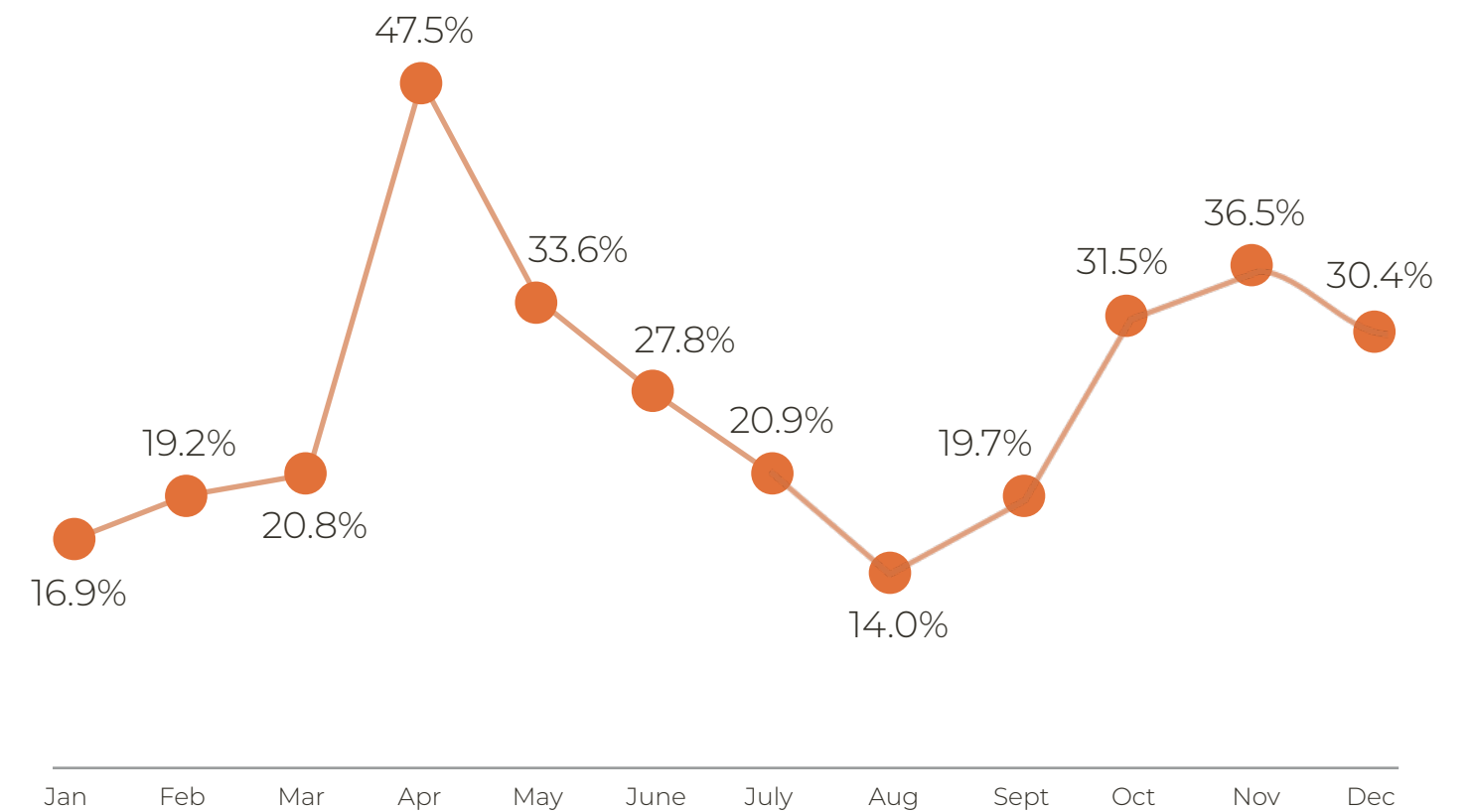


Source: statistic Poland

## Czech

### Online sales change YoY

Same trend in Czech: online growth reached above 47% YoY and reduced to 30% in December



Source: Czech Statistical Bureau



## Atrium's Sustainability governance

- | The Board is responsible for all matters related to sustainability - reviews and endorses the Company's sustainability strategy on an annual basis.
- | The day to day governance and implementation lies with a ESG Committee. The committee is responsible for defining the sustainability strategy, setting long term targets and monitoring company-wide environmental and social performance.
- | Senior management is leading the committee, Atrium is committed to actively manage and lead the ESG agenda.

# APPENDIX 5: EPRA OCCUPANCY AND GLA BY INDUSTRY

EPRA Occupancy	31/12/2019	31/12/2020	Change (ppt)
Poland	97.6%	92.5%	(5.1)
Czech Republic	96.7%	92.9%	(3.8)
Slovakia	100.0%	99.2%	(0.8)
Russia	94.9%	89.4%	(5.5)
<b>Total</b>	<b>97.0%</b>	<b>92.3%</b>	<b>(4.7)</b>

- Poland: approximately half of the decrease was due to a decision to terminate the agreements with two tenants (5,400 sqm) and two other tenants who left the Polish market (1,700 sqm). The remaining half resulted from expired and/or mutually terminated leases which were not yet replaced
- Russia: approximately 60% of the decrease relates to a new law (June 2020) that allows small and medium tenants to terminate the contracts with no penalty under certain conditions

GLA by industry	31/12/2020
Fashion Apparel	39.0%
Hyper/Supermarket	14.0%
Entertainment	12.0%
Home	10.0%
Speciality goods	9.0%
Health and Beauty	5.0%
Non Retail	5.0%
Restaurants	4.0%
Services	2.0%
<b>Total</b>	<b>100.0%</b>

- | This document has been prepared by Atrium (the “Company”). This document is not to be reproduced nor distributed, in whole or in part, by any person other than the Company. The Company takes no responsibility for the use of these materials by any person.
- | The information contained in this document has not been subject to independent verification and no representation, warranty or undertaking, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained herein. None of the Company, its shareholders, its advisors or representatives nor any other person shall have any liability whatsoever for any loss arising from any use of this document or its contents or otherwise arising in connection with this document.
- | This document does not constitute an offer to sell or an invitation or solicitation of an offer to subscribe for or purchase any securities, and this shall not form the basis for or be used for any such offer or invitation or other contract or engagement in any jurisdiction.
- | This document includes statements that are, or may be deemed to be, “forward looking statements”. These forward looking statements can be identified by the use of forward looking terminology, including the terms “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case their negative or other variations or comparable terminology. These forward looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the intentions, beliefs or current expectations of the Company. By their nature, forward looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward looking statements are not guarantees of future performance. You should assume that the information appearing in this document is up to date only as of the date of this document. The business, financial condition, results of operations and prospects of the Company may change. Except as required by law, the Company do not undertake any obligation to update any forward looking statements, even though the situation of the Company may change in the future.
- | All of the information presented in this document, and particularly the forward looking statements, are qualified by these cautionary statements. You should read this document and the documents available for inspection completely and with the understanding that actual future results of the Company may be materially different from what the Company expects.
- | This presentation has been presented in € and €m’s. Certain totals and change movements are impacted by the effect of rounding.





Atrium Group Services B.V.  
World Trade Center,  
I tower, 6th floor  
Strawinskylaan 1959 1077XX  
Amsterdam