

Regulated information

Interim statement¹ for Q3-2023 and update²

La Hulpe, 2nd November 2023 (5:45 pm CET)

- **Operational development since 01.07.2023**

- Obtaining planning permits: 15,000 m² has been authorised.
As at 30.09.2023, 52.3% of the current portfolio (1,200,000 m²) had planning permits.
89% of projects under development (i.e. 1,068,000 m²) are aligned with the European taxonomy.
- Office rental: Rental of 3,250 m² and completion in October of the 13,000 m² rental in Lakeside (Warsaw) announced at 30.06.2024.
As of 30.09.2023, 90,750 m² of office space (i.e. 7.6% of the portfolio) was leased.
- Sale of offices: Sale of the Roseville project in Budapest - 16,200 m²
As at 30.09.2023, 122,500 m² of office space (i.e. 10.2% of the portfolio) was the subject of a contract for sale.
Agreement (letter of intent) in October 2023 for the sale of the Am Wehrhahn project in Düsseldorf - 4,247 m²).
Negotiations underway for the sale of the WellBe project in Lisbon (14,500 m² being Atenor share).
- Residential sales 2023: 20 apartments sold since 01.07.2023.
90 apartments sold since 01.01.2023.

- **Balance sheet changes**

- Since 01.07.2023, the sale of Roseville has had the following impact: € 29.5 million in gross cash
€ 9.5 million debt reduction
- Proposal for a capital increase of ca. €160.9 million (including €133.5 million in irrevocable commitments) at the Extraordinary General Meeting of 6 November.
- These irrevocable commitments have been partially mobilized in October in the amount of €60m
- Agreement to maintain certain corporate bank lines beyond 31.12.2024.

- **Outlook**

- 2023 outlook: As previously announced, the 2023 results will be negatively impacted, mainly by the impairments recorded at 30.06.2023 and financial expenses.
- 2024 outlook: The new financial resources (cf. € 133.5 M of irrevocable commitments; subject to approval by the Extraordinary General Meeting) should enable to return to Atenor business model, i.e., to sell projects once they have been developed, in a market that is nonetheless still cautious. The first half of 2024 should be driven by the completion of sales of the Realex conference centre (Brussels), the UP-site apartments (Bucharest) and the Twist building (Belval, Luxembourg).

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.

² Atenor has chosen French as its official language. Consequently, only the French version text is authentic. The version in English is translation of the French version.

General overview of activities

The figures for 2023 in the chart below are cumulative and are as at 30.09.2023. They are stated in gross above-ground surfaces (m²).

Value creation cycle



Acquisition: The only acquisition in 2023 is our position in the Westbourne project in London.

Planning permit applications: We did not submit any new applications during the third quarter. On the other hand, several amendments to planning applications were introduced during the quarter to take into account the comments in the impact study (Realex, Move'Hub).

Building permit delivery: The last permit for City Dox ("Lot 6" Brussels) was obtained in September 2023 for the construction of 122 apartments and 2,300 m² of shops and workspaces. The delivery of the Victor Hugo permit in Paris, delayed by a few months, is expected towards the end of 2023.

Launch of construction: In general, all projects under construction are progressing according to plan. Atenor continues with an in-depth and case-by-case analysis of whether it is opportune to launch additional constructions. No constructions were launched during this third quarter. 190,000 m² (offices and residential) are currently under construction.

Leasing: Leases have been signed for a total area of around 3,250 m² mainly distributed across Poland and Belgium. Tenants are increasingly attracted to efficient and sustainable office space in a market where vacancies are nevertheless rising.

Sales: Atenor has completed the sale of its Roseville office building in Budapest (16,200 m²) to a Hungarian investment fund.

Residential sales have been recorded in City Dox (Brussels), UP-site (Bucharest) and Lake11 Home&Park (Budapest).

Financing policy

Atenor is pursuing its strategy of gradually and partially replacing financing on the financial markets (CP and EMTN) with project financing.

In addition, the forthcoming completion of a capital increase (subject to the approval of the Extraordinary General Meeting) will contribute to reducing the group consolidated indebtedness.

The weighted average interest rate of Atenor consolidated debt is 3.80% on 30.09.2023 (vs 2.58% in 2022).

Prospects for FY 2023

The rapid rise in interest rates has destabilised the real estate sector.

Atenor has taken stock of these circumstances and adopted appropriate measures in light of the situation, in particular by suggesting the upcoming capital increase (subject to the approval of the Extraordinary General Meeting).

The 2023 financial year will be marked, on the one hand, by impairments recorded at 30.06.2023 for an amount of €39.2 million and, on the other hand, by a sharp increase in financial expenses, a combined consequence of the high level of debt, the increase in interest rates, the increase in bank margins and ancillary financial expenses.

However, Atenor remains confident about the recovery in the real estate market, driven in particular by the sustainability objective.

In this context, an agreement for the sale of the Am Wehrhahn project (4,247 m², residential and retail, Düsseldorf) was concluded on 19.10.2023 in the form of a "Letter of intent" to be completed before the end of 2023 subject to due diligence and usual suspensive conditions. This sale should have a positive impact on cash of around €17 million and a negative non-material contribution to 2023 results.

In addition, negotiations for the sale of the WellBe project (29,100 m², Lisbon) to an occupying owner resulted in an agreement subject to due diligence and usual suspensive conditions. As a reminder, Atenor is working in a 50/50 partnership with Besix Red on this project. The sale should take place before the end of 2023 and will have a positive impact on cash flow and earnings. Depending on the final parameters that have yet to be determined, the positive impact (for Atenor share) as from 2023 on gross cash could amount to a minimum of €20 million and the contribution to earnings, in line with Atenor business model, would be recorded in the accounts as construction progresses (from 2023 to 2025).

Despite these positive developments, losses are expected to increase in the second half of the year, leading to annual results for 2023 that are largely in deficit. Given the context of the proposed capital increase, we are not providing earnings forecasts.

Atenor expects a return to a normal pace of project sales as from early 2024 and notably also driven 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).

Capital increase

At the end of September, Atenor announced that it had collected firm commitments with reference shareholders and new investors in the amount of €133.5 million to participate in the capital increase.

A new Extraordinary General Meeting was therefore convened for 06.11.2023 in order to approve a capital increase with subscription rights of ca. €160.9 million. The issue price was set at €5 in order to maximise the amount of firm commitments and ensure a successful fundraising.

This will enable Atenor to strengthen its balance sheet structure in order to consolidate its current position and to stimulate future growth. It will also give it greater flexibility to conduct its property sales and development transactions in a still cautious property market.

Financial calendar

Extraordinary General Meeting	6 November 2023
Publication of the annual results for 2023	21 March 2024
Annual General Meeting 2023	26 April 2024

For more information, contact Stéphan Sonnevill SA, CEO