First half 2020 results and update on trading as COVID restrictions ease

Jersey, 5 August 2020, Atrium European Real Estate Limited (VSE/Euronext: ATRS), (the "Company" and together with its subsidiaries, the "Atrium Group" or the "Group"), a leading owner, operator and redeveloper of shopping centres and retail real estate in Central Europe, announces results for the six months ended 30 June 2020 and provides an update on trading in light of the COVID-19 pandemic.

Update on COVID-19 situation

Recovery gaining traction as restrictions ease

- As of today, 92% of the Group's GLA and base rental income for Poland, Czech Republic and Slovakia is open. Including our shopping centres in Russia, 87% of the Group GLA is open*.
- With restrictions beginning to ease in May, recovery in our centres continues to build gradually towards pre COVID-19 levels as consumers gain confidence in the public health measures that have been taken.
- Russia started easing restrictions later, six of our centres in Russia have opened during the course of June and July and now only one centre remains closed.
- Footfall reached 73%[1] in the first week of July vs the same week in 2019 whilst June monthly sales were 77%[1] vs. last year, the positive trend continued in July.

Focus on proactive tenant engagement has ensured stable occupancy of 95.4%

- Short term tenant support given in exchange for lease prolongations and incorporation of other favourable lease terms amendments.
- EPRA occupancy at the end of June remained strong at 95.4% with an average lease term of 5.3 years. The average lease duration is expected to extend upon completion of tenant negotiations.

Rapidly implemented cash preservation measures preserved balance sheet strength

- Significant reduction in non-essential capital expenditure of approximately €15 million, as well as a €3 million reduction in operational costs and €2 million in administrative costs in 2020.
- Approximately €60 million of planned investment in redevelopments for 2020 are postponed to 2022/2023.
- Successful €217.8 million buy back of the Company's 2022 bonds and €200 million tap of notes due in 2025, resulting in extending the Group's average debt maturity to five years and bringing its average cost of debt to 2.9%. Next debt maturity is in October 2022.
- A voluntary scrip dividend alternative for each of Q2, Q3 and Q4 2020 dividend distributions, with €9.9 million of cash conserved in relation to the Q2 dividend following a 38.9% participation by shareholders.

[1] Excl. Russia which has opened later and where one centre remains closed

- Strong liquidity and financial flexibility with €95 million cash and €200 million unutilised credit facility as of today, coupled with low leverage of 36.1%. Fitch reaffirmed the Company's rating at BBB (stable) and Moody's confirmed Baa3 rating, changing the outlook from under review for downgrade to negative.

Key financial and Operational figures for the period

In €m	**6M 2020**	**6M 2019**	**CHANGE %/ppt**
Net rental income ("NRI")	71.4	92.4	(22.8)
EPRA Like-for-Like NRI	52.2	60.9	(14.2)
EBITDA	61.6	81.5	(24.4)
Company adjusted EPRA earnings per share (€Cents)	9.8	15.4	(36.4)
Occupancy rate (%)	95.4%	97.0%[2]	(1.6)
Operating margin (%)	90.0%	95.8%	(5.8)
Net equivalent yield	6.5%	6.4%[2]	0.1

- Group NRI decreased by €21 million. Excluding the €12 million impact of COVID-19 (relating mainly to the rent and service charge relief imposed by the government in Poland for the lock down period) and a €10 million impact of net disposals, NRI increased by €0.7 million.
- On a like-for-like basis, NRI decreased by 14.3%. Excluding the impact of COVID-19, Like for like NRI increased by 1.0%.
- EBITDA and Company adjusted EPRA earnings per share decreased by 24% and 36% respectively. Excluding the impact of COVID-19 and disposals they were stable at €83 million and 15.4 €cents.
- Operating margin decreased by 5.8ppt to 90%, affected by the government imposed service charge relief for the lockdown period in Poland of 3.7ppt, as well as tenant support and redevelopments.
- Collections for the first half of 2020 were 76%. In Q1 they were at 97% while the Q2 collections are 53%.
- The Company recognised a 3.3%[3] or €88 million devaluation of income producing assets which is primarily due to yield expansion across the portfolio from 6.4% as at 31.12.19 to 6.5% at 30.06.2020, the balance is the temporary cash flow impact of COVID 19 tenant support. Warsaw and Prague demonstrated more resilience with a 2.7% devaluation. The devaluation for Russia was 7% reflecting the currency trends in the first half of the year in addition to the above.
- The Group continued its portfolio rotation and repositioning strategy in the first six months of 2020 with a total of €75 million transactions including the sales of the Atrium Duben shopping centre in Slovakia in January and five assets in Poland in July.
- The third quarterly dividend for 2020 will be paid (as a capital repayment) on 30 September 2020 to shareholders on the register as at 9 September 2020, with an ex-dividend date of 8 September 2020.

[2] As of 31 December 2019
[3] Excluding 5 assets classified as held for sale sold in July 2020
*25 of Atrium's 26 assets are now open and trading

The election date for a scrip dividend will start on 10 September 2020 and end on 22 September 2020.

- A circular setting out further details on the election being offered to shareholders pursuant to the scrip dividend alternative including the election instructions and information on the exchange ratio, will be posted to shareholders before the start of the election period, and will be available on the Company's website.

Liad Barzilai, Chief Executive Officer of Atrium Group, commented:

"The COVID-19 pandemic has had and continues to have an impact on our business. With lockdown measures easing since early May and 87% of the portfolio now open for business, we are continuing to see a recovery towards pre COVID levels. The quick actions that we took, including proactively engaging with our tenants and shaping our debt maturities, coupled with the quality of our portfolio and the strength of our balance sheet have put us in a good position to tackle these challenges. We also take confidence from the fact that the governments in our key countries of operation responded quickly and decisively, leading to lower infection and fatality rates and in turn, an earlier easing of restrictions.

"The crisis has accelerated many of the trends that were already impacting our sector and have been the driving force behind our strategy and portfolio repositioning over the past years. However, humans are inherently social creatures and we remain firm in our belief that our portfolio of urban centres serving their local communities' needs still has an important place in the future for both retailer and consumer alike. We remain committed to our strategy of diversifying into the residential for rent sector, in our key markets of Poland and the Czech Republic, which continue to benefit from strong underlying fundamentals despite the current global crisis. Finally, I would like to reiterate that the health and safety of our employees, customers and consumers remains our paramount priority in these difficult times."

Further information can be found on the Company's website www.aere.com or for Analysts:

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About Atrium European Real Estate

Atrium is a leading owner, operator and redeveloper of shopping centres and retail real estate in Central Europe. Atrium specializes in locally dominant food, fashion and entertainment shopping centres in the best urban locations. Atrium owns 26 properties with a total gross leasable area of over 809,000 sqm and with a total market value of approximately €2.5 billion. These properties are located in Poland, the Czech Republic, Slovakia and Russia, and with the exception of one, are all managed by Atrium's internal team of retail real estate professionals.

In January 2020 Atrium announced a strategy to diversify its portfolio by investing in and managing residential for rent real estate, with a primary focus on Warsaw.

The Company is established as a closed-end investment company incorporated and domiciled in Jersey and regulated by the Jersey Financial Services Commission as a certified Jersey listed fund, and is listed on both the Vienna Stock Exchange and the Euronext Amsterdam Stock Exchange. Appropriate professional advice should be sought in the case of any uncertainty as to the scope of the regulatory requirements that apply by reason of the above regulation and listings. All investments are subject to risk. Past performance is no guarantee of future returns. The value of investments may fluctuate. Results achieved in the past are no guarantee of future results.