



ATRIUM EUROPEAN REAL ESTATE LIMITED
(incorporated with limited liability under the laws of Jersey, registration number 70371)

EUR300,000,000 3.000 per cent. Notes due 11 September 2025

This prospectus constitutes a prospectus (the “**Prospectus**”) within the meaning of Article 5.3 of Directive 2003/71/EC, as amended (the “**Prospectus Directive**”).

The issue price of the EUR300,000,000 3.000 per cent. Notes due 11 September 2025 (the “**Notes**”) of Atrium European Real Estate Limited (“**Atrium**” or the “**Issuer**”) is 98.457 per cent. of their principal amount.

The Notes bear interest from 11 September 2018 at the rate of 3.000 per cent. per annum payable annually in arrear on 11 September in each year commencing on 11 September 2019. Payments on the Notes will be made in euro without deduction for or on account of taxes imposed or levied by Poland, the Czech Republic, Slovakia, Russia, Hungary, Romania or Jersey to the extent described under “*Terms and Conditions of the Notes—Taxation*”.

Unless previously redeemed or cancelled, the Notes will be redeemed at their principal amount on 11 September 2025. The Notes are subject to redemption in whole at their principal amount at the option of Atrium at any time in the event of certain changes affecting taxation in Poland, the Czech Republic, Slovakia, Russia, Hungary, Romania or Jersey. The Notes may be redeemed at the option of Atrium in whole, but not in part, at any time at the Relevant Early Redemption Amount. In addition, the holder of a Note may, by the exercise of the relevant option, require Atrium to redeem such Note at its principal amount on a Change of Control Put Date. See “*Terms and Conditions of the Notes—Redemption and Purchase*”.

This Prospectus has been approved by the *Commission de Surveillance du Secteur Financier* (the “**CSSF**”), which is the Luxembourg competent authority for the purpose of the Prospectus Directive. Application has been made for the Notes to be admitted to listing on the official list of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange’s regulated market. By approving this Prospectus, the CSSF gives no undertaking as to the economic and financial opportuneness of the transaction contemplated by this Prospectus or the quality or solvency of Atrium in line with the provisions of Article 7(7) of the Luxembourg law dated 10 July 2005 on prospectuses for securities, as amended.

The Notes are not regulated or authorised by either the Jersey Financial Services Commission (“**JFSC**”) or the Jersey Company Registry.

The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) and are subject to United States tax law requirements. The Notes are being offered outside the United States by the Managers (as defined in “*Subscription and Sale*”) in accordance with Regulation S under the Securities Act (“**Regulation S**”), and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

The Notes will be issued in bearer form and in the denomination of EUR100,000 and integral multiples of EUR1,000 in excess thereof up to and including EUR199,000. The Notes will initially be in the form of a temporary global note (the “**Temporary Global Note**”), without interest coupons, which will be deposited on or around 11 September 2018 (the “**Closing Date**”) with a common safekeeper for Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking, S.A. (“**Clearstream, Luxembourg**”). The Temporary Global Note will be exchangeable, in whole or in part, for interests in a permanent global note (the “**Permanent Global Note**”), without interest coupons, not earlier than 40 days after the Closing Date upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership. The Permanent Global Note will be exchangeable in certain limited circumstances in whole, but not in part, for Notes in definitive form in the denomination of EUR100,000 and integral multiples of EUR1,000 in excess thereof up to and including EUR199,000 each and with interest coupons attached. See “*Overview of Provisions Relating to the Notes in Global Form*”.

The Notes are expected to be rated Baa3 by Moody's Investors Service Ltd ("**Moody's**") and BBB- by Fitch Ratings Limited ("**Fitch**"). Moody's and Fitch are established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").

A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Global Co-ordinators

Deutsche Bank

HSBC

Joint Active Lead Managers

Citigroup

ING

Raiffeisen Bank International

The date of this Prospectus is 7 September 2018.

IMPORTANT NOTICES

Atrium has confirmed to the Managers named under “*Subscription and Sale*” below (the “**Managers**”) that this Prospectus contains all information regarding Atrium and the Notes which is (in the context of the issue, offering and sale of the Notes) material; such information is true and accurate in all material respects and is not misleading in any material respect; any opinions, predictions or intentions expressed in this Prospectus on the part of Atrium are honestly held or made and are not misleading in any material respect; this Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in such context) not misleading in any material respect; and all proper enquiries have been made to ascertain and to verify the foregoing.

Atrium has not authorised the making or provision of any representation or information regarding Atrium or the Notes other than as contained in this Prospectus or as approved for such purpose by Atrium. Any such representation or information should not be relied upon as having been authorised by Atrium or any of the Managers.

Neither the Managers nor Deutsche Trustee Company Limited (the “**Trustee**”) nor any of their respective affiliates have authorised the whole or any part of this Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Prospectus. Neither the delivery of this Prospectus nor the offering, sale or delivery of any Note shall in any circumstances create any implication that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of Atrium since the date of this Prospectus.

This Prospectus does not constitute an offer of, or an invitation to subscribe for or purchase, any Notes.

The distribution of this Prospectus and the offering, sale and delivery of Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by Atrium and the Managers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on distribution of this Prospectus and other offering material relating to the Notes, see “*Subscription and Sale*”.

In particular, the Notes have not been and will not be registered under the Securities Act and are subject to United States tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons.

MIFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, “**MiFID II**”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the

manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the “**Insurance Mediation Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

In addition, in the United Kingdom, the attached document is being distributed only to and is directed only at persons in circumstances where section 21(1) of the Financial Services and Markets Act 2000 does not apply (such persons being referred to as “relevant persons”). Any person who is not a relevant person should not in any way act or rely on the attached document or any of its contents. Any investment activity in the United Kingdom (including, but not limited to, any invitation, offer or agreement to subscribe, purchase or otherwise acquire securities) to which the attached document relates will only be available to, and will only be engaged with, such persons.

The JFSC has consented to the circulation of this Prospectus by Atrium. Atrium is regulated by the JFSC as a certified fund pursuant to the Collective Investment Funds (Jersey) Law 1988, as amended (“**CIF Law**”). The JFSC is protected by the CIF Law against liability arising from the discharge of its functions under this law. The Notes are not regulated or authorised by either the JFSC or the Jersey Company Registry.

In connection with the issue of the Notes, HSBC Bank plc (the “Stabilising Manager”) (or persons acting on behalf of the Stabilising Manager) may over allot Notes or effect transactions with a view to supporting the price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) in accordance with all applicable laws and rules.

Atrium is regulated by the JFSC as a certified fund pursuant to the CIF Law. In order to facilitate the internalisation of its management, Atrium was, in 2008, granted permission by the JFSC to be treated as a Listed Fund (as published by the JFSC) under a fast-track

authorisation process. Holding an investment in Atrium is suitable therefore only for professional or experienced investors, or those who have taken appropriate professional advice. Regulatory requirements, which may be deemed necessary for the protection of retail or inexperienced investors, do not apply to Listed Funds. Any person holding an investment in Atrium will be deemed to have acknowledged that he or she is a professional or experienced investor, or has taken appropriate professional advice, and has accepted the reduced requirements accordingly. You are wholly responsible for ensuring that all aspects of this fund are acceptable to you. Investment in listed funds may involve special risks that could lead to a loss of all or a substantial portion of such investment. Unless you fully understand and accept the nature of this fund and the potential risks inherent in this fund you should not invest in this fund.

Further information in relation to the regulatory treatment of Listed Funds domiciled in Jersey may be found on the website of the Jersey Financial Services Commission at www.jerseyfsc.org.

TABLE OF CONTENTS

RISK FACTORS	5
OVERVIEW	35
FORWARD-LOOKING STATEMENTS	39
DOCUMENTS INCORPORATED BY REFERENCE	40
PRESENTATION OF CERTAIN INFORMATION	42
OVERVIEW OF FINANCIAL INFORMATION	45
DESCRIPTION OF ATRIUM AND THE GROUP	51
DIRECTORS OF ATRIUM AND GROUP EXECUTIVE MANAGEMENT	64
MAJOR SHAREHOLDERS	70
USE OF PROCEEDS	71
TERMS AND CONDITIONS OF THE NOTES	72
OVERVIEW OF PROVISIONS RELATING TO THE NOTES IN GLOBAL FORM	95
TAXATION	98
SUBSCRIPTION AND SALE	101
GENERAL INFORMATION	103
INDEX OF DEFINED TERMS	106

RISK FACTORS

Investment in the Notes involves certain risks.

Atrium believes that the following factors may affect its ability to fulfil its obligations under the Notes. All of these factors are contingencies which may or may not occur and Atrium is not in a position to express a view on the likelihood of any such contingency occurring.

Factors which Atrium believes may be material for the purpose of assessing the market risks associated with the Notes are also described below.

Atrium believes that the factors described below represent the principal risk factors inherent in investing in the Notes, however Atrium may be unable to pay interest, principal or other amounts on or in connection with the Notes for other reasons that are currently unknown to Atrium or that Atrium does not currently consider to be material. Prospective investors should also read the detailed information set out elsewhere in this Prospectus (including any documents incorporated by reference in, and forming part of, this Prospectus) and reach their own views prior to making any investment decision.

Risks relating to the Group's operations and business

The Group is exposed to certain risks relating to real estate investments

Investing in real estate is generally subject to various risks, including adverse changes in national or international economic conditions, political instability, sanctions, weaker demographics (including aging) and changes in urbanisation trends, declining flow of capital due to global changes and reduced available liquidity, adverse local market conditions, the financial condition of the retail sector (including tenants and buyers and sellers of real estate), changes in the availability of debt financing, changes in interest rates and foreign exchange rates, real estate tax rates and other operating expenses, environmental and operational laws and regulations (for example, opening hour restrictions), planning laws (including compulsory purchase orders) and other governmental rules and fiscal policies, claims arising in respect of properties acquired with undisclosed or unknown environmental or other issues or as to which inadequate reserves had been established, energy prices, changes in technology and on line retailing, changes in the relative popularity of real estate types and locations leading to an oversupply of space or a reduction in demand for a particular type of real estate in a given market, and risks and operating problems arising out of the presence of certain construction materials.

These factors could cause fluctuations in rental income or operating expenses, causing a negative effect on the operating returns derived from properties. The value of properties may also be significantly diminished in the event of a downturn in real estate prices or the occurrence of any of the other factors noted above. Such a decrease in rental income, increase in operating expenses or decrease in the value of properties could have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

The fair value of the Group's properties is inherently uncertain due to fluctuation in economic conditions

The fair value of the Group's investment properties is inherently uncertain due to the individual nature of each property and the characteristics of the local, regional and national real estate markets. The fair value is influenced by several factors, such as general and local economic conditions, interest rates, inflation expectations, current and future market rent levels, currency fluctuations, vacancy rates, property investor yield requirements and competition. The valuation of investment property is inherently subjective due to, among other factors, the individual nature of each property, its location, the expected future rental revenues from that particular property and, in the case of development land, the expectations as to the cost and timing of that development and its ability to attract tenants. As a result, the valuations of investment property, which account for the vast majority of the Group's assets, will be subject to a degree of uncertainty and will be made on the basis of assumptions, which may not prove to be accurate, particularly in periods of volatility or low transaction volume in the real estate property market. The Group and/or an independent appraiser may be required to make good faith determinations as to the fair value of this investment property on an annual basis in connection with the preparation of its consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") and net asset value determinations. A reduction of the market value of a property based on such a valuation analysis could have an adverse effect, among other things, on the Group's value of its total assets and its profitability. In addition, the Group's existing debt facilities contain certain covenants, such as an obligation to maintain a maximum loan to valuation ratio, which could also be adversely affected by a decrease in the market value of its investment properties. As a result, fluctuations in the valuation of the Group's properties could have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

A decreased demand for, or an increased supply of, or a contraction of the market for, properties in the Region could adversely affect the business and financial condition of the Group

Changes in supply and demand for real estate, or a contraction of the property market in any of the countries in which the Group has its operations or assets, in particular in respect of its Standing Investments, may negatively influence the occupancy rates of the Group's properties, the rental rates, the level of demand and ultimately the value of such properties. Similarly, the demand for rental space at the Group's existing properties may decrease as a result of poor economic conditions, an increase in available space, new or renewed adjacent competitive schemes and heightened competition for stronger and better performing tenants. This could result in lower occupancy rates, higher capital expenditure required to contract or retain tenants, lower rental income owing to lower rental rates, as well as, shorter lease periods. In addition, the capital invested or committed to be invested in the countries which the Issuer operates by various global investors might decrease on the back of changes in global relative returns and available liquidity. All of these risks, if realised, could have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

The Group's financial performance relies on its ability to attract and retain tenants which may suffer as a result of increased competition from other owners, operators and developers

The Group faces competition from other owners, operators and developers of retail real estate. One of the primary areas of focus for the Group is the active management of its Standing Investments through optimising its tenant mix and ensuring asset attractiveness is achieved and improved by finding the right balance between retaining existing tenants and re-letting rental space to new tenants. The Group competes with local real estate developers, private investors, property funds and other retail property owners for tenants. Other than the requirement for capital, there are few other barriers to entry to the property market. Some of the Group's competitors may have properties that are newer, better located or in superior condition to its properties.

The dominance of a shopping centre in a particular area is an important factor that determines the shopping centre's ability to compete for tenants. If there are several centres in the same area, competition is more intense and the Group may experience increased competition for tenants. The competition for tenants may negatively affect the Group's ability to optimise the tenant mix, attract new tenants, retain existing tenants and may also negatively influence the terms of the Group's lease agreements, including the amount of rent that it charges and the incentives that it provides to tenants, thereby adversely affecting the Group's business, financial condition, prospects and results of operations.

A further increase in internet and mobile shopping could have an adverse effect on shopping centre sales and decrease demand for retail premises

The Group has a majority of food and fashion anchored shopping centres and retail properties that meet the everyday needs of consumers. This makes the Group vulnerable to changes in trends in the behaviour of consumers. The retail industry is undergoing a transformation as e-commerce grows and consumers become increasingly comfortable with internet and mobile shopping. The growth in on-line retail is more pronounced in certain sectors, particularly the sale of books, apparel and electronic goods. Shopping centres are constantly adapting their services and tenant offerings to meet changing consumer behaviour and demand to continue to attract customers in the future. An increase in internet and mobile shopping and an improvement in delivery services may lead to a decrease in footfall in the Group's shopping centres and may cause tenants to increase their online presence and decrease their floor space. If the Group's shopping centres, as well as its tenants, are unable to adjust to the increasing influence of on-line retail, a significant increase in internet and mobile shopping could decrease shopping centre sales and affect the Group's occupancy rate and rental income which could have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

The financial performance of the Group is subject to the Group's ability to secure initial tenants, rent renewals or re-lettings and manage lease expiries

The financial performance of the Group is subject to the Group's ability to secure initial tenants, rent renewals or re-lettings and manage lease expiries which are reflected in the occupancy rates of the Group's properties. The Group's ability to manage occupancy rates is also dependent upon its ability to attract tenants, the remaining term of the Group's lease agreements, the financial

position of its current tenants and the attractiveness of properties to current and prospective tenants. The percentage of lease agreements with a remaining contract term, based on lease expiry date, of more than five years was 29.8% as at 31 December 2017. In order to retain current tenants or attract new tenants the Group may be required to offer lease incentives such as reductions in rent, capital expenditure programmes, rent clauses based on turnover rent, gross rentals and other terms in its lease agreements that make such leases less favourable to the Group. Some of the Group's lease agreements with anchor and other tenants provide for break clauses after an initial tenancy period of five to fifteen years. It is possible that some of the tenants may choose to exercise their rights under the respective break clauses and terminate their leases early. In addition, the Group may not be successful in maintaining or increasing occupancy rates or successfully negotiating favourable terms and conditions in relation to its lease agreements. A failure to do so could have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

The Group is dependent on the presence of anchor tenants

The Group relies on the presence of anchor tenants in its retail centres. Anchor tenants play an important part in generating consumer traffic and making a centre a desirable location for other tenants. The failure to renew the lease of an anchor store, the termination of an anchor store's lease, or the bankruptcy or economic decline of an anchor tenant can have a material adverse effect on the economic performance of the centres. There can be no assurance that, if the anchor stores were to close or fail to renew their leases, the Group would be able to replace such anchor tenants in a timely manner or that it could do so without incurring material additional costs and suffering adverse economic effects. The presence of an alternative anchor tenant with similar retail strength and the ability to maintain similar or better lease terms is highly correlated to the size of the relevant market, competitive environment, market conditions and asset position; the expiration of an anchor lease may make the refinancing of such a centre, if required, difficult. Furthermore, the deterioration of the Group's relationships with any of its anchor tenants may negatively impact on the Group's ability to secure anchor tenants for its future projects. Any of the above risks, if realised, could have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

The Group is subject to the counterparty risk of its tenants

The Group is subject to the counterparty risk of its tenants as the net revenue generated from the Group's properties depends on the financial stability of its tenants and the commercial relationships with them. The creditworthiness of a tenant can decline over the short or medium term, leading to a risk that the tenant will become insolvent or be otherwise unable to meet its obligations under the lease. Developments in the markets the Group is operating, in such as the crises in Russia and the weakening of the Ruble, Sunday trading restrictions, increased on line trading, access to cheap labour force (e.g. Asia), made tenants' resilience and agile capabilities important more than ever to their financial sustainability. Although the Group receives and holds advance deposits, such deposits are likely to be insufficient and the amounts payable to the Group under its lease agreements with tenants that are not secured (by deposits, bank guarantees or corporate guarantees) bear the risk that these tenants may be unable to pay such amounts when due. While the Group has a broad tenant base, it may suffer from a decline in revenues and profitability in the event a number of its significant tenants are unable to pay rent owed when due

or seek bankruptcy protection. The Group is not insured against this credit risk. If a tenant seeks bankruptcy protection, the Group may be subject to delays in receipt of rental and other contractual payments, if it is able to collect such payments at all, and the Group may not be able to secure vacant possession of the property without a court order, thus preventing the Group from re-letting that property to a new tenant. The Group may not be able to limit its potential loss of revenues from tenants who are unable to make their lease payments. If a lease is terminated, the Group may be unable to re-let the property for the rent previously received or at all. The realisation of any of these risks could have a material adverse effect on the Group's business, financial condition, cash flows, prospects and results of operations.

The ability of the Group to increase rents in line with market may be restricted by terms of the Group's lease agreements

The Group may be restricted in its ability to raise rents in line with market owing to certain terms in its lease agreements. Rental levels and market value for properties are generally affected by overall conditions in the economy. Both rental income and property values may also be affected by factors specific to the real estate market, including (i) rent reviews with tenants, particularly anchor tenants, may not be agreed at the then current rental values and rents payable by such tenants may be tied to their turnover - such that, if the turnover of such tenant declines, the rent payable by such tenant also decreases; and (ii) most lease agreements to which the Group is a party include clauses which provide for partial or full indexation of rent, which, in most cases, is indexed in line with a consumer price index. Consequently, the increase in the rental proceeds from such leases is dependent not only on general economic developments or market conditions, but largely on future rates of inflation which can be subject to governmental or European monetary policy adoptions such as quantitative easing. Each of these factors may restrict the Group's ability to increase rents in line with market and could therefore have a material adverse effect on the Group's business, growth opportunities (both organic and by means of acquisitions), financial condition, prospects and results of operations.

The Group may be unable to be reimbursed by tenants for increases in operating and administrative expenses

The Group's operating and administrative expenses, as well as increasing repair and maintenance costs related to the gradual ageing of the Group's properties, could increase without a corresponding increase in turnover or tenant reimbursements, mainly owing to reimbursement caps that may be included in various lease agreements or other legal restrictions. Further, there may be expenses which are not rechargeable to tenants. Factors which could increase operating and administrative expenses include, amongst others, increases relating to the rate of inflation, payroll expenses, legal expenses, property taxes and other statutory charges, energy costs and cost of services provided by third party providers; movements in foreign exchange rates; increases in insurance premium; increases in construction, redevelopment and maintenance costs and increases in capital expenditure which arise as a result of defects relating to the properties needing to be rectified. Any such increases, if not reimbursed by the Group's tenants, could have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

The Group's claims to title of its properties may be subject to challenge and permits may have been obtained in breach of applicable laws

As a result of, among other things, the process of registration of title at the relevant real estate and corporate registries, the purchase of property from public authorities, restitution laws and untested law-enforcement procedures, the Group may not in all cases have undisputable title to its properties and/or land on which its properties are located or title to the shares of companies which own the land and properties of the Group in certain countries in which the Group has its operations or assets. In addition, some of the following countries: Czech Republic, Hungary, Latvia, Poland, Romania, Russia, Slovakia and Turkey (collectively, the "**Region**") have been subject to extensive privatisation programmes in respect of property which has previously been appropriated by the state. To the extent that the Group holds any such property in its investment property portfolio, any challenge by an interested party to such appropriation by the state could result in restitutionary claims against the Group as the current owner of the affected property. There can be no assurance that all permits necessary to legally own, develop or operate the properties have been obtained in compliance with all applicable laws. The Group's direct or indirect ownership interests in a property may therefore be challenged by government authorities and third parties in certain countries of the Region. If the Group's ownership interests over its property or permits are successfully challenged, it could have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

The Group intends to selectively invest in real estate assets, either by acquisitions or redevelopment projects, but it may overestimate the potential of such investments, over pay for investments, not identify all potential liabilities or be unable to obtain relevant clearances to complete the transaction

The Group intends to selectively acquire additional real estate assets or extend existing assets in the future. Those investments require, among other things, an analysis of a wide variety of factors, including subjective assessments and assumptions. It is possible that the Group may overestimate the potential of those investments, when making investments decisions or may base its decision on inaccurate information or assumptions that turn out to be incorrect. For example, the Group may overestimate the attractiveness of a property or its location, or the demand for such premises, in which case it may be difficult to find suitable tenants that are willing to enter into favourable leases. The Group may also underestimate the likelihood that a newly acquired real estate asset will require substantial renovation, capital repairs or an environmental action. Such errors may only become apparent at a later stage and force the Group to recognise fair value losses on its statement of financial position and income statement.

Furthermore, the Group cannot guarantee that its due diligence when acquiring a real estate asset will uncover all the potential liabilities and risks related to the property, such as construction defects, or that it will have recourse to the seller of the property for the non-disclosure of such risks. Official information in the land register of some of the countries in which the Group has its operations or assets may not be accurate and complete. Thus, although the Group may have to rely upon the information contained in land registers, it may not have effective redress against the government of the relevant country if the information upon which the Group relied in deciding whether or not to make an investment was inaccurate, misleading or incomplete.

In addition, as the Group acquires properties and increases its market share, compliance with competition regulations may become more onerous. It is possible that competition authorities may rule that certain future acquisitions are anti-competitive. Adverse proceedings with authorities regarding acquisitions could harm the Group investment and expansion plans.

Any of these factors, alone or in combination, could have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

The Group may be exposed to losses in respect of legacy or inherited liabilities relating to predecessors-in-title

The Group has acquired a number of its assets from third parties who may have undertaken to carry out certain actions in respect of such assets in particular in case of share/business acquisitions or disposals and through related party transactions, certain transactions which may have exceeded prescribed thresholds, being detrimental to creditors, or otherwise not in compliance with the applicable laws of the relevant jurisdiction in the Region and other corporate matters relating to such properties. If the aforementioned actions of such third parties are challenged or form a basis for third party claims against the Group, the Group may not be able to defend such challenges or claims successfully, including because the applicable provisions of the laws in the relevant jurisdiction in the Region may be subject to several different interpretations. Such actions and claims, if successfully pursued, could result in the invalidation of the relevant transactions or the imposition of liabilities on the Group.

In certain cases, third parties from whom the Group has acquired assets may have failed to procure the necessary consents, permits, approvals, clearances or other authorisations required from the relevant regulatory authorities in relation to such assets. As a result of such failure, the Group may face challenges from the applicable regulatory authorities in the relevant jurisdiction and may be subject to administrative fines or other penalties. Any challenges to, or invalidation or termination of, any such transactions or imposition of any such liability could, individually or in the aggregate, have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

The geographic composition of the Group Portfolio might change in the future due to further acquisitions or divestments

The Group continuously seeks investment opportunities in the Central Europe region and possibly in other markets that it believes might meet its investment strategy. Consequently, the geographical composition of the Group Portfolio may change, either as a result of new acquisitions or as a result of divestitures of properties by the Issuer or other members of the Group. A change in the geographical composition of the Group Portfolio may lead to increased concentration in certain geographical areas, or introduce dependencies on regional market conditions in new or different geographical areas, which may have different fundamentals, trends or legal, regulatory and tax regimes than the current Portfolio Regions. A broader geographical distribution of the Group Portfolio may also result in additional costs in connection with the management of its properties and reduce the benefits of economies of scale. A different geographical distribution of the Group Portfolio may also result in reduced availability of market data, which could limit the Group's ability to predict the performance of its investments.

Furthermore, a change in the composition of the Group Portfolio may lead to an income dilution and lower cash flows. The occurrence of any of the foregoing factors may have a material adverse effect on the business, net assets, cash flows, financial condition, results of operations, net profits and prospects of the Group.

The performance of the Group Portfolio is exposed to concentration risks

The Group Portfolio is exposed to concentration risks due to its focus on certain types of real estate asset type, namely retail real estate, its concentration on certain countries and cities (e.g. Warsaw in Poland and Prague in The Czech Republic), and its reliance in the case of certain properties on a limited number of key tenants. The performance of the Group Portfolio may be disproportionately impacted by events or market developments occurring in specific Portfolio Regions or by developments that affect certain types of commercial or residential real estate. In the event of developments that impact certain key tenants, the Group may be unable to find suitable replacement tenants at attractive rent levels or at all. Any of these developments may result in increased vacancy rates and decreased rent levels for the Group Portfolio, or have a significant negative effect on the Group Portfolio.

The Group may not be able to execute disposals of real estate at acceptable prices, on acceptable terms or at all

The Group has in the past sold properties in part or in full and may continue to do so in the future. The value and price of disposed properties are influenced by several factors, such as general economic conditions, investor base, asset class and quality, interest rates, inflation expectations, investor yield requirements, available financing and competitive dynamics. Also, there may be a significant shortfall between the fair value of the property disclosed in the IFRS financial statements and the price at which the Group could sell such property. The Group is exposed to the risk of accelerated, or forced, sales if, among other things, the Group is an unwilling seller. This may result from the need to comply with divestment requirements of competition authorities particularly as the Group acquires properties and increases its market share. In planned disposals in the ordinary course of business, weakened economic conditions may result in a sale price that is lower than anticipated or in a delay of the sale. In addition, the Group may also be subject to restrictions on its ability to sell properties pursuant to covenants and pledges limiting asset disposals in the Group's credit agreements. The inability of the Group to sell at acceptable prices, or any such shortfall, delay or restriction, or any claim under the sale agreement, could have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

The Group could incur liability in connection with properties, interests in companies or other assets that it sells

When the Group sells properties, interests in companies that hold real estate or other assets, it is typically required to make representations, warranties, covenants and negative declarations of knowledge to purchasers with respect to certain characteristics of such properties, interests or assets. The resulting obligations of the Group may continue to exist for a number of years after the Group sells such properties, interests or assets. Among other things, the Group could be subject to claims for damages from purchasers who assert that the representations or warranties

that the Group made to them were untrue, or that the Group failed to meet its obligations under the relevant sale agreement. The Group could become involved in lengthy and expensive legal disputes with purchasers and could be required to make significant payments for restitution, damages or to settle disputes. As a seller of properties, interests in companies or other assets, the Group is also subject to other restrictions in the Regions. Failure to comply with these requirements may expose the Group to legal, administrative or regulatory proceedings, sanctions or penalties. Legal or settlement costs, including the costs of defending lawsuits, whether justified or not, as well as potential damages associated with liability for properties, interests in companies or other assets that the Group has sold may have an adverse effect on the cash flows, financial condition and results of operations of the Group. The occurrence of any of these factors may have a material adverse effect on the business, cash flows, financial condition, results of operations, net profits and prospects of the Group.

The Group is exposed to risks related to redevelopment, capex, maintenance, repositioning and repair of properties. Those initiatives, may take more time, be more expensive or ultimately be less effective than originally anticipated

The Group is required to maintain the properties in the Group Portfolio in good condition, based not only on the requirements of law and its obligations under the relevant lease agreements, but also based on the quality of similar properties in the relevant Portfolio Regions. The Group performs maintenance and repairs, as well as invests capex, in its properties for many reasons, including among others to increase value or in order to avoid loss of value and to maintain demand for its properties. Modernisation, refurbishment and capex for the Group's properties may also be necessary in order to increase their appeal or to meet changing legal requirements, such as provisions relating to modernisation and energy savings and equipping residential units with smoke detectors. In some cases, the amount invested in a property by the Group may be significant.

The properties in the Group Portfolio may from time to time require investment for targeted modernisation and repositioning. Some of these properties were acquired following periods of mismanagement and may not have received adequate investment from previous owners, resulting in significant modernisation, repositioning, capex and fit-out costs, which could well exceed the costs of general maintenance. Although the Group takes steps to predict the expenses associated with its properties, there is no guarantee that the Group has predicted, or will correctly predict in the future, the amount of time and money that it must spend on maintenance, repairs, modernisation, repositioning, fit-out or capex and development of its properties. These costs may increase substantially as a result of many factors, such as increased costs of materials, increased labour costs, increased energy costs, bad weather conditions, unexpected safety requirements or unforeseen complexities and developments at the building site. The Group may be unable to undertake work on its properties in a timely fashion or at all for many reasons, including lack of a skilled labour force, bad weather conditions or the failure of contractors or subcontractors to adhere to agreed-upon time schedules or continue as going concerns during the course of necessary work. Further, necessary building or other permits may be delayed or denied, or only issued subject to further restrictions or with fewer rights than anticipated by the Group. In addition, the impact of these factors may be more significant for the Group, which invests from time to time in properties that may have experienced periods of mismanagement, than for investors in properties that have been better maintained. In the case of acquired property

portfolios, the Group may not be contractually protected against these costs and may not have been able to adequately predict or foresee them prior to the acquisition of the relevant properties.

The Group is active in property re-development and is exposed to numerous risks relating to the construction, project design, project management, use of external professionals and other matters associated with development projects.

The main re-development risks are commercial (such as letting risks, for example, the availability of tenants for new developments), financial (such as foreign exchange rate fluctuations), technical (such as design, construction and environmental risks), permitting (such as environmental decisions, master plan changes and building permits) and procedural (such as approvals from third governmental departments such as health, safety and fire departments). The Group's property development projects are subject to the risks usually attributable to construction projects, such as delays in construction work or other unforeseen delays, changes to planning laws, increases in the cost of construction and construction materials, cost overruns, disputes with third parties (including third party contractors and local authorities). The Group's business is exposed to the risk of non-compliance with building codes and other regulations as regards the construction of buildings. Such codes and regulations tend to become stricter over time. As a result, in addition to the risk that properties did not comply with such regulations at the time of acquisition, the building owner's responsibilities could also be further expanded with respect to fire, health and safety protection and environmental protection, which could require additional refurbishment, maintenance and modernisation measures.

When considering development project investments and development risks, the Group needs to make an estimate of the economic and market conditions that will prevail in the market where the project is located at the time the project is completed and becomes operational, and there is uncertainty at the beginning of a development project about the economic and market conditions at the time of completion of the project. Such estimates are difficult to make since it takes a considerable time before development projects are completed and become operational. During this time, economic conditions can change unfavourably and lower the Group's expected return on the investment. For example, a given market may experience an oversupply of retail properties at the time of a project's completion, leading to lower occupancy rates. As a result, the Group may incorrectly time its development project investments and adopt an inappropriate business strategy. The realisation of any of these development risks could have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

The Group is exposed to the risk of defective construction, which could have an adverse effect on its generation of rental income and the fair value of its properties

The construction of properties is subject to a risk of defective construction, corrective or other works and associated adverse publicity. Any claim brought against the Group, and the surrounding negative publicity concerning the quality of its properties or projects, irrespective of whether the claim is successful, or an inability to complete the construction of a project on schedule or on budget, could have a material adverse effect on how its business, properties and projects are perceived by target tenants. This could negatively affect the Group's ability to market and lease its properties in the future, which could have a material adverse effect on its

generation of rental income and, thereby, its business, financial condition, prospects and results of operations.

The Group has commissioned the construction of some of the properties that it owns. As the owner and developer, the Group is liable for possible defects found in such properties as well as other direct or indirect damage relating to such properties. Potential damage related to construction and consequent liabilities may affect the profitability of the Group's business and lower the fair value of affected properties owned by the Group, which could have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

The Group depends on contractors and subcontractors to refurbish or construct its projects

The Group relies on contractors and subcontractors for all its refurbishment and construction activities. If the Group cannot enter into construction agreements and/or subcontracting arrangements on acceptable terms (or at all) the Group will incur additional costs which may have an adverse effect on its business. The competition for the services of quality contractors and subcontractors may cause delays in construction, exposing the Group to a loss of competitive advantage. Contracting and/or subcontracting arrangements may be on less favourable terms than would otherwise be available, which may result in increased development and construction costs. By relying on contractors and/or subcontractors, the Group becomes subject to a number of risks relating to these entities, such as quality of performance, varied work ethics, performance delays, construction defects and the financial stability (including potential insolvency) of the subcontractors. A shortage of workers would also have a detrimental effect on the Group's contractors and/or subcontractors and, as a result, on the Group's ability to conclude the construction phase on time and within budget.

The real estate sector is susceptible to fraud

Certain activities in the real estate sector have, from time to time, been subject to allegations of embezzlement of cash in connection with arranging large scale real estate transactions and fraud in property maintenance. The Group is currently not aware of any such fraud taking place within its business. However, even though it has taken precautionary measures to reduce the risk as much as possible, the Group may become the target of fraud or other illicit behaviour or may otherwise be adversely affected by such illicit behaviour of its tenants or other parties in its industry or the markets in which it operates. This may have a material adverse effect on the Group's reputation and may affect the Group's business, financial condition, prospects and results of operations.

The Group is exposed to the counter-party risk of its partners with respect to certain co-ownership or co-operation arrangements, including joint venture arrangements

Some of the Group's properties are held and operated, or may be proposed to be developed, through co-ownership or co-operation arrangements (including among others joint venture arrangements) with third parties. In addition, but to a limited extent, title to certain of the Group's properties is shared. The Group has co-ownership agreements with certain of the Group's largest tenants. Such arrangements may result in the Group sharing control of such assets with third parties. As a result, certain decisions relating to those assets within such

arrangements may depend upon the consent or notification of the Group's relevant partners. Disputes may arise between the Group and the relevant partners in respect of an arrangement, which could mean that the Group is not able to manage or deal with a particular asset or property as it sees fit. These risks are accentuated where the Group shares title to properties and in particular in situations where such property serves as collateral for financing of joint venture parties, as is the case for the Arkády Pankrác shopping centre Prague in the Czech Republic.

Specific risks arising from co-ownership and co-operation arrangements or relating to title sharing, which are not present in relation to projects that are wholly-owned, operated and developed by the Group, include risks that (i) the Group's relevant partners may have different objectives from the Group, including with respect to the appropriate timing and pricing of any sale or refinancing of an investment property held as part of a co-ownership arrangement; (ii) the Group's relevant partners may take action contrary to the Group's instructions or requests, policies or objectives, or frustrate its actions; (iii) the Group's relevant partners might become bankrupt or insolvent; and (iv) with respect to co-title and development projects, the Group may be required to provide additional financing to make up for any shortfall due to the Group's relevant partner(s) failing to provide such finance or to furnish any required collateral to any financing banks. In addition, risks relating to joint venture arrangements may include potential joint and several or secondary liability for transactions and liabilities of the joint venture entity; the difficulty of maintaining uniform standards, controls, procedures and policies; and depending on the specific joint venture terms, the possible termination or commencement of a forced buy or sell procedure in relation to either the investment property or a stake in the joint venture. These risks, if realised, could have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

Disputes or disagreements with any of the Group's partners may result in significant delays and increased costs associated with the operation, development or redevelopment of the Group's properties. Even where the Group has a controlling interest, certain major decisions (such as whether to sell, refinance or enter into a lease or contractor agreement and the terms on which to do so) may require the partner's or other third party's approval. Failure to reach or maintain agreement with the Group's partners or other third parties on the matters relating to the financing, disposals, development and operation of the relevant properties could have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

The Group may rely from time to time on third parties to manage certain of its properties

Whilst the Group has historically managed and operated the properties within its portfolio itself, it may, from time to time, decide to engage third parties to manage certain of its current or future assets. The Group may also acquire properties that are managed by third party management companies. For example, since its acquisition in 2013, Galeria Dominikanska shopping centre in Wroclaw, Poland and Arkády Pankrác shopping centre Prague in the Czech Republic are managed by a third party management company. Where the Group does engage third parties to manage its properties, it is highly dependent on the performance of the relevant management company with respect to, amongst other activities, day-to-day management of the relevant property, leasing and attracting desired tenants and building and maintaining good relationships with existing tenants. The inability of a third party to comply with its contractual obligations and

to carry out these or other significant activities adequately and on time could have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

The Group's insurance coverage may be inadequate

The Group's insurance policies may not cover it for all losses and certain types of insurance are not available on commercially reasonable terms or at all in certain countries in which the Group has its operations or assets, owing to the fact that the respective insurance industries in these countries are at a relatively early stage of development. Forms of insurance common in mature markets may not yet be available in certain countries in which the Group has its operations or assets. As a result, the Group's insurance may not fully compensate it for losses associated with damage to the real estate assets it owns, operates and develops. In addition, there are certain types of losses, generally of a catastrophic nature, such as earthquakes, floods, hurricanes, terrorism or acts of war, that may be uninsurable or that are not economically insurable. Other factors might also result in insurance proceeds being insufficient to repair or replace a property if it is damaged or destroyed, such as inflation, taxation, changes in building codes and ordinances and environmental considerations. The Group may incur significant losses, damage to its assets or business or other liabilities for which it may not be compensated fully or at all, which could have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

In addition, the Group's insurance policies may not cover the current aggregate market value of its portfolio, particularly where the market value of its portfolio increases. As a result, it may not have sufficient coverage against all losses that it may experience. Should an uninsured loss or a loss in excess of insured limits occur, the Group could lose capital invested in the affected property as well as anticipated future revenue from that property. In addition, it could be liable to repair damage caused by uninsured risks. The Group may also remain liable for any debt or other financial obligation related to that damaged property. No assurance can be given that material losses in excess of insurance coverage limits will not occur in the future. As a result, any uninsured losses or losses in excess of insured limits could have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

The Group may incur environmental liabilities or compliance costs

The environmental laws of certain countries in which the Group has its operations or assets impose actual and potential obligations to conduct remedial action on sites contaminated with hazardous or toxic substances. In such circumstances, the owner's liability is generally not limited under such laws and the costs of any required removal, investigation or remediation can be substantial. The presence of such substances on, or in, any of the Group's properties, or the liability for failure to remedy property contamination from such substances, could adversely affect the Group's ability to let or sell such property or to borrow funds using such property as collateral, which could have an effect on its generation of rental income or return on investment which could have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

Furthermore, the Group may be required to comply with stricter environmental, health, fire and safety laws or enforcement policies or become involved in claims and lawsuits relating to

environmental matters. Meeting stricter compliance standards or defending potential actions, including for any alleged non-compliance with applicable laws and regulations, may have a significant negative impact on its results of operations. If the relevant authorities in a country where the Group has its operations or assets discover violations of applicable environmental laws, the Group may be subject to fines and other penalties. Any of these matters could have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

Entities of the Group may be subject to litigation, administrative proceedings and similar claims

Entities of the Group have been and will likely continue to be subject to various administrative and legal proceedings (see “*Description of Atrium and the Group—Description of the Portfolio—Legal Proceedings*”). Such proceedings often relate to matters such as outstanding rent payments, termination of lease agreements, service providers or local authorities, but may from time to time involve larger scale litigation or disputes. These proceedings, even for routine matters, can be lengthy and expensive and involve substantial resources at the Group. In addition, larger or unexpected proceedings may distract or delay management from implementing the Group's business strategy. The Group may also be subject to litigation involving tax authorities or in connection with agreements entered into by the Issuer or members of the Group relating to the purchase and/or sale of property, interests in companies or other assets, or other activities of the Group. It is impossible for the Group to predict if and when significant litigation or administrative or legal proceedings may occur. The occurrence of any of these factors may have a material adverse effect on the business, cash flows, financial condition, results of operations, net profits and prospects of the Group.

The Group's assets may be subject to expropriation, nationalisation and confiscation

The governments of some countries in the Region may expropriate (either permanently or temporarily) part or all of a property at less than its full market value. In the event that the Group's property is expropriated or nationalised, legislation provides for compensation to be paid to the Group. However, there can be no certainty that such protections will be enforced or adequate. This uncertainty is due to several factors, including, in some countries, the lack of an independent judicial system, insufficient mechanisms to enforce judgments and corruption among state officials.

The concept of property rights is not well developed in certain countries in the Region and there is a lack of experience in enforcing legislation enacted to protect private property against nationalisation and expropriation. As a result, the Group may not be able to obtain proper redress in the courts and may not receive adequate compensation if, in the future, the governmental authorities decide to nationalise or expropriate some or all of the Group's assets. Expropriation or nationalisation of the companies in which the Group invests, their assets or portions thereof, potentially with little or no compensation could have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

The Issuer is subject to certain obligations and restrictions due to the stock listings of the Issuer

Presently, the Issuer's shares are admitted to trading on the Vienna Stock Exchange and Euronext in Amsterdam under ticker: ATRS. Consequently, the Issuer is exposed to the restrictions and obligations arising from the applicable laws and regulations in Austria and the Netherlands. These stock listings impose obligations and restrictions on the Issuer, under the applicable capital markets provisions, such as the European Market Abuse Regulation, including prohibitions of insider trading, insider lists, disclosure of inside information as well as under the applicable rules of the relevant stock exchange. In addition, the Issuer is subject to applicable capital markets laws and regulations, such as certain notification obligations on shareholding, public takeover regulations and squeeze-out provisions. These laws and regulations are constantly evolving, and the diversity and complexity of these laws and regulations create a risk that, in some instances, the Issuer may be deemed liable for violations of such laws and regulations, in particular, in connection with a failure to comply with those laws and regulations. Any violation or breach of these laws and regulations could affect the overall reputation of the Issuer and, depending on the case, expose the Issuer to administrative or judicial proceedings, which could result in adverse judgments. The occurrence of any of these factors may have a material adverse effect on the Group's business, financial condition, cash flows, results of operations, net profits and prospects.

The Group is exposed to risks related to the safety of consumers and tenants in shopping centres and other properties, including acts of terrorism and violence

The Group promotes the security and safety of consumers and tenants in its properties. However, due to high visibility and the presence of large numbers of people, the Group's properties may be targets for terrorism and other forms of violence. Any terror or violent attack on a property of the Group or a similar property may harm the condition of its tenants and may, apart from any direct losses, directly or indirectly, affect the value of its properties and its development land. Moreover, any of these events could lower consumer confidence and, for example, spending in the Group's retail centres or increase volatility and uncertainty in the worldwide financial markets and economy. Adverse economic conditions resulting from these types of events could reduce demand for space in the Group's properties and thereby reduce the value of these properties and rental income, which could have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

The Group relies on certain key personnel the loss of whom could have an adverse impact on its business

The success of the Group's properties and activities depend, among other things, on the expertise of the Board of Directors and the Group's management and other key personnel in identifying appropriate opportunities and managing such activities. Whereas the Board of Directors proactively manages the succession of senior roles, the unexpected loss of some or all of these individuals, including potentially to the Group's competitors, or an inability to attract, retain and maintain additional personnel could prevent the Group from implementing its business strategy and could adversely affect the Group's business, financial condition, prospects and results of operations. The Group does not carry key man insurance with respect to any of these individuals. There can be no assurance that the Group will be able to retain all of its existing senior personnel

or to attract additional qualified personnel when needed which in turn could affect adversely the Group's business, financial condition, prospects and results of operations.

The Group is dependent on its IT systems and runs cyber security risks including leakage of customer data or other personal data security breach

The Group is dependent on the proper functioning of its information technology systems and processes. The Group's systems and the services of external system providers on which it relies are vulnerable to damage or interruption from various factors, including but not limited to, power loss, telecommunication failures, data corruption, network failure, computer viruses, security breaches, natural disasters, theft, vandalism or other acts or events. A disruption in the infrastructure that supports the Group's businesses could have a material adverse effect on its ability to continue to operate the Group's business which in turn could lead to loss of business and the incurrence of significant costs related to information retrieval and verification and the restoration of normal service.

The Group also accumulates stores and uses in its operations data for marketing purposes, in particular, and such data may be protected by data protection laws. Although the Group takes precautions to protect customer data in accordance with the applicable laws, the Group cannot discount the possibility of future data leakages. The Group works with third-party service providers, such as certain software companies, which may not fully comply with the relevant contractual terms and all data protection obligations imposed on them. Unanticipated information technology problems, system failures, computer viruses, intentional/unintentional misuses, hacker attacks or unauthorized access to the Group's network or other failures could result in a failure to maintain and protect customer data in accordance with applicable regulations and requirements and could affect the quality of the Group's services, compromise the confidentiality of its customer data or cause service interruptions, and may result in the imposition of fines, claims for damages, prosecution of relevant employees and managers, reputational damage and customer churn and may have a material adverse effect on our business, prospects, results of operation and financial condition.

EU rules relating to Centre of Main Interests

While Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (the “**EU Insolvency Regulation**”) provides in general that insolvency proceedings encompassing all of a debtor's assets on a European-wide basis can be commenced in the European Union Member State in which the debtor has its "centre of main interests" (COMI) as described in the EU Insolvency Regulation (generally presumed to be the place of the registered office in the absence of proof to the contrary), territorial proceedings against a Group member may also be opened in another EU Member State in respect of the assets situated in the territory of that other Member State in the event that Group member were to possess an establishment within that territory.

Atrium may qualify as an alternative investment fund

Atrium believes that it does not fall within the scope of the European Commission published Directive 2011/61/EU, the Alternative Investment Fund Managers Directive, which was

published on 1 July 2011 (“**AIFM Directive**”). The AIFM Directive was implemented through secondary legislation and became effective in all European jurisdictions in July 2014. The legislation seeks to regulate alternative investment fund managers based in the EU (“**AIFM**”) and prohibits such managers from managing any alternative investment fund (“**AIF**”) or marketing shares in such funds to EU investors unless they have been granted authorisation. The AIFM Directive imposes additional requirements, among others, relating to risk management, minimum capital requirements, the provision of information, governance and compliance requirements, with consequent increase, potentially a material increase, in governance and administration expenses.

Based upon legal advice, Atrium does not believe that it is an AIF, as defined under the AIFM Directive. It, therefore, does not constitute an AIFM and does not need to comply with the AIFM Directive. However, there is no definitive guidance from national or EU-wide regulators whether real estate companies, like Atrium, are subject to the AIFM Directive or not. As such, there is the possibility that these regulators may, in the future, decide that businesses such as Atrium fall within the scope of the AIFM Directive, in which case Atrium will have to comply with this directive (including the abovementioned requirements). The cost of compliance, including maintaining a minimum level of capital, could have a material adverse effect on the Group’s business, financial condition, prospects and results of operations.

The risk management and compliance systems of the Group may prove to be partially or completely insufficient or fail, and unknown, unrecognised, underestimated or unexpected risks may materialise, any of which could lead to government investigations and significant reputation, financial or other consequences. The Group may fail to adequately account for potential liabilities or risk exposures

The Group has put in place risk management and compliance systems that it believes are suitable to its business, and the Group continues to develop and update its risk management and compliance systems in order to monitor market risk, liquidity and financial risk, operational risk, organisational risk and the risk of reputational damage. There is no guarantee, however, that the Group's risk management or compliance systems are in fact sufficient to manage the risks faced by the Group. The Group may be faced with risks that were previously unknown, unrecognized, underestimated or unconsidered, and its risk management or compliance systems may function incorrectly or fail. Inappropriate risk management or compliance measures may cause irregularities leading to among other things cash losses or delays in development of the Group, or to official investigations or third-party claims against the Group, which in turn could have significant financial, reputational and other consequences. The Group books provisions for potential liabilities such as tax liabilities, litigation exposure and bad debt. These provisions are based on management's assumptions, estimates and judgments, and there is no guarantee that the provisions taken by the Group adequately account for the Group's potential or actual liabilities or risk exposures. Failure to take adequate provisions against potential liabilities could have significant financial, reputational and other consequences for the Issuer or the Group.

The occurrence of any of these risks could have a material adverse effect on the Group's business, net assets, financial condition, cash flows, results of operations, net profits, reputation and prospects.

A loss of reputation or harm to the brand name of the Issuer, the Group or members of the Group, or of the members of the board of directors or senior management of the Issuer or members of the Group or its majority shareholder, or insufficient levels of client satisfaction may reduce the demand for the Group's properties, shares or debt and make it more difficult for the Group to raise capital or debt on attractive terms

If the Issuer, the Group or members of the Group, or the members of the board or senior management of the Issuer or members of the Group or its majority shareholder, are unable to maintain their good reputations, brand names and high levels of client service, client satisfaction and the demand for the Group's services and property may decline. In particular any damage to the reputation or brand names of the Issuer or the Group or the members of the Group may make it more difficult for the Group to rent its properties on favourable terms or at all or to attract or retain tenants. The misuse, misrepresentation or abuse of the Issuer's or Group's reputation or brand names may occur due to actions by third parties without the consent or awareness of the Issuer or Group, and may occur even if the alleged events or actions are false, misleading or did not occur. Any loss of reputation or harm to brand names may restrict the Issuer or the Group's ability to attract or retain clients and business partners, and may limit its ability to source new business opportunities or acquire new property on favourable terms or at all. Moreover, it may make it more difficult or expensive or impossible for the Issuer or the Group to raise capital, issue debt or gain access to financing from banks or the capital markets.

The occurrence of any of these risks may result in a material decline in the share price of the Issuer or the trading prices of its debt, and may have a material adverse effect on the business, net assets, cash flows, financial condition, results of operations, net profits and prospects of the Group.

Risks related to the financial condition of the Group

The Group may be forced to refinance its debt or may forfeit significant secured assets if it fails to meet the obligations and requirements under its loan agreements or debt securities

As at 30 June 2018, the Group had total borrowings, including bonds and bank loans, with a carrying value of €985.7 million, of which €851.4 million was unsecured. As at 30 June 2018, the market value of properties secured in favour of external creditors was €232.6 million.

Atrium's EUR350,000,000 4.00 per cent. Notes due 20 April 2020 and EUR500,000,000 3.625 per cent. Notes due 17 October 2022 contain covenants which require the Group to maintain its solvency ratio at or below 60%, its secured solvency ratio at or below 40%, an interest coverage ratio of at least 1.5:1 and, in respect of the EUR350,000,000 4.00 per cent. Notes due 20 April 2020, its unsecured assets equal to at least 150% of its unsecured total indebtedness. As at 30 June 2018, the Group's solvency ratio was 34%, its secured solvency ratio was 4%, its interest coverage ratio was 4.36:1 and its unsecured assets were equal to 270% of its unsecured total indebtedness. The Group's existing secured debt facility also contains covenants, such as an obligation to maintain a maximum loan to valuation ratio and minimum equity. The Group's compliance with such covenants is dependent on, amongst other things, the fair market value and income yielding capacity of its properties which are subject to fluctuations. A decline in the fair

market value or net income of such properties could affect the Group's compliance with these covenants.

A breach of any of the covenants contained in the Group's loan agreements or bonds (including the Notes) could result in the acceleration of its payment obligations, the forfeiture of its secured assets or make future borrowing difficult or impossible. In these circumstances, the Group could also be forced in the long term to sell some of its assets to meet its debt obligations. Any of the events described above could have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

The Group may not be able to secure financing in the future

The Group uses, and has used in the past, debt, together with free cash flow, to finance the Group's acquisition of property. During 2012, Atrium obtained investment grade credit ratings from Standard & Poor's and Fitch, which facilitated Atrium's 2014 first issuance of unsecured bonds in the international capital markets, thereby diversifying funding sources and reducing refinancing risk. The Group's growth strategy, future investments and maturity schedule of its existing debt will create a need for new funding. The availability of financing and loan margins may fluctuate over time as seen in the 2008 financial crisis. Furthermore, overall declines in stock prices in several European countries have negatively affected the share value of many real estate companies, decreasing the attractiveness of equity financing from a company standpoint. The factors that affect the availability of financing and financing costs, including the maintenance of Atrium's investment grade credit ratings, could have a material adverse effect on the execution of the Group's strategy or the inability to refinance on commercially acceptable terms debt falling due in accordance with the maturity schedule of the Group's indebtedness which could in turn have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

A rise in interest levels and credit margins could cause the Group's debt service obligations to increase significantly

Changes in interest rates have a significant effect on the real estate sector. Market interest rates have fluctuated strongly due to the credit crisis, during which interest rates that were relatively high fell sharply in the autumn of 2008 and have stayed at low levels in historical terms since then. Interest rates are generally expected to increase over time and signs of potential increase are currently visible. There are no unhedged interest rate variable indebtedness as at 30 June 2018. Fluctuations in interest rates affect the value of the Group's interest swap facility. As at 30 June 2018, there was one interest swap facility amounted to €1.6 million. An increase in interest rates may negatively affect private consumption or the ability of the Group's tenants to pay rents or may lead to a decrease in occupancy rates.

Tightening regulation of the banking and insurance sector may contribute to higher costs of financing for the banks, which may again result in an increase in the price of the Group's new debt financing and the Group's average interest rate level. Furthermore, over the next few years, the Group will have to refinance loan agreements and bonds and the margins on these loans and bonds or the cost of related derivatives may increase. Such a rise in loan margins is likely to push the Group's average interest rate upwards in the future, even if market interest rates remained

largely unchanged. Any increase in interest rates, the Group's interest expense or credit margins could have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

The Group's financing agreements involve counterparty risk

International financial institutions are counterparties to the Group's long-term bank loans, derivative contracts and insurance contracts. During the financial crisis, many banks and insurance companies in the United States and Europe experienced financial difficulties resulting in numerous mergers, acquisitions, and bankruptcies among financial institutions, including the government takeover of certain financial institutions. Should one or more of the financial institutions that are the Group's counterparties descend into financial difficulties or bankruptcy, this could have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

Atrium is a holding company and its ability to pay interest and/or principal depends upon the receipt of sufficient funds from its subsidiaries

As a result of conducting its business through its consolidated subsidiaries (the "**Group Companies**") Group Companies, Atrium's ability to pay interest and/or principal under the Notes, and on any other of its borrowings, depends on the earnings and cash flow of the Group Companies and their ability to pay dividends to Atrium or to advance or repay loans to it or pay interest thereon. Other contractual and legal restrictions applicable to the Group Companies could also limit Atrium's ability to obtain cash from Group Companies. There can be no assurance that Atrium will receive sufficient funds from its subsidiaries to meet its financial obligations.

In addition, Atrium's right to participate in any distribution of its subsidiaries' assets upon their liquidation, reorganisation or insolvency would generally be subject to prior claims of the subsidiaries' creditors, including lenders and trade creditors.

Changes in accounting standards may impact the financial situation and results presented in the financial statements of the Group

The Group's accounting policies and methods are fundamental to how it records and reports its financial condition and results of operations. From time to time amendments are adopted to the applicable financial accounting and reporting standards that govern the preparation of the Group's financial statements. The new standards and interpretations which are already endorsed by the European Union and which will apply to the Group's financial reporting consist of, in particular, IFRS 16: Leases (effective for annual periods beginning on 1 January 2019 or after that date). IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 and, instead, introduces a single lessee accounting model. The Group is currently assessing the impact of the new standard IFRS 16, with no material impact expected. Any amendment to the IFRS which, in future, is adopted by the European Union and which concerns the valuation of the balance sheet, off-balance sheet items, disclosures or creating write-downs and provisions, may have a negative impact on the presentation of the

financial and economic situation of the Group and consequently on its ability to perform its obligations under the Notes.

The Group may be exposed to risks relating to changes in applicable tax laws including those relating to the tax residency of Atrium and other Group Companies

Atrium and the Group have been structured with a view to being tax efficient. There can be no assurance that Atrium or the Group has been or will continue to be successful in conducting its business or in structuring itself or the management of its affairs in the most tax efficient manner, and that the structure or management of the affairs of Atrium or any other Group Company may result in other adverse tax consequences for Atrium or any other Group Company.

Atrium is incorporated in Jersey and aims to manage its affairs in such a manner that it does not become resident for tax purposes or create other adverse tax consequences for itself in any jurisdiction other than Jersey. There is a risk that Atrium may become resident for tax purposes in one or more other jurisdictions. The same risk applies to the tax residency of any other Group Company. Any such residency of Atrium or a member of the Group, if unintended, may have an adverse effect on the Group's business, financial condition, prospects and results of operations. The Group aims to mitigate the above risks by having experienced local management teams in the different countries in which the Group operates that are making use of external local experts and specialists.

The Group's results may be adversely affected by changes in effective tax rates

The Group's future effective tax rates may be adversely affected by a number of factors, including changes in the value of Atrium's deferred tax assets and liabilities, increases in expenses not deductible for tax purposes, the outcome of any potential discussions with the relevant tax authorities, changes in relation to taxation laws or tax rates or the interpretation of such taxation laws and changes in generally accepted accounting principles. Any significant increase in the Group's future effective tax rates could adversely impact the net results for such future periods and as a result could have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

There are uncertainties in the taxation and fiscal systems in the countries in which the Group has its operations or assets and "crisis" taxes may be imposed across the Region

The taxation and fiscal systems in the countries in which the Group has, or may have, its operations or assets are not as well-established, compared to those in more developed economies. The lack of established jurisprudence and case law may result in unclear, inconsistent or non-existent regulations, decrees and explanations of the taxation laws and/or views on interpretations thereof. In some cases, laws may be enacted with retrospective effect and the application of international legal frameworks and treaties reinterpreted. Moreover, taxation laws (including case law) in those countries may as a result be more likely to be subject to changes which can result in unusual complexities and more significant tax risks for the relevant Group Company operating in those countries and the business of the Group generally. For example, tax law and regulations or their interpretation or application in relation to tax deductibility of interest expenses, taxable income, tax receivables or liabilities as well as deferred tax assets or liabilities

may be subject to change. In addition, there are various supra-national initiatives to counter certain tax structures such as Base Erosion and Profit Shifting (“**BEPS**”) and the recent publication on the new substance requirements for Jersey companies. To date it is not clear how this will affect the Group. Any of these matters, alone or in combination, could have a material adverse effect on the Group’s business, financial condition, prospects and results of operations.

In addition, the governments of various countries have resorted to the imposition of higher taxes or the introduction of new taxes in attempts to reduce budgetary deficits adversely affected by the ongoing economic crisis. Further, certain countries in Western Europe and in the Region have attempted to levy “crisis” taxes which range from higher income tax rates for individuals and higher rates of corporation tax to special levies and exceptional taxes based on the annual revenue of a company that is engaged in certain specific industries. Similar “crisis” taxes may be imposed by other countries in which the Group has its operations or assets and could be extended to companies operating in other industries such as the retail and real estate sector. The change in interpretation of current rules and regulations and implementation of “crisis” taxes may have a negative impact on consumer demand and spending and could have an adverse impact on the financial condition of the Group, the Group’s tenants, and the demand for the Group’s properties, which could in turn have a material adverse effect on the Group’s business, financial condition, prospects and results of operations.

Risks related to the markets in which the Group operates

The markets in the Region are subject to greater risks than more developed markets, including significant legal, economic and political risks and the imposition of sanctions, that could have a material adverse effect on the Group’s business

Investors in emerging and developing markets such as the countries in which the Group has its operations or assets, particularly Russia, should be aware that these markets are subject to greater legal, economic, fiscal and political risks than mature markets and are subject to rapid and sometimes unpredictable change. In general, investing in the securities of issuers with substantial operations in emerging or developing markets like the Region involves a higher degree of risk than investing in the securities of issuers with substantial operations in the United States, the countries of Western Europe or other similar jurisdictions. Changes in economic and political situations in one emerging or developing market country may consequently have a negative related or unrelated impact on the economic and political situation in other emerging or developing market countries. In addition, the markets in the Region are vulnerable to geopolitical risks arising from conflicts between or within states, such as risks arising from tensions in Turkey, with significant potential consequences for the political, economic, and social status quo of the Group’s markets.

The Group is exposed to the imposition of sanctions on certain Russian persons and entities by the U.S., the EU and certain other nations and, in retaliation, sanctions imposed by Russia. These sanctions have partly had the effect of damaging the Russian economy, weakening the Ruble against foreign currencies and generally reducing investor and consumer confidence in Russia, from which country the Group derives a significant proportion of its net income (see “*Description of Atrium and the Group—Description of the Portfolio—Standing Investments*”). This in turn led to a decrease in consumer spending and consequent pressure on profits and the

expansion plans of retailers, which has adversely affected the Group's business in Russia. In addition, an expansion of the existing sanctions or the introduction of new sanctions which directly or indirectly affect the Group or retailers, could result in the Group's stakeholders revising their relationship with the Group or revising their strategy in Russia for compliance, political, reputational or other reasons, which could also affect the Group's business. The realisation of any of these risks could have a material adverse effect on the Group's business, financial condition, prospects and results of operations. The Group aims to mitigate the above risks by having experienced local management teams in the different countries in which the Group operates that are making use of external local experts and specialists.

In addition to the imposition of sanctions, the Russian economy is also facing the fallout of a steep decline in oil prices since the second half of 2014, although oil prices have been increasing the last few months. The Group's operations in the Region are also exposed to risks common to all regions that have recently undergone, or are undergoing, political, economic and social change, including currency fluctuations, exchange control restrictions, an evolving regulatory environment, inflation, economic downturns, local market disruptions, labour unrest, changes in disposable income or gross national product, variations in interest rates and taxation policies, expected declines in the birth rate and other similar factors. Political or economic instability resulting from the occurrence of any of these risks may adversely affect the real estate market in the affected country or countries of the Region. The level of risk that the Group faces differs significantly between the different countries where the Group operates. It is generally believed that the risk in Central and Eastern European countries, which are members of the European Union, is lower compared to countries, such as Russia, which are not members of the European Union. However, the Group could be affected by these issues in each of the countries in which it has its operations or assets.

The political systems in some of the countries of the Region such as Russia may be vulnerable to public dissatisfaction and social changes causing political instability which may disrupt day-to-day operations or discourage foreign investment in such countries. Further, large parts of Europe have experienced uncertainty and political unrest in recent years as a result of a backlash against Euro zone policy makers and governments and political parties who advocated greater fiscal austerity measures in relation to their respective national economies. New legislations on the back of certain political changes can in some cases put significant burden on the fiscal budget and can have severe impact on the economy.

As a result, the Group's performance could be significantly affected by events in the Region beyond its control, such as a general downturn in the economy of countries in which the Group has its operations or assets, political instability, changes in regulatory requirements and applicable laws (including in relation to taxation), the condition of financial markets and interest and inflation rate fluctuations. Such events and adverse economic or political developments in the markets in which the Group has its operations or assets could reduce the Group's rental income and/or the market value of its properties which could have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

The Group is exposed to foreign exchange risk

The Group's tenants mostly have their income denominated in the local currency of the relevant country in which they are based, such as the Zloty, Czech Koruna, Ruble or other. The occupancy cost ratio, which reflects the tenants' rental cost as a proportion of their turnover, can be severely affected by fluctuations of the euro, the currency in which the rent is based or payable, against the relevant local currency in which the tenant generates turnover. Accordingly, a weakening of the local currency against the euro could result in the Group's properties becoming less attractive, or over-rented. Such fluctuations could also result in such rent becoming unsustainable with respect to the concerned tenant leading to a demand for discounts or even default by the respective tenants. If realised, these risks could adversely affect the Group's business, financial condition, prospects and results of operations.

In addition, in order to prepare its financial statements, Atrium must convert the values of the Group's assets liabilities, revenues and expenses denominated in currencies other than euro into euro at exchange rates applicable in the relevant time period. For example, a proportion of the rents and service charges payable to the Group under the various lease agreements with tenants are denominated in currencies other than euro. Accordingly, significant movements in currency rates between the euro and the currency in which rent or service charges are payable may have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

Possible break-up of the European Union could have a material adverse effect on the operations of the Group, potentially limiting access to debt and equity financing for the Group and resulting in defaults by the Group's counterparties. In particular, the withdrawal of the United Kingdom from the European Union may cause significant political and economic uncertainty in the European Union

It is uncertain whether the political landscape in certain Eurozone countries will change such that certain countries decide to exit the Eurozone and reintroduce national currencies. An exit of one or more countries from the European Monetary Union will likely have adverse consequences which are potentially severe and hard to predict both for the economies of exiting members of the Eurozone as well as for the economies of remaining members of the Eurozone and the European Union and could potentially lead to significant changes in the financial markets and further uncertainty in the financial markets. This would directly impact the Group which has significant exposure to Euros arising from its Euro-denominated lease agreements and its business activities more generally. The impact of any such development could be detrimental to the Issuer and could adversely affect their businesses, operations and profitability, solvency and the solvency of their counterparties, customers and service providers, credit rating, share price, the value and liquidity of their assets, the value and liquidity of the Notes and/or the ability of the Issuer to meet its obligations under the Notes and their respective debt obligations more generally.

On 23 June 2016, voters in the United Kingdom voted in a referendum in favour of the United Kingdom leaving the European Union, a decision known as "Brexit". The government of the United Kingdom implemented the referendum decision by formally notifying the European Council on 29 March 2017 of the United Kingdom's intention to withdraw from the European

Union in accordance with Article 50(2) of the Treaty on European Union which is expected to result in the United Kingdom exiting the European Union in March 2019. As no major member of the European Union has previously left the European Union, the legal and political process for doing so is untried and uncertain. The outcome of the negotiations regarding the withdrawal of the United Kingdom from the European Union is unpredictable. Among other consequences, departure from the European Union may result in the United Kingdom no longer having access to the European Single Market. A withdrawal from the European Single Market is expected to have significant negative impact on the economy of the United Kingdom. If the United Kingdom does not have access to the European Single Market, the Member States of the European Union will face greater barriers to trade and commerce with the United Kingdom, which may in turn diminish overall economic activity between the European Union and the United Kingdom, resulting in a general economic downturn throughout the United Kingdom, the European Union or both. The Brexit referendum may also give rise to or strengthen tensions in other Member States regarding their membership in the European Union, potentially resulting in additional referenda or other actions in Member States regarding withdrawal from the European Union. The withdrawal of other Member States from the European Union would have unpredictable consequences and may have adverse effects on levels of economic activity in the countries in which the Issuer operates.

The uncertainty around the timing of Brexit, its economic and other terms is likely in the future to cause volatility in the financial markets. As the Group relies on access to the financial markets in order to refinance its debt liabilities and gain access to new financing, ongoing political uncertainty and any worsening of the economic environment may reduce its ability to refinance its existing and future liabilities or gain access to new financing, in each case on favourable terms or at all. Furthermore, the Group's counterparties, in particular its hedging counterparties, may not be able to fulfil their obligations under their respective agreements due to a lack of liquidity, operational failure, bankruptcy or other reasons. The occurrence of any of these risks may have a material adverse effect of the Group's business, net assets, financial condition, cash flow, results of operations, net profits and prospects.

Legal regimes in the Region differ from those in Western Europe

The legal systems of most of the countries in the Region have undergone dramatic changes in recent years. In many cases, the interpretation and procedural safeguards of the new legal and regulatory systems are still being developed, which may result in the promulgation of new laws, changes in existing laws, inconsistent application of existing laws and regulations and uncertainty as to the application and effect of new laws and regulations.

Government authorities have a high degree of discretion in several countries in the Region and at times may exercise their discretion arbitrarily, without hearing or prior notice, and sometimes in a manner that is contrary to law. Moreover, governments may have the power in certain circumstances, by regulation or a government act, to place Group Companies in liquidation and more generally interfere with the performance of, nullify or terminate contracts. Unlawful or arbitrary governmental actions may include the withdrawal of licenses, sudden and unexpected tax audits, criminal prosecutions and civil actions.

Additionally, in some circumstances, it may not be possible to obtain the legal remedies provided for under relevant laws and regulations in a reasonably timely manner or at all. Although institutions and legal and regulatory systems characteristic of parliamentary democracies have been developed in most countries of the Region, some of them lack an institutional history, and there may be no generally observed procedural guidelines. As a result, shifts in government policies and regulations tend to be more frequent and less predictable than in the countries of Western Europe. Moreover, a lack of legal certainty or the inability to obtain effective legal remedies in a reasonably timely manner may have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

Risks related to the Notes

The Notes may not be a suitable investment for all investors

Each prospective investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal and interest payments is different from the potential investor's currency;
- understand thoroughly the terms of the Notes and be familiar with the behaviour of financial markets in which they participate; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

There is currently no active trading market for the Notes

The Notes are new securities which may not be widely distributed and for which there is currently no active trading market. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions, the financial condition of Atrium and the Group's results of operations. Although application has been made for the Notes to be listed on the official list and trading on the Luxembourg Stock Exchange's regulated market, there is no assurance that such application will be accepted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Notes. Therefore, investors may not be able to sell their Notes easily or at all, or at prices that

will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have a severely adverse effect on the market value of Notes.

The Notes are exposed to market interest rate risk

Investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes. The longer the maturity of Notes, the more exposed Notes are to fluctuations in market interest rates.

The market value of the Notes may be affected by the creditworthiness of Atrium and the Group and a number of additional factors

The value of the Notes may be affected by the creditworthiness of Atrium and the Group and a number of additional factors, such as market interest and yield rates and the time remaining to the maturity date and more generally all economic, financial and political events in any country, including factors affecting capital markets generally and the stock exchanges on which the Notes are traded. This may impact the trading price of the Notes. The price at which a Noteholder will be able to sell the Notes prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser.

Integral multiples of less than €100,000

The denomination of the Notes is €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000. Therefore, it is possible that the Notes may be traded in amounts in excess of €100,000 that are not integral multiples of €100,000. In such a case, a Noteholder who, as a result of trading such amounts, holds a principal amount of less than €100,000 will not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more denominations.

If definitive Notes are issued, holders should be aware that definitive Notes that have a denomination that is not an integral multiple of €100,000 may be illiquid and difficult to trade.

Atrium may redeem the Notes prior to maturity

The Terms and Conditions of the Notes provide that Atrium may in certain limited circumstances redeem the Notes prior to maturity. Such redemption may take place at times when prevailing interest rates may be relatively low. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the Notes and/or may forego a capital gain in respect of the Notes that would have otherwise arisen but for such redemption.

The Notes may be affected by the turbulence in the global credit markets

Potential investors should be aware of the turbulence in the global credit markets, which has led to a general lack of liquidity in the secondary market for instruments similar to the Notes. Atrium cannot predict when these circumstances will change and if and when they do there can be no

assurance that conditions of general market illiquidity for the Notes and instruments similar to the Notes will not return in the future.

Because the Global Notes are held by or on behalf of Clearstream, Luxembourg and Euroclear investors will have to rely on their procedures for transfer, payment and communication with Atrium

The Notes will be represented by Global Notes. The Global Notes will be deposited with a common safekeeper for Euroclear and Clearstream, Luxembourg. Except in certain limited circumstances described in the Permanent Global Notes, investors will not be entitled to receive Notes in definitive form. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by the Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

Atrium will discharge its payment obligations under the Notes by making payments to the common safekeeper for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in the Global Notes must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Notes. Atrium has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes. In addition, Atrium has no responsibility for the proper performance by Euroclear and Clearstream, Luxembourg or their participants of their obligations under their respective rules and operating procedures.

Further, holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies.

Modifications and waivers can be imposed on all Noteholders

The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Terms and Conditions of the Notes also provide that the Trustee may, without the consent of Noteholders, amend the Terms and Conditions insofar as they apply to the Notes to correct a manifest error or where the amendments are of a formal, minor or technical nature.

Change of law

The Terms and Conditions of the Notes are based on the laws of England in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to such law, the official application, interpretation or administrative practice after the date of this Prospectus.

Potential purchasers and sellers of the Notes may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions. Potential investors are advised not to rely upon the tax summary contained in this Prospectus but to seek the advice of a tax professional regarding their individual tax liabilities with respect to the acquisition, sale and redemption of the Notes. Only these advisors are in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the taxation sections of this Prospectus.

Exchange rate risks and exchange controls

Atrium will pay principal and interest on the Notes in euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of the euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the euro would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Financial condition of Atrium could necessitate an increase in their indebtedness

In the future, Atrium could decide to increase its indebtedness, which could make it difficult to meet its obligations in the context of the Notes or could cause the value of the Notes to decrease. The Terms and Conditions of the Notes do not limit the amount of unsecured debts that Atrium can incur. If Atrium incurs additional debts, this could have important consequences for the Noteholders, as it could become more difficult for Atrium to meet its obligations with respect to the Notes, which could lead to a loss in the commercial value of the Notes.

Credit ratings

Credit rating assigned to the Notes may not reflect the potential impact of all risks related to structure, market, additional factors discussed above and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold Notes and may be revised or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a CRA established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or

suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered CRA or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by the European Securities and Markets Authority ("ESMA") on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Prospectus.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Notes are legal investments for it, (2) the Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of the Notes.

Investors should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

OVERVIEW

Words and expressions defined in the “Terms and Conditions of the Notes” below or elsewhere in this Prospectus have the same meanings in this overview.

Issuer:	Atrium European Real Estate Limited, incorporated with limited liability under the laws of Jersey.
Managers:	(i) Deutsche Bank AG, London Branch (“ DB ”) and HSBC Bank plc (together with DB, the “ Global Coordinators ”) and (ii) Citigroup Global Markets Limited (“ Citi ”), ING Bank N.V., London Branch (“ ING ”) and Raiffeisen Bank International AG (“ RBI ”) (the “ Joint Active Lead Managers ” and, together with the Global Coordinators, the “ Managers ”).
Trustee:	Deutsche Trustee Company Limited.
The Notes:	EUR300,000,000 3.000 per cent. Notes due 11 September 2025.
Issue Price:	98.457 per cent. of the principal amount of the Notes.
Issue Date and Closing Date:	Expected to be on or around 11 September 2018.
Use of Proceeds:	The proceeds of the issue of the Notes will be used for the refinancing of the Group’s existing debt and general corporate purposes.
Interest:	The Notes will bear interest from 11 September 2018 at a rate of 3.000 per cent. per annum payable annually in arrear on 11 September in each year commencing on 11 September 2019.
Status:	The Notes constitute direct, unconditional and (subject to Condition 3 (<i>Negative Pledge</i>)) unsecured and unsubordinated obligations of Atrium and (subject as provided above) rank and will rank <i>pari passu</i> , without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors’ rights.
Form and Denomination:	The Notes will be issued in bearer form in the denomination of EUR100,000 and integral multiples of EUR1,000 in excess thereof up to and including EUR199,000. The Notes will initially be in the form of a temporary global note (the “ Temporary Global Note ”), without interest coupons, which will be deposited on or around the Closing Date with a common

safekeeper for Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking, S.A. (“**Clearstream, Luxembourg**”). The Temporary Global Note will be exchangeable, in whole or in part, for interests in a permanent global note (the “**Permanent Global Note**”), without interest coupons, not earlier than 40 days after the Closing Date upon certification as to non U.S. beneficial ownership. The Permanent Global Note will be exchangeable in certain limited circumstances in whole, but not in part, for Notes in definitive form in the denomination of EUR100,000 and integral multiples of EUR1,000 in excess thereof up to and including EUR199,000 each and with interest coupons attached.

The Temporary Global Note and the Permanent Global Note will be issued in new global note form.

Final Redemption/Maturity Date: 11 September 2025.

Optional Redemption: The holder of a Note may, by the exercise of the relevant option, require Atrium to redeem such Note at its principal amount on a Change of Control Put Date.

Tax Redemption: The Notes are subject to redemption in whole at their principal amount at the option of the Issuer at any time in the event of certain changes affecting taxation in Poland, the Czech Republic, Slovakia, Russia, Hungary, Romania or Jersey.

Redemption at the Option of the Issuer: The Notes may be redeemed at the option of Atrium in whole, but not in part, at any time (i) at the Relevant Early Redemption Amount as described in Condition 6(c) (*Redemption at the Option of the Issuer*) or (ii) at the principal amount outstanding as described in Condition 6(e) (*Redemption following exercise of Clean-Up Call*).

Negative Pledge: The Notes will have the benefit of a negative pledge as described in Condition 3 (*Negative Pledge*).

Financial Covenants: So long as any Note remains outstanding:

- a) the Issuer undertakes that in relation to the Group taken as a whole the Solvency Ratio shall not exceed 0.60;
- b) the Issuer undertakes that in relation to the Group taken as a whole the Secured Solvency Ratio shall not exceed 0.40; and
- c) the Issuer undertakes that in relation to the Group taken

as a whole the Consolidated Coverage Ratio is at least 1.5:1.

Cross-Default and Cross-Acceleration:	The Notes will have the benefit of a cross-default and cross-acceleration as described in Condition 10 (<i>Events of Default</i>).
Rating:	<p>The Notes are expected to be rated Baa3 by Moody's and BBB- by Fitch.</p> <p>Moody's and Fitch are established in the EU and are registered under the CRA Regulation.</p>
Withholding Tax:	All payments in respect of the Notes will be made free and clear of withholding taxes imposed by Poland, the Czech Republic, Slovakia, Russia, Hungary, Romania or Jersey as provided in Condition 8 (<i>Taxation</i>) unless the withholding is required by law. In that event, the Issuer will (subject as provided in Condition 8 (<i>Taxation</i>)) pay such additional amounts as will result in the Noteholder receiving such amounts as they would have received in respect of such Notes had no such withholding been required, subject to the exclusions set out in Condition 8 (<i>Taxation</i>).
Governing Law:	The Notes, the Trust Deed, the Agency Agreement and the Subscription Agreement are governed by English law.
Listing and Trading:	Application has been made for the Notes to be admitted to listing on the official list of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange's regulated market.
Clearing Systems:	Euroclear and Clearstream, Luxembourg
Selling Restrictions:	See " <i>Subscription and Sale</i> ".
Risk Factors:	There are certain factors that may affect the Issuer's ability to fulfil its obligations under the Notes. These are set out under " <i>Risk Factors</i> " above and include various risks relating to the Issuer's business. In addition, there are certain factors that are material for the purpose of assessing the market risks associated with the Notes. These are set out under " <i>Risk Factors</i> " and include the fact that the Notes may not be a suitable investment for all investors and certain market risks.
Financial Information:	See " <i>Overview of Financial Information</i> " and " <i>Documents Incorporated by Reference</i> ".
International Securities	XS1829325239

**Identification Number
(ISIN):**

Common Code: 182932523

**Legal Entity Identifier
(LEI):** 213800OJ67K27RCO2J56

FORWARD-LOOKING STATEMENTS

Certain statements included in this Prospectus may constitute “forward-looking statements”. Forward-looking statements are all statements in this Prospectus that do not relate to historical facts and events and include statements concerning the Group’s plans, objectives, goals, strategies and future operations and performance and the assumptions underlying these forward-looking statements. Atrium may use the words “may”, “will”, “could”, “believes”, “assumes”, “intends”, “estimates”, “expects”, “plans”, “seeks”, “approximately”, “aims”, “projects”, “anticipates” or similar expressions, or the negative thereof, to generally identify forward-looking statements.

Forward-looking statements are set forth in a number of places in this Prospectus, including in “*Risk Factors*”, and “*Description of Atrium and the Group*”. Atrium has based these forward-looking statements on its current views with respect to future events and financial performance. These views involve uncertainties and are subject to certain risks, the occurrence of which could cause actual results to differ materially from those predicted in the forward-looking statements contained in this Prospectus and from past results, performance or achievements. Although Atrium believes that the estimates and the projections reflected in its forward-looking statements are reasonable, if one or more of the risks or uncertainties materialise or occur, including those which Atrium has identified in this Prospectus, or if any of Atrium’s underlying assumptions prove to be incomplete or incorrect, the Group’s actual results of operations may vary from those expected, estimated or projected.

These forward-looking statements are made only as at the date of this Prospectus. Except to the extent required by law, Atrium is not obliged to, and does not intend to, update or revise any forward-looking statements made in this Prospectus whether as a result of new information, future events or otherwise. All subsequent written or oral forward-looking statements attributable to Atrium, or persons acting on Atrium’s behalf, are expressly qualified in their entirety by the cautionary statements contained throughout this Prospectus. As a result of these risks, uncertainties and assumptions, a prospective purchaser of the Notes should not place undue reliance on these forward-looking statements.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus shall be read and construed in conjunction with (i) the audited consolidated annual financial statements of the Group for the financial years ended 31 December 2017 and 2016 together in each case with the audit report (the “**Audited Consolidated Financial Statements**”) and (ii) the unaudited condensed consolidated interim financial statements of the Group for the six-month period ended 30 June 2018 together with the review report thereon (the “**Unaudited Interim Consolidated Financial Statements**” and, together with the Audited Consolidated Financial Statements, the “**Financial Statements**”), which have been previously published or are published simultaneously with this Prospectus and which have been filed with the CSSF. Such documents are incorporated by reference in, and form part of this Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

Copies of documents incorporated by reference in, and forming part of, this Prospectus may be obtained from the registered offices of Atrium, the website of Atrium (www.aere.com) and the website of the Luxembourg Stock Exchange (www.bourse.lu).

The table below sets out the relevant page references for the information incorporated by reference in, and forming part of, this Prospectus as set out in Atrium’s interim financial report for the six-month period ended 30 June 2018 and annual financial reports for 2017 and 2016.

Atrium confirms that it has obtained the approval from its auditors to incorporate by reference in this Prospectus the auditor’s reports for the financial years ended 31 December 2017 and 2016.

The information incorporated by reference, that is not included in the cross-reference list, is considered as additional information and is not required by the relevant schedules of the Commission Regulation (EC) No 809/2004 (“**Prospectus Regulation**”).

Atrium Interim Financial Report 30 June 2018

Condensed Consolidated Interim Financial Statements:

Condensed Consolidated Statement of Financial Position.....	Page 20
Condensed Consolidated Statement of Profit or Loss.....	Page 21
Condensed Consolidated Statement of Other Comprehensive Income	Page 21
Condensed Consolidated Cash Flow Statement.....	Page 22
Condensed Consolidated Statement of Changes in Equity	Page 23
Notes to the Condensed Consolidated Interim Financial Statements.....	Pages 24-30
Independent Review Report.....	Page 31

Atrium Annual Financial Report 31 December 2017

Consolidated Financial Statements:

Consolidated Statement of Financial Position	Page 45
Consolidated Statement of Profit or Loss	Page 46
Consolidated Statement of Other Comprehensive Income	Page 46
Consolidated Cash Flow Statement	Page 47
Consolidated Statement of Changes in Equity.....	Pages 48-49
Notes to the Financial Statements.....	Pages 50-101
Independent Auditor's Report	Pages 116-119

Atrium Annual Financial Report 31 December 2016

Consolidated Financial Statements:

Consolidated Statement of Financial Position	Page 49
Consolidated Statement of Profit or Loss	Page 50
Consolidated Statement of Other Comprehensive Income	Page 50
Consolidated Cash Flow Statement	Page 51
Consolidated Statement of Changes in Equity.....	Page 52
Notes to the Financial Statements.....	Pages 53-107
Independent Auditor's Report	Pages 120-121

PRESENTATION OF CERTAIN INFORMATION

Atrium and Group Companies

In this Prospectus, unless expressed otherwise, references to the “**Group**” are to Atrium and its consolidated subsidiaries and references to “**Group Companies**” are to the members of the Group.

Real Estate Data

In this Prospectus, references to Gross Lettable Area (“**GLA**”) are references to the total area of a property used and occupied by tenants or currently vacant, excluding all common areas such as restrooms, corridors, kiosks, etc. References to occupancy by GLA are references to the total GLA that is used and occupied by the tenants compared to the total GLA of the given property (including GLA that is currently vacant) expressed as a percentage. References to occupancy is calculated by the Group by dividing the period-end estimated rental value of occupied units by the period-end estimated rental value of all units (including vacant ones).

The property data and the lettable sqm totals included in this Prospectus, as well as the sqm figures used as a basis for the calculation of property data are originated from the Group. There is no obligation to have these audited or reviewed.

References to market value of the Group’s portfolio are to the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

References to investment properties are to the Group’s standing investments and developments and land. For a description of the Group’s portfolio, comprising standing investments and developments and land, see “*Description of Atrium and the Group—Description of the Portfolio*”.

References to “**sqm**” or to “**m²**” are to square metres.

Certain Jurisdictions

In this Prospectus, all references to:

- “**Central and Eastern Europe**” or “**CEE**” are to Albania, Belarus, Bosnia-Herzegovina, Bulgaria, the Czech Republic, Croatia, Estonia, Hungary, Kosovo, Latvia, Lithuania, Montenegro, Macedonia, Moldova, Poland, Romania, Russia, Serbia, Slovakia, Slovenia and Ukraine;
- “**CIS**” are to the Commonwealth of Independent States;
- “**EEA**” are to the European Economic Area and its member states as at the date of this Prospectus;

- “**EU**” are to the European Union and its member states as at the date of this Prospectus;
- a “**Member State**” are to a Member State of the European Economic Area;
- the “**Region**” are to the Czech Republic, Hungary, Latvia, Poland, Romania, Russia, Slovakia and Turkey;
- “**Russia**” are to the Russian Federation;
- “**Slovakia**” are to the Slovak Republic;
- “**Turkey**” are to the Republic of Turkey;
- “**U.K.**” are to the United Kingdom;
- “**U.S.**” are to the United States of America; and
- “**Western Europe**” are to Andorra, Austria, Belgium, Cyprus, Denmark, Finland, France, Germany, Gibraltar, Greece, Iceland, Ireland, Italy, Liechtenstein, Luxembourg, Malta, Monaco, the Netherlands, Norway, Portugal, San Marino, Spain, Sweden, Switzerland, the United Kingdom of Great Britain and Northern Ireland and the Vatican.

Currencies

In this Prospectus, all references to:

- “**CZK**”, “**Koruna**”, or “**Czech Koruna**” are to the lawful currency of the Czech Republic;
- “**EUR**”, “**€**” or “**euro**” are to the lawful currency introduced at the start of the third stage of European economic and monetary union, pursuant to the Treaty establishing the European Community as amended by the Treaty on European Union;
- “**PLN**”, “**Zloty**” or “**Polish Zloty**” are to the lawful currency of the Republic of Poland;
- “**RUR**”, “**Ruble**” or “**Russian Ruble**” and are to the lawful currency of the Russian Federation; and
- “**U.S.\$**”, “**\$**”, “**dollar**” or “**U.S. dollar**” are to the lawful currency of the United States of America.

Rounding

Certain figures included in this Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

OVERVIEW OF FINANCIAL INFORMATION

The information below shows certain of the Group's consolidated financial information as at 30 June 2018 and for the six-month periods ended 30 June 2018 and 2017 and for the years ended 31 December 2017 and 2016. The consolidated financial information as at 30 June 2018 and for the six-month periods ended 30 June 2018 and 2017 has been extracted from, and should be read in conjunction with, the Unaudited Interim Consolidated Financial Statements incorporated by reference in, and forming part of, this Prospectus. The consolidated financial information as at and for the years ended 31 December 2017 and 2016 has been extracted from, and should be read in conjunction with, the Audited Consolidated Financial Statements incorporated by reference in, and forming part of, this Prospectus.

The information presented below under the caption "Other Financial Information" is derived from the unaudited management accounts of Atrium, which are not prepared in accordance with IFRS.

Consolidated Income Statements of profit or loss

	For the six-months ended 30 June		For the year ended 31 December	
	2018	2017	2017	2016
	<i>(unaudited)</i>			
	<i>(€ in thousands)</i>			
Gross rental income.....	89,175	93,803	188,619	185,942
<i>of which</i>				
<i>Poland</i>	49,609	50,725	100,346	102,062
<i>Czech Republic</i>	9,729	9,931	20,061	20,604
<i>Slovakia</i>	5,348	5,607	11,101	11,753
<i>Russia</i>	19,392	20,157	41,873	35,834
<i>Hungary</i>	1,028	3,891	7,871	7,641
<i>Romania</i>	4,069	3,492	7,367	6,690
<i>Latvia</i>	-	-	-	1,358
Service charge income.....	34,040	35,967	72,257	70,959
Net property expenses.....	(36,195)	(39,004)	(80,333)	(77,256)
Net rental income	87,020	90,766	180,543	179,645
<i>of which</i>				
<i>Poland</i>	47,513	49,665	98,019	101,157
<i>Czech Republic</i>	9,560	9,691	19,513	19,905
<i>Slovakia</i>	5,169	5,271	10,586	11,613
<i>Russia</i>	20,122	19,101	38,656	33,206
<i>Hungary</i>	827	3,621	6,887	6,641
<i>Romania</i>	3,829	3,417	6,882	6,163
<i>Latvia</i>	-	-	-	960
Net result on disposals.....	2,732	9	(10,240)	(1,042)
Costs connected with developments.....	(475)	(641)	(1,203)	(2,860)

	For the six-months ended 30 June		For the year ended 31 December	
	2018	2017	2017	2016
	<i>(unaudited)</i>			
	<i>(€ in thousands)</i>			
Revaluation of standing investments, net.....	7,309	3,189	14,319	40,794
Revaluation of redevelopments and land, net	(2,125)	-	(14,098)	(26,243)
Other depreciation, amortisation and impairments	(1,442)	(5,789)	(7,613)	(7,787)
Administrative expenses.....	(10,385)	(14,807)	(28,645)	(72,234)
Share of profit of equity-accounted investments in joint ventures	5,006	4,162	8,616	12,421
Net operating profit	87,640	76,889	141,679	122,694
<i>of which</i>				
<i>Poland</i>	40,589	44,599	92,641	103,884
<i>Czech Republic</i>	14,666	12,294	33,995	41,856
<i>Slovakia</i>	5,898	5,513	6,954	17,268
<i>Russia</i>	11,970	19,998	12,780	23,770
<i>Hungary</i>	4,281	3,254	10,572	2,204
<i>Romania</i>	11,298	3,069	10,156	10,716
<i>Latvia</i>	-	-	-	2,014
<i>Other</i> ⁽¹⁾	(339)	(4,808)	(15,106)	(20,587)
<i>Unallocated expenses</i>	(723)	(7,030)	(10,313)	(58,431)
Interest expenses, net.....	(16,704)	(17,795)	(35,441)	(36,025)
Foreign currency differences.....	257	(982)	(886)	(5,326)
Other financial expenses, net.....	(1,956)	(1,745)	(5,159)	(8,707)
Profit before taxation	69,237	56,367	100,193	72,636
Taxation credit (charge) for the period.....	(20,737)	4,958	(11,101)	(14,435)
Profit after taxation for the year	48,500	61,325	89,092	58,201

(1) Other comprises net operating loss in Turkey and Cyprus.

Consolidated Statements of Financial Position

	<u>As at 30 June</u>	<u>As at 31 December</u>	
	<u>2018</u>	<u>2017</u>	<u>2016</u>
	<i>(unaudited)</i>	<i>(€ in thousands)</i>	
Assets			
Non-current assets			
Standing investments.....	2,313,069	2,408,992	2,458,760
Redevelopments and land.....	372,430	345,331	292,617
Equity-accounted investment in joint ventures	178,101	173,106	173,169
Other non-current assets	9,303	10,245	22,070
	<u>2,872,903</u>	<u>2,937,674</u>	<u>2,946,616</u>
Current assets			
Cash and cash equivalents	28,356	71,920	103,671
Other current assets	48,430	52,091	90,123
Assets held for sale.....	107,262	60,354	14,729
	<u>184,048</u>	<u>184,365</u>	<u>208,523</u>
Total assets	<u>3,056,951</u>	<u>3,122,039</u>	<u>3,155,139</u>
Equity.....	1,832,401	1,893,660	1,942,050
Liabilities			
Non-current liabilities			
Long term borrowings	967,452	968,011	942,009
Other non-current liabilities	140,001	123,181	126,886
	<u>1,107,453</u>	<u>1,091,192</u>	<u>1,068,895</u>
Current liabilities			
Short term borrowings.....	18,278	1,278	5,396
Other current liabilities.....	90,609	100,167	84,087
Provisions	8,210	35,742	54,711
	<u>117,097</u>	<u>137,187</u>	<u>144,194</u>
Total liabilities	<u>1,224,550</u>	<u>1,228,379</u>	<u>1,213,089</u>
Total equity and liabilities	<u>3,056,951</u>	<u>3,122,039</u>	<u>3,155,139</u>

Other Financial Information⁽¹⁾⁽²⁾

	For the six-months ended 30 June		For the year ended 31 December	
	2018	2017	2017	2016
	<i>(unaudited)</i> <i>(€ in thousands)</i>			
EPRA like-for-like gross rental income ⁽³⁾ ..	64,917	64,038	152,943	145,329
EPRA like-for-like net rental income ⁽³⁾	64,487	62,581	145,803	136,990

	For the six-months ended 30 June		For the year ended 31 December	
	2018	2017	2017	2016
	<i>(unaudited)</i> <i>(€ in thousands)</i>			
EPRA Earnings ⁽⁴⁾⁽⁵⁾	43,083	60,318	108,226	58,939
Company adjusted EPRA earnings ⁽⁴⁾⁽⁵⁾	58,848	61,857	122,146	118,342
Adjusted EBITDA ⁽⁶⁾⁽⁷⁾	80,861	79,952	159,879	113,543

	As at 30 June	As at 31 December	
	2018	2017	2016
	<i>(unaudited)</i> <i>(€ in thousands, except for percentages)</i>		
Net loan to value ratio ⁽⁸⁾	33.5%	30.1%	28.7%
Gross loan to value ratio ⁽⁹⁾	34.5%	32.5%	32.3%
EPRA net asset value ⁽¹⁰⁾⁽¹¹⁾	1,947,899	1,994,057	2,050,924

(1) The other financial information includes a 75% stake in assets held in Joint Ventures

(2) This Prospectus contains certain financial measures that are not defined or recognised under IFRS and which are considered to be "alternative performance measures" as defined in the "ESMA Guidelines on Alternative Performance Measures" issued by the European Securities and Markets Authority on 5 October 2015 (the "**Alternative Performance Measures**" or "**APMs**"). Such APMs include, inter alia, measures and ratios calculated and presented following the recommendations published by the European Public Real Estate Association's or EPRA's Reporting and Accounting Committee ("**EPRA Recommendations**"). However, these APMs should not be used instead of or considered as alternatives to the Group's financial results based on IFRS as set out in the Financial Statements. Atrium believes that the presentation of APMs enhances an investor's understanding of its financial performance. Management uses APMs to assess the Group's operating performance and financial condition because it believes these are important supplemental measures of such performance and financial condition. In addition, Atrium believes APMs are frequently used by securities analysts, investors and other interested parties in the evaluation of companies in the real estate industry. The APMs are not presentations made in accordance with IFRS and the Group's use of such terms may vary from others in the real estate industry. The APMs have limitations as analytical tools, and should not be considered in isolation, or as substitutes for financial information as reported under IFRS.

- (3) The Group defines “**EPRA like-for-like gross rental income**” and “**EPRA like-for-like net rental income**” as the gross, or net, rental income of the portfolio that has been consistently in operation, and not under development, during a defined period. Like-for-like rental income in the six-month period ended 30 June 2018 and 2017 is the rental income of the portfolio in each such period which has been consistently in operation, and not under development, during both such periods. Similarly, like-for-like rental income in the years ended 31 December 2017 and 2016 is the rental income of the portfolio in each such period which has been consistently in operation, and not under development, during both such periods. Information on the growth in rental income other than from acquisitions and disposals, allows investors to arrive at an estimate of organic growth. To enhance the comparability of gross and net rental income, prior period values for like-for-like properties have been recalculated using the average exchange rates for the subsequent period.
- (4) “**EPRA Earnings**” are recurring earnings from core operational activities and are defined by the Group as earnings attributable to equity holders of the parent company before (i) changes in value of investment properties, (ii) Net result on disposals of investment properties, (iii) amortisation of intangible assets, (iv) deferred tax in respect of EPRA adjustments, (v) Changes in fair value of financial instruments, debt and associated close-out costs (vi) joint venture interest in respect of the above adjustments.
- “**Company adjusted EPRA Earnings**” include adjustments that management considers appropriate to demonstrate the underlying performance of the Group but which the Best Practices Recommendations require to be shown separately to EPRA Earnings. The adjustments represent adjustments of other non-recurring items which could distort the Group’s operating results. Such non-recurring items are disclosed separately in order to provide stakeholders with the most relevant information regarding the performance of the underlying property portfolio. Company adjusted EPRA Earnings is defined by the Group as EPRA Earnings before (i) legacy legal matters, (ii) impairments, (iii) foreign exchange differences, (iv) deferred tax not related to revaluations (v) changes in the fair value of financial instruments, (vi) non-recurring tax charges, (vii) business restructuring costs.
- (5) The following is a reconciliation of earnings attributed to equity holders of the parent company to Company adjusted EPRA Earnings for the six months ended 30 June 2018 and 2017 and for the years ended 31 December 2017 and 2016:

	For the six-months ended 30 June		For the year ended 31 December	
	2018	2017	2017	2016
	<i>(unaudited)</i>			
	<i>(€ in thousands)</i>			
Earnings attributable to equity holders of the parent company	48,500	61,325	89,092	58,201
Changes in value of investment properties ...	(5,184)	(3,189)	(221)	(14,551)
Net result on disposals of investment properties	(2,732)	-	10,240	1,042
Amortisation of intangible assets	1,102	798	1,915	1,746
Deferred tax in respect of EPRA adjustments	1,705	912	3,256	10,926
Changes in fair value of financial instruments, debt and associated close-out costs	-	-	3,376	5,004
Joint venture interest in respect of the above adjustments	(308)	472	568	(3,429)
EPRA earnings	43,083	60,318	108,226	58,939
Company adjustments				
Legacy legal matters	-	2,859	5,074	45,210
Impairments	-	4,480	4,480	5,000
Foreign exchange differences	(257)	982	886	5,326
Deferred tax not related to revaluations	21,351	(6,786)	(6,774)	(1,827)

Changes in the fair value of financial instruments	-	-	(1,164)	1,095
Non recurring tax charges	(5,329)	(1,122)	10,078	3,154
Business restructuring costs	-	1,126	1,340	1,445
Company adjusted EPRA earnings	58,848	61,857	122,146	118,342

- (6) “Adjusted EBITDA” as defined by the Group is the consolidated profit for the period before taxes, depreciation, amortisation and impairments and excluding revaluation changes, financial income and financial expenses and net result on disposals.
- (7) The following is a reconciliation of profit after taxation for the period to Adjusted EBITDA for the six months ended 30 June 2018 and 2017 and for the years ended 31 December 2017 and 2016:

	For the six-months ended 30 June		For the year ended 31 December	
	2018	2017	2017	2016
	<i>(unaudited)</i>			
	<i>(€ in thousands)</i>			
Profit after taxation for the year.....	48,500	61,325	89,092	58,201
Interest expenses, net	16,704	17,795	35,441	36,025
Foreign currency differences.....	(257)	982	886	5,326
Other financial expenses	1,956	1,745	5,159	8,707
Taxation credit/charge for the period	20,737	(4,958)	11,101	14,435
Other depreciation, amortisation and impairments.....	1,442	5,789	7,613	7,787
Revaluation of standing investments	(7,614)	(2,717)	(13,751)	(44,223)
Revaluation of redevelopments and land, net.....	2,125	-	14,098	26,243
Net result on disposals	(2,732)	(9)	10,240	1,042
Adjusted EBITDA	80,861	79,952	159,879	113,543

- (8) “Net loan to value ratio” is calculated as net debt of the Group (being the sum of long and short term borrowings minus cash and cash equivalents of the Group) divided by the market value of the Group’s investment property portfolio (including standing investments and redevelopments and land).
- (9) “Gross loan to value ratio” is calculated as the sum of long and short term borrowings divided by the market value of the Group’s investment property portfolio.
- (10) “EPRA net asset value”, or “EPRA NAV”, highlights the fair value of net assets on an ongoing, long-term basis. Assets and liabilities that are not expected to crystallise in normal circumstances such as the fair value of financial instruments and deferred taxes on property valuation surpluses are therefore excluded. The Group defines EPRA NAV in line with EPRA Recommendations as diluted net asset value after the exercise of options and before (i) fair value of financial instruments, (ii) deferred tax.
- (11) The following is a reconciliation of the net asset value of the Group to its EPRA NAV as at 30 June 2018 and 2017 and for the years ended 31 December 2017 and 2016:

	As at 30 June	As at 30 June	As at 31 December	
	2018	2017	2017	2016
	<i>(unaudited)</i>			
	<i>(€ in thousands)</i>			
Net asset value per the financial statements	1,832,401	1,898,539	1,893,660	1,942,050
Diluted NAV, after the exercise of options	1,841,661	1,912,424	1,906,512	1,957,988
Fair value of financial instruments	1,559	3,341	1,030	4,704

Deferred tax	<u>104,679</u>	<u>87,817</u>	<u>86,515</u>	<u>88,232</u>
EPRA NAV	<u>1,947,899</u>	<u>2,003,582</u>	<u>1,994,057</u>	<u>2,050,924</u>

DESCRIPTION OF ATRIUM AND THE GROUP

General

Atrium was incorporated in Jersey on 8 December 1997 as a company with limited liability under the Jersey Companies Law and is regulated by the JFSC as a certified fund pursuant to the CIF Law, as amended. In 2008, in order to facilitate the internalisation of its management, Atrium was granted permission by the JFSC to be treated as a Listed Fund.

Atrium's affairs are managed by the Board of Directors, with its seat outside the EU. Atrium's registered office is 11-15 Seaton Place, St. Helier, Jersey JE4 0QH, Channel Islands with telephone number: +44 (0)153 483 3000 and its principal office 4th Floor, Channel House, Green Street, St Helier, Jersey JE2 4UH, Channel Islands with telephone number: +44 (0)153 461 7450. Atrium is registered in Jersey with registration number 70371. The legal name of Atrium is "Atrium European Real Estate Limited". The current Articles of Association of Atrium (the "**Articles**") were adopted by special resolution of the members of Atrium passed on 25 April 2017.

Atrium was founded in 1997 with the name "Central European Land Limited" and in the same year it acquired a portfolio of 61 commercial retail properties in the Czech Republic and Hungary from Julius Meinl International AG. In February 1998, Atrium was re-registered as a public limited company. In October 2002, its name was changed to "Meinl European Land Limited" and in November 2002, there was an initial public offering of Austrian Depositary Receipts in respect of 100% of its equity capital on the Vienna Stock Exchange. In 2008, Atrium's name was changed to "Atrium European Real Estate Limited" and several governance changes were introduced to the Group following the strategic investment made by Gazit Globe Ltd. and a consortium managed by CPI CEE Management LLC and controlled by Apollo Global Real Estate Management LP. These changes included the reconstitution of the Board of Directors and the appointment of a new internal management team. In 2009, Atrium obtained a dual listing of its ordinary shares (the "**Shares**") on the official market (*Amtlicher Handel*) of the Vienna Stock Exchange and on Euronext Amsterdam by Euronext N.V. ("**Euronext Amsterdam**"), the regulated market of Euronext Amsterdam N.V. ("**Euronext**"). Atrium does not have a separate trading or commercial name and the duration of Atrium is indefinite.

Atrium's authorised stated capital is unlimited with no par value shares. The shares are governed by the laws of Jersey.

As at 30 June 2018, the total number of ordinary shares issued was 377,683,849 (31 December 2017: 377,056,821 shares), of which 377,654,241 ordinary shares were registered in the name of Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. (trading as "Euroclear"), 29,608 ordinary shares were registered in the name of individual shareholders and one ordinary share in the name of Aztec Financial Services (Jersey) Limited. The Shares are listed on the Vienna Stock Exchange and Euronext under ticker: ATRS.

Corporate Structure

Atrium is the holding company of the Group and, through the Board of Directors, its main functions include the overall strategic management of the Group, the determination of the objectives and strategies of the Group, central co-ordination of the activities of the Group Companies and central allocation of resources and monitoring of Group activities.

As at the date of this Prospectus, Atrium had a total of 132 subsidiaries. The Group Companies comprise real estate holding companies and management companies in all of the countries in which the Group has its operations or assets, and intermediate holding companies established in other jurisdictions. Atrium does not directly hold properties. Generally, the purpose of each real estate holding company within the Group is to hold one or more properties of the Group in the relevant country.

Description of the Group's Operational Activities

The Group is focused on food, fashion and entertainment anchored shopping centres and retail properties in Central Europe. The Group acquires, develops and operates shopping centres and retail properties predominantly in Poland and the Czech Republic.

As at 30 June 2018, the Group owned and operated 34 primarily food anchored retail properties and shopping centres (two of which are externally managed) ("**Standing Investments**") with a market valuation of €2.5 billion and 937,600 sqm of GLA (including a 75% stake in assets held in Joint Ventures and excluding €106.6 million representing one asset in Romania and four assets in Hungary classified as held for sale as at 30 June 2018) and owned a redevelopment and land portfolio ("**Redevelopments and Land**"), with a market valuation of €372.4 million.

The Group's business is divided into two segments: (i) Standing Investments and (ii) Redevelopments and Land. The Standing Investments segment comprises the leasing, operation and management of the Group's income-yielding portfolio.

Twenty-seven¹ of the assets owned by the Group as at 30 June 2018 were shopping centres, seventeen of which were large scale centres of over 30,000 sqm of GLA, while the other ten ranged in size from between 10,000 sqm and 30,000 sqm of GLA. The seven² remaining assets are mainly smaller-scale properties leased to a variety of retailers ranging from food anchors to do-it-stores. The Redevelopments and Land segment comprises the Group's development activities, including extensions to existing real estate within the Group's portfolio. The Group plans to invest over €300 million in its redevelopments projects in the period 2014 to 2021 of which €115 million has already been invested as at 30 June 2018. The Group manages each of the two segments separately and dedicates key personnel to each sector.

As at 30 June 2018, Atrium's redevelopments and land portfolio was valued at €372 million compared to €345 million as at 31 December 2017. It comprises €229 million (31 December

¹ Excluding one asset in Romania classified as held for sale as at 30 June, 2018

² Excluding four asset in Hungary classified as held for sale as at 30 June, 2018

2017: €229 million), which Atrium continues to seek to monetise, mainly through sales, and €143 million (31 December 2017: €116 million), of redevelopments.

Atrium distinguishes the markets in which the Group operates based on three regions “Central CEE Countries” (being Poland, the Czech Republic and Slovakia), “Southern-Eastern CEE Countries” (being Hungary and Romania) and “Eastern CEE Countries” (being Russia).

Property management

Property management teams at the local level are dedicated to the management of properties in a given country, building relationships with incumbent tenants and providing insight into the local requirements and market dynamics at each of the Group’s assets. With the exception of two, all of the Group’s Standing Investments are currently managed by the Group’s internal property management team. They are also responsible for managing tenants and the creation of the shopping and entertainment environment and monitoring compliance with regulatory requirements. The Group’s property management approach is centered around personal and regular contact with tenants, marketing and local community involvement and facility management.

Leasing

The Group has experienced local leasing professionals within the property management teams in each country in which it operates. The task of the leasing teams includes, amongst others, keeping the occupancy levels of all properties generally close to 100% through renewals and re-lettings and monitoring the tenant mix to match the needs of the market and consumers. These teams work closely with the Group’s current tenants as well as potential new tenants. These relationships also enable the Group to involve its tenants in the early stages of development or redevelopment of projects and thus, where appropriate, it actively approaches tenants from its network of existing relationships selected on the basis of analyses conducted in relation to the area in which a property may be situated. These initiatives often help in reducing the Group’s leasing risk.

The Group employs a range of strategies to maintain a high occupancy rate. The leasing teams attempt to find the most successful and productive tenants in every segment, and draw on existing commercial relationships to generate market interest in its properties. In addition, the Group looks for those tenants who best complement the product range and mix for consumers in a specific location. The Group is also at times able to match the geographical expansion plans of its tenants with the Group’s properties in the relevant areas. The Group’s diverse portfolio allows us to optimise occupancy by bundling together leases for properties which attract strong tenant demand with properties which attract relatively weaker demand.

Acquisition process and disposals

The Group continues the process of repositioning the portfolio towards high quality assets in well-connected strong urban locations within Poland and the Czech-Republic, the region’s largest and strongest economies.

Acquisitions of properties are initiated by the Group executive management, the Group acquisition department and local management. The Group is able to leverage its wider contacts in the retail and real estate industries in order to identify and pursue potential acquisition opportunities. The Group reviews and analyses all opportunities and where an opportunity reaches suitable investment criteria and following appropriate commercial, financial, tax, legal and technical diligence, approval is sought from the Board of Directors. Once such approval has been obtained, the acquisition is typically executed primarily by the Group Executive team and the appropriate teams located in the relevant countries. The Group continues to engage in acquisitions in furtherance of its strategy.

Disposals of properties are initiated by the Group in furtherance of its strategy when such properties no longer meet the Group's investment criteria.

In September 2017, the Group completed a disposal of a development and land site in the Veverří district of Brno in the Czech Republic for €10.1 million.

In December 2017, the Group completed the disposal of a portfolio of thirteen Penny leased supermarkets in Hungary with a total lettable area of approximately 12,200 sqm for €11.1 million.

In February 2018, a 41,200 sqm portfolio of assets in Budapest, comprising the Atrium Euro Center, the Szombathely Family Center and adjacent Szombathely Praktiker building, was sold for €42.0 million (the **Szombathely Disposal**), which effectively means that the Group exits Hungary.

In February 2018, Atrium sold its interest in the 18,800 sqm Futurum Shopping Centre in Brno, in the Czech Republic for €13.6 million (the **Futurum Disposal**).

In April 2018, the Group signed an agreement for the disposal of Atrium Saratov in Slovakia for €10.3 million which was completed in May 2018 (the **Saratov Disposal**).

Also in April 2018, the Group entered into an agreement to sell Atrium Militari shopping centre in Bucharest, Romania for €95 million. The sale was completed in July 2018 (the **Militari Disposal**).

In July 2018, the Group signed agreements for the disposal of the four residual assets in Hungary for €11.6 million and in August 2018 completed the sale of one of them.

In August 2018, the Group signed an agreement to acquire Wars Sawa Junior, a retail asset located in the heart of Warsaw, for a consideration of €301.5 million from PFCEE, a fund managed by CBRE Global Investors, using a mixture of existing cash resources and external financing (the **Wars Sawa Acquisition**). Following the Wars Sawa Acquisition, the Group's loan to value ratio will increase from 33.5% to approx. 37.0%, in line with the Group's expectations. The transaction is subject to the fulfillment of certain conditions precedent, with completion anticipated during the fourth quarter of 2018. Upon completion of the Wars Sawa transaction, the Group will own four major shopping centres in Warsaw with a total GLA in Poland of approximately 550,000 sqm. Atrium expects to create a further 26,000 sqm of GLA in

the Polish capital by the end of 2018 as part of its ongoing redevelopment programme, which will ultimately add over 60,000 sqm of prime retail space in Warsaw.

As the result of these transactions, Atrium increased weighting towards Poland and the Czech Republic where Atrium has significant critical mass, and are better placed to benefit from leveraging efficiencies and economies of scale.

Description of the Portfolio

Standing Investments

As at 30 June 2018, the Group's income producing portfolio comprised 34 operating assets with a total GLA of 937,600 sqm and a market valuation of €2.5 billion (excluding €106.6 million representing one asset in Romania and four assets in Hungary classified as held for sale as at 30 June 2018) (see "*—Description of the Group's Operational Activities—Acquisition process and disposals*" above)).

As at 30 June 2018, 27³ of Atrium's assets were shopping centres, 17 of which were large scale centres of over 30,000 sqm of GLA, while the other 10 ranged in size between 10,000 sqm and 30,000 sqm of GLA. The 7⁴ remaining assets are mainly smaller-scale properties leased to a variety of retailers ranging from food anchors to do-it-yourself ("**DIY**") stores.

The Group's focus on the proactive asset management of its Standing Investments underpins its property management strategy. The Group reviews and analyses the existing property portfolio with the aim of identifying assets which require upgrading, refurbishment or extension, or to dispose of properties which do not continue to meet the Group's strategic investment objectives.

A key element of the Group's asset management strategy is to ensure that its centres have a healthy tenant mix that is relevant to its local environment and anchored by food, fashion as well as leisure and entertainment tenants. This increases the resilience of the portfolio by allowing it to both meet the every-day needs of consumers while at the same time be positioned as an attractive destination. This combination is fundamental to driving footfall, generating additional income and therefore value creation. We are able to maintain close working relationships with our tenants through our on-the-ground management teams, who are able to provide vital insight into each of our assets' local requirements and market dynamics. This approach has remains a major component of the sustainable levels of rental income and cash flow that the Group produces.

A full valuation is performed at year-end by external valuation companies in relation to all Standing Investments. External valuations of the majority (by value) - of the Standing Investments are performed on a semi basis using the desktop approach. A full update of a valuation of an asset is performed only if material changes in net annual rental income occurred during the period or when deemed necessary by management.

The following table provides an overview of the Group's portfolio of Standing Investments (including a break down for the countries in which the Group operates) as at 30 June 2018, 31 December 2017 and 2016.

³ Excluding 1 asset in Romania classified as held for sale as at 30 June, 2018

⁴ Excluding 4 asset in Hungary classified as held for sale as at 30 June, 2018

	As at 30 June	As at 31 December	
	2018	2017	2016
No. of Standing Investments⁽¹⁾		<i>(No. of properties)</i>	
<i>of which</i>			
<i>Poland</i>	21	21	21
<i>Czech Republic</i>	3	3	5
<i>Slovakia</i>	2	3	3
<i>Russia</i>	7	7	7
<i>Hungary</i>	-	4	22
<i>Romania</i>	-	1	1
Total	33	39	59
<i>Investment in Joint Ventures (75%)</i>	1	1	1
Total	34	40	60

Market Value⁽¹⁾⁽²⁾

(€ in thousands)

<i>of which</i>			
<i>Poland</i>	1,531,214	1,522,832	1,529,463
<i>Czech Republic</i>	335,015	333,055	340,573
<i>Slovakia</i>	160,739	166,820	163,625
<i>Russia</i>	286,101	289,305	284,344
<i>Hungary</i>	-	10,190	61,165
<i>Romania</i>	-	86,790	79,590
Total	2,313,069	2,408,992	2,458,760
<i>Investment in Joint Ventures (75%)</i>	172,598	172,125	172,425
Total	2,485,667	2,581,117	2,631,185

Share of Group Portfolio by Market Value⁽¹⁾

(in %)

<i>of which</i>			
<i>Poland</i>	61.6%	59.0%	58.1%
<i>Czech Republic</i>	13.5%	12.9%	12.9%
<i>Slovakia</i>	6.5%	6.5%	6.2%
<i>Russia</i>	11.5%	11.2%	10.8%
<i>Hungary</i>	-	0.4%	2.3%

	As at 30 June	As at 31 December	
	2018	2017	2016
<i>Romania</i>	-	3.4%	3.0%
Total	93.1%	93.3%	93.4%
<i>Investment in Joint Ventures (75%)</i>	6.9%	6.7%	6.6%
Total	100%	100%	100%

GLA⁽¹⁾	<i>(in sqm)</i>		
<i>of which</i>			
<i>Poland</i>	535,300	517,400	522,200
<i>Czech Republic</i>	62,000	62,000	82,500
<i>Slovakia</i>	68,400	76,800	73,500
<i>Russia</i>	241,900	241,500	241,100
<i>Hungary</i>	-	15,300	97,700
<i>Romania</i>	-	56,400	56,600
Total	907,600	969,400	1,073,600
<i>Investment in Joint Ventures (75%)</i>	30,000	30,000	30,000
Total	937,600	999,400	1,103,600

Share of Group Portfolio by GLA⁽¹⁾	<i>(in %)</i>		
<i>of which</i>			
<i>Poland</i>	57.1%	51.8%	47.3%
<i>Czech Republic</i>	6.6%	6.2%	7.5%
<i>Slovakia</i>	7.3%	7.7%	6.7%
<i>Russia</i>	25.8%	24.2%	21.8%
<i>Hungary</i>	-	1.5%	8.9%
<i>Romania</i>	-	5.6%	5.1%
Total	96.8%	97.0%	97.3%
<i>Investment in Joint Ventures (75%)</i>	3.2%	3.0%	2.7%
Total	100%	100%	100%

Net Equivalent Yield (including estimated rental income on vacant space)⁽²⁾⁽³⁾	<i>(in %)</i>		
<i>of which</i>			
<i>Poland</i>	6.2%	6.2%	6.3%
<i>Czech Republic</i>	5.4%	5.6%	5.7%
<i>Slovakia</i>	6.8%	7.0%	7.2%
<i>Russia</i>	12.5%	12.5%	12.8%

	As at 30 June	As at 31 December	
	2018	2017	2016
<i>Hungary</i>	-	9.0%	9.4%
<i>Romania</i>	-	8.1%	8.1%
<i>Portfolio Average</i>	6.8%	7.0%	7.0%

EPRA Net Initial Yield⁽²⁾⁽⁴⁾

of which

<i>Poland</i>	5.9%	6.0%	6.2%
<i>Czech Republic</i>	5.4%	5.5%	5.6%
<i>Slovakia</i>	6.6%	6.3%	7.0%
<i>Russia</i>	13.6%	13.4%	12.0%
<i>Hungary</i>	-	11.0%	11.6%
<i>Romania</i>	-	8.3%	7.8%
<i>Portfolio Average</i>	6.8%	6.9%	6.9%

- (1) Excluding €106.6 million representing 1 asset in Romania with 56,400 sqm of GLA and 4 assets in Hungary with 15,200 sqm of GLA classified as held for sale as at 30 June 2018 and excluding €58.4 million representing 5 assets in Hungary with 70,200 sqm of GLA and 1 asset in Czech Republic with 18,800 sqm of GLA classified as held for sale as at 31 December 2017
- (2) Presented in the unaudited management accounts of Atrium.
- (3) Net Equivalent Yield is derived from the external valuation process and takes into consideration the current actual net rental income together with the external appraisers' assessment of potential future net rental income, occupancy and lease expiries.
- (4) EPRA Net Initial Yield is calculated as the annualised rental income less non-recoverable property operating expenses, divided by the market value of the property.

Leases and occupancy

Leasing activity can be divided into re-lettings, renewals and pre-lettings. Re-lettings relate to the leasing of an existing space—either previously occupied or vacant—to a new tenant, while renewals relate to the conclusion of new leases with existing tenants with respect to the same unit. Pre-lettings relate to the future letting of developments and extensions. The Group monitors the rent level at which the local leasing teams re-let or renew leases. The rent levels for the Group's properties are driven by numerous interacting factors, including the attractiveness of the Group's properties (which the Group considers to comprise the markets in which they are located, the aesthetics and technical conditions of the property, the competitors in the catchment area and the tenant mix), supply and demand for real estate in the respective locations, legal and tax conditions, general economic trends and exchange rate fluctuations in the individual markets in which the property is located. The occupancy cost ratio, which reflects the tenant's rental cost as a proportion of the tenant's turnover, can be affected by external factors—such as fluctuations

of the currency on which rent is based against the local currency in which the tenant generates turnover—and internal factors—such as a decrease in turnover as a result of a decrease in customer traffic. The leasing teams dynamically monitor and analyse a range of macro and micro economic factors, including the particular financial and operational circumstances of the property and the tenant, to determine whether rent levels are appropriate and that properties are not unduly over-rented or under-rented compared to the estimated rental value (“ERV”).

The Group’s lease agreements vary from one market to another as a result of differences in the relevant legal regimes, which affect lease terms, terminations and annual rent increases, as well as market practice. Rent clauses are typically divided into base rent and turnover rent. Base rent, which is typically subject to annual index-linked increases, accounts for substantially most of the Group’s revenue. Country and tenant specific deviations exist which at times limit the Group’s ability to raise rents to the fullest extent in accordance with the applicable indices. Turnover rent is linked to the turnover of the tenant. Typically this is incremental to the base rent but, with respect to some anchor tenants, the rent may be exclusively linked to turnover (without a minimum rent). Where possible, the leasing teams seek to negotiate contractual improvements even in circumstances where a particular lease is not due for renewal. Further, in order to attract certain specific tenants, as part of the negotiation process, some lease incentives which include an initial rent free period or a fit out contribution may be provided to prospective tenants.

The Group focuses on occupancy rate as a key performance indicator of its operations. The Group’s target is to maintain the highest possible occupancy rates across its various assets and it achieves these through certain ongoing property management initiatives and building relationships with tenants. EPRA Best practice recommendations provide for a vacancy definition based on the ERV of vacant units divided by the ERV of the whole portfolio. The following table set out the Group’s occupancy rate (including 1 standing investment property in Romania and four in the Hungary classified as held for sale as at 30 June 2018 and including 5 standing investment properties in Hungary and 1 in the Czech Republic classified as held for sale as at 31 December 2017) (see “—Description of the Group’s Operational Activities—Acquisition process and disposals” above) defined as 100% less EPRA vacancy.

	<u>As at 30</u> <u>June 2018</u>	<u>As at 31 December</u>	
		<u>2017</u>	<u>2016</u>
		<i>(in %)</i>	
occupancy rate⁽¹⁾			
<i>of which</i>			
<i>Poland</i>	96.7%	96.4%	96.9%
<i>Czech Republic</i>	98.6%	97.6%	98.3%
<i>Slovakia</i>	97.4%	95.4%	98.4%
<i>Russia</i>	96.4%	97.1%	93.1%
<i>Hungary</i>	-	97.6%	98.0%
<i>Romania</i>	-	99.2%	99.6%
Average	97.0		96.6
	%	96.8%	%

(1) Best practice recommendations provide for a vacancy definition based on ERV of vacant units divided by the ERV of the whole portfolio. The occupancy rate shown above is therefore defined as 100% less EPRA vacancy.

Lease expiries

As at 30 June 2018, the percentage of lease agreements with a remaining contract term of more than five years (based on lease expiry date) was 36.6%, as compared to 29.8% as at 31 December 2017. As at 30 June 2018, the average portfolio lease length (based on lease expiry date and excluding break clauses) was 4.9 years, as compared to 4.8 years as at 31 December 2017. These percentages are calculated using annualised rental income (“**ARI**”). Additionally, the lease maturities are well spread between the years 2018 and 2022. This provides the Group with a high degree of visibility as to likely future cash flows over the coming years. On the basis of ARI calculated as at 30 June 2018, the expiry schedule of existing lease agreements are as detailed in the following table.

Lease expiry schedule	% of ARI
2018.....	16.8%
2019.....	13.7%
2020.....	12.1%
2021.....	10.5%
2022.....	7.8%
>2022	36.6%
Indefinite	2.5%
Total	100%

Some of the Group’s lease agreements with anchor and other tenants provide for break clauses after an initial tenancy period of five to fifteen years. The above lease expiry schedule does not factor in any break clauses that may exist in the Group’s lease agreements.

Tenant mix

The Group continually reviews the various Standing Investments based on a range of factors such as competition and catchment area metrics (including the area’s population demographics and spending patterns), with a view to targeting an optimal tenant mix. The Group defines optimal tenant mix in terms of the type of tenants—such as food retailers, fashion retailers or tenants operating entertainment facilities and restaurants—who would best complement the existing product range on offer at its properties and provide a suitable product mix for consumers in the relevant area. Improvements are implemented at natural points or breaks in the leasing cycle or when an opportunity arises that allows the Group to implement an improvement to the existing tenant mix. While substantially all of the Group’s larger properties are anchored by a number of international hyper/supermarket brands, which together represent the largest category of tenants based on GLA, the Group also aims to partner with well-known fashion and apparel or entertainment anchors in order to optimise the tenant mix. These partnerships drive footfall, whilst meeting the needs of the end-consumer and complementing the other tenants in order to add long term value to an asset. Fashion and apparel retailers, taken together, represent the largest category of tenants based on ARI, signifying the higher rental income generated by such tenants.

Redevelopments and Land Portfolio

As at 30 June 2018, Atrium's redevelopments and land portfolio was valued at €372 million. It comprises €229 million, which Atrium continues to seek to monetise, mainly through sales, and €143 million of redevelopments. While in exceptional circumstances the Group will consider new developments, its primary focus is currently on this latter section where we continue to pursue our strategy of upgrading and extending proven assets which are already cash generative and therefore have a lower execution risk.

Over the course of the year we have continued to carefully assess which redevelopment projects have the most potential to add value to our portfolio. Our focus is towards growing and strengthening our portfolio in the largest and strongest cities and domestic economies of our region. The decision to redevelop a project is dependent on its location, size, the economic situation in the relevant city and country, competition and the overall risk profile.

By developing and extending its own properties the Group is able to ensure that its projects are constructed in accordance with its own designs and standards, with a view to maximise operational efficiency and optimise the use of space.

The Company plans to invest over €300 million in its redevelopment projects in the period 2014 to 2021 of which €115 million has already been invested by the end of 30 June 2018. This includes the redevelopment projects already underway at Atrium Promenada, Atrium Targowek and Atrium Reduta and will add over 60,000 sqm of high quality GLA in Warsaw.

In 2015, Atrium embarked on a major extension and modernisation of Atrium Promenada. The redevelopment will create a uniquely modern and interactive shopping centre that stands out as a landmark destination on the right-bank of Warsaw. The enhanced and extended Atrium Promenada is expected to be completed in 2021. New and desirable retail brands will be opening in fourth quarter of 2018. Numerous amenities for customers are being introduced in response to Atrium's analysis of the changing needs of Warsaw residents and the evolving requirements of retailers and consumers. Once complete, this redevelopment project will comprise a large scale, 47,600 sqm extension and a major remodelling of the existing shopping centre, bringing the Atrium Promenada's total GLA to over 90,000 sqm.

Stage 1 was completed in October 2016 and created approximately 7,600 sqm of new space and included one of the largest H&M stores in Poland, as well as the latest retail design concepts of GoSport, and others.

Stage 2 comprises an upgrade of the common areas of the mall, as well as creating approximately 13,200 sqm of new lettable space. The features of this stage include a refurbished Fountain Alley, with new double shop fronts on the first floor level and new food court units. A two storey car park is also being constructed. Stage 2 is expected to be completed in the fourth quarter of 2018.

Legal Proceedings

Reference is made to note 2.17 (*Contingencies*) from the Unaudited Interim Consolidated Financial Statements, beginning on page 29, and note 2.42 (*Contingencies*) from the Financial Statements with respect to the financial statements for the year ended 31 December 2017, beginning on page 100, which are incorporated by reference in, and form part of, this Prospectus (see “*Documents Incorporated by Reference*”).

DIRECTORS OF ATRIUM AND GROUP EXECUTIVE MANAGEMENT

The Board of Atrium

The Board of Directors of Atrium (the “**Board**”) consists of seven directors (the “**Directors**”) who are:

Name	Born	Function	Position held since
Chaim Katzman ⁽¹⁾	1949	Chairman and Non-Executive Director	August 2008
Rachel Lavine ⁽¹⁾	1965	Vice Chairman and Non-Executive Director	August 2008
Simon Radford.....	1957	Independent Non-Executive Director	March 2008
Andrew Wignall.....	1964	Independent Non-Executive Director	March 2008
Michael Erricherri.....	1957	Independent Non-Executive Director	April 2017
Neil Flanzraich.....	1943	Independent Non-Executive Director	April 2017
Lucy Lilley	1972	Independent Non-Executive Director	April 2018

(1) Appointed by Gazit-Globe Ltd, or an affiliate thereof.

The following are short biographies of the members of the Board:

Chaim Katzman

Chaim Katzman is the Founder, Chief Executive Officer and controlling shareholder of Gazit Globe (TASE, NYSE, TSX: GZT), a leading global real estate company focused on the ownership, development and management of shopping centers and mixed-use properties in major urban markets. As CEO of Gazit-Globe, Mr. Katzman leads the global operations and manages affiliate and subsidiary activities for approximately \$11 billion of real estate assets⁵ in the United States, Canada, Europe, Israel and Brazil.

Mr. Katzman is also the Founder, Chief Executive Officer and controlling shareholder of Norstar Holdings Inc. (TASE: NSTR), the parent company of Gazit-Globe, was the Founder and Executive Chairman of Equity One, Inc. (NYSE: EQY), a leading urban focused shopping center REIT he founded in 1992 that merged with Regency Centers in 2017, forming a leading US shopping center REIT. Mr. Katzman served in roles as EQY’s CEO and then Chairman from 1992 to 2006 and as the Vice Chairman of Regency Centers (NYSE: REG). Mr. Katzman also served on the Board of First Capital Realty Inc. (TSX: FCR), Canada’s leading owner, developer and operator of supermarket- and pharmacy-anchored shopping centers from 2000 to 2017. He served as FCR’s Chairman from 2000 to 2015. In 2008, following an investment by Gazit-Globe, Mr. Katzman was appointed as Chairman of the Board of the Company. In 2010, Mr. Katzman was appointed Chairman of Citycon Oyj (OMX: CTY), an owner, developer and operator of shopping centers in the Nordic and Baltic and the market leader in the Nordic shopping center sector.

⁵ Excluding Gazit’s non-consolidated investments in NYSE: REG and TSX: FCR.

A pioneer of the retail investment and development industry, Mr. Katzman is a member of the International Council of Shopping Centers (ICSC), the National Association of Real Estate Investment Trusts (NAREIT), the Real Estate Roundtable and the Association of Foreign Investors in Real Estate (AFIRE), and a trustee of the Urban Land Institute (ULI). Mr. Katzman was the recipient and winner of the Ernst & Young Entrepreneur Of The Year® 2010 Award in the Real Estate and Construction Services Category in Florida. Mr. Katzman received an L.L.B. from Tel Aviv University Law School and serves as a Trustee on the Board of Governors at Tel-Aviv University.

Mr. Katzman is a well-known civic leader, philanthropist and supporter of numerous organizations. In 2011, he founded the Gazit Globe Real Estate Institute at Israel's Interdisciplinary Center (IDC) Herzliya, an academic and research program focused on innovation and entrepreneurship in the real estate sector that offers a Master's degree in real estate with concentrations in housing, land use and real estate finance.

Rachel Lavine

Rachel Lavine was appointed as Vice Chairman of the Board on 1 December 2014 having previously been Chief Executive Officer from August 2008 to November 2014 and a member of the Board of Directors throughout that time. Mrs. Lavine currently serves as an External Director of Hadera Papers Ltd. Mrs. Lavine was formerly CEO of Gazit-Globe; President and CEO of Plaza Centres (Europe) BV; President and CEO of Elscint Ltd; and has been a director on several boards of directors throughout her career.

Mrs. Lavine graduated from the Tel Aviv College of Management with a BA (Bachelor of Business) in accounting, she has been a CPA (Certified Public Accountant) since 1995 and holds an Executive MBA from the Kellogg School of Management (Northwestern University)/Recanati School of Management (Tel Aviv University) graduating in 2008.

Simon Radford

Simon Radford is an independent non-executive director appointed to the Board in March 2008. Based in Jersey, he serves as a non-executive director on a number of alternative investment strategy funds, as well as a multi-national trust and corporate services business. Mr. Radford was the Chief Financial Officer of an alternative investment fund administration business for 11 years until March 2016 and prior to that was senior partner of Deloitte & Touche in Jersey where he was in charge of the assurance and advisory business. Mr. Radford is a Fellow of the Institute of Chartered Accountants in England and Wales. In the years 2006 to 2008, he also served as Chairman of the Institute of Directors in Jersey.

Andrew Wignall

Andrew Wignall is an independent non-executive director appointed to the Board in March 2008. Mr. Wignall is a Fellow of the Institute of Chartered Accountants in England and Wales, having qualified with Ernst & Young in 1988, where he worked as an auditor primarily with financial services clients. In 1996 he was a founding director of Moore Management Limited ("Moore") and since leaving Moore in 2007, Mr. Wignall has acted as an independent non-executive director of a number of private equity, real estate and other alternative fund structures. Mr.

Wignall is authorised by the Jersey Financial Services Commission to act as a director of such structures and from 2004 to 2011 was a committee member of the Jersey Funds Association.

Michael Errichetti

Michael Errichetti is an independent non-executive director appointed to the Board in April 2017. Mr. Errichetti is a principal of Midcountry Capital LLC, a private real estate investment and advisory firm. He has been a real estate investment banker for thirty years, twenty of those with JP Morgan based in NY, Paris and London. Prior to Midcountry Capital, he was a Managing Director in UBS's global real estate investment banking group in NY. Mr. Errichetti has been an associate board member of NAREIT, a member of the International Council of Shopping Centers and holds a BA in Economics from Rutgers College, Rutgers University and an MBA from Washington University in St. Louis.

Neil Flanzraich

Neil Flanzraich is an independent non-executive director appointed to the Board in April 2017. Mr. Flanzraich is Executive Chairman of Cantex Pharmaceuticals, Inc., a privately-owned pharmaceutical company developing medicines for cancer. Mr. Flanzraich has significant experience leading both public and private pharmaceutical and biotech companies. Mr. Flanzraich is also an Expert-in-Residence in Entrepreneurship at Harvard University. He has served as a member of the board of directors of numerous public companies listed on the NYSE or other American stock exchanges. He is the Lead Independent Director of Chipotle Mexican Grill, Inc. (CMG:NYSE), a fast casual restaurant chain, and was also the Lead Independent Director of Equity One Inc. Mr. Flanzraich has a BA from Harvard College (Phi Beta Kappa, Magna Cum Laude), and a JD from Harvard Law School (Magna Cum Laude).

Lucy Lilley

Lucy Lilley is a chartered surveyor and independent non-executive director appointed to the Board in April 2018. She serves as a non-executive director for a number of real estate companies and funds. Based in Jersey since 2010, Mrs. Lilley was Director and Fund Manager of Schroder Real Estate Managers (Jersey) Limited until September 2015. Prior to that, she was Portfolio Manager with Land Securities. Mrs. Lilley specialised in shopping centres and shopping parks between 2004 and 2015 and has a background in commercial property asset management, portfolio management and fund management. Mrs. Lilley is a Member of the Royal Institution of Chartered Surveyors, the Investment Property Forum, Revo (the British Council of Shopping Centres) and IoD.

Each Director is subject to retirement at each annual general meeting of Atrium unless re-elected or deemed to be re-elected.

The Directors may be reached at Atrium's principal office at Channel House, Green Street, St Helier, Jersey JE2 4UH, Channel Islands.

Group Executive Management

The Group Executive Management team includes:

Name	Born	Function	Mandate starts
Liad Barzilai	1978	Group Chief Executive Officer	February 2017
Ryan Lee	1968	Group Chief Financial Officer	April 2015
Scott Jonathan Dwyer	1964	Group Chief Operating Officer	October 2017
Graham Kilbane	1965	Group Chief Development Officer	October 2017

The following are short biographies of the members of the Group Executive Management team showing their experience in the industry in which the Group operates and related business areas:

Liad Barzilai

Group Chief Executive Officer

Liad was appointed as Group Deputy Chief Executive Officer on 21 December 2016 and took over the role of Group Chief Executive Officer on 23 February 2017.

Liad was previously with the Atrium Group from 2008 until November 2015, latterly in the position of Group Chief Investment Officer responsible for the Group's pipeline of acquisitions and divestments, and from November 2015 until his appointment to Atrium held the role of Chief Investment Officer with Gazit-Globe.

Liad has a B.A. in Business Economics & Management from Guilford Glazer School of Business & Management, Ben-Gurion University and an MBA from Reccanati Business School, Tel Aviv University.

Ryan Lee

Group Chief Financial Officer, responsible for Compliance, Corporate Legal, HR and IT

Ryan joined the Group in February 2015 and was appointed as Group Chief Financial Officer in April 2015.

A chartered accountant with almost 30 years of international financial experience, Ryan joined Atrium Group from Central European Distribution Corporation (CEDC) prior to that Ryan spent over three years as Vice President, Finance at Eldorado. In addition, he previously held various senior and board level financial roles over a nine year period with Japan Tobacco International, including Vice President - Finance, Vice President - Corporate Tax and CFO of Russia. He also spent ten years at Unilever plc and its group subsidiaries in a number of senior financial roles across a number of different territories.

Ryan has a Bachelor's degree in Law and Italian from the University of Wales, Cardiff.

Scott Jonathan Dwyer

Group Chief Operating Officer from 1 October 2017

Scott joined Atrium in October 2014 as Chief Executive Officer of Poland, with responsibility for overseeing all aspects of the Group's Polish operations and building on Atrium's success in establishing itself as a dominant shopping centre owner-operator in the country. He has also been instrumental in implementing Atrium's major redevelopment and extension programmes across three flagship assets in Warsaw.

Originally from Australia, Scott has more than 20 years' experience operating in Central and Eastern European markets, having joined Atrium from Heitman International, and having held senior roles at ING Real Estate and Unibail-Rodamco.

Scott has a Bachelor of Business from UTS Sydney and is a qualified C.P.A

Graham Kilbane

Group Chief Development Officer from 9 October 2017

Graham has over 30 years of development and refurbishment experience gained throughout the UK and Central and Eastern European markets. He has completed over 300,000 sqm of commercial and mixed use projects and has extensive real estate experience throughout each stage of the development process. Having joined atrium from Meyer Bergman, Graham previously ran the Polish development companies for GE Golub and Avestus.

Graham has a Bachelor of Science degree in Estate Management from the Trent University of Nottingham and he is a professional associate of the Royal Institution of Chartered Surveyors.

The Group Executive Management team may be reached at Atrium's principal office at Channel House, Green Street, St Helier, Jersey JE2 4UH, Channel Islands.

Conflict of Interests

Save as disclosed in this section and in note 2.41 (*Transactions with Related Parties*) of the Financial Statements with respect to the financial statements for the year ended 31 December 2017, beginning on page 99 thereof, Atrium is not aware of any potential conflicts of interest between any duties owed by the Directors or Group Executive Management team to Atrium and their private interests or other duties.

The Directors appointed by Gazit-Globe Ltd, or an affiliate thereof (the "**Investor Parties**") may be conflicted from involvement in decisions by Atrium in relation to matters in which the interests of the Investor Parties may not be aligned with those of Atrium or of its other shareholders. Such decisions may need to be taken by the Directors who are independent of the Investor Parties. Under the Articles, a Director appointed by the Investor Parties shall not be entitled to vote on a resolution to approve:

- a transaction (other than a transaction of a revenue nature in the ordinary course of business) between Atrium and the party who appointed such Director;
- an arrangement pursuant to which Atrium and such appointing party each invests in, or provides finance to, another undertaking or asset; or
- any other similar transaction or arrangement (other than a transaction of a revenue nature in the ordinary course of business) between Atrium and any other person the purpose and effect of which is to benefit such appointing party.

MAJOR SHAREHOLDERS

The following table sets forth the ownership of Atrium's Shares, as at 22 August 2018 (being the latest practicable date prior to the publication of this Prospectus), in so far as it is known to Atrium, for each shareholder or group of affiliated shareholders who currently own 5% or more of the shares in Atrium.

Shareholders	Number of Shares	% of stated capital
Gazit-Globe Ltd ⁽¹⁾	227,216,162	60.15
Others	150,547,158	39.85
Total	377,763,320	100

(1) Gazit-Globe Ltd holds shares in Atrium through intermediate holding companies.

Gazit-Globe Ltd, a company organised in the state of Israel, is controlled by Mr Chaim Katzman, Chairman of the Board of Atrium.

None of the shareholders will have voting rights which differ from any other holders of the Shares.

For so long as Gazit-Globe Ltd holds the required minimum combined investment in Atrium, it is entitled to appoint directors representing less than a majority of the Board of Directors and has certain consent rights over various business and operational matters of Atrium and information access rights. It is exempt from the requirement in the Articles of Atrium to make an offer for the remaining shares of Atrium notwithstanding that its shareholding has exceeded 30%. Otherwise Atrium is not directly or indirectly owned or controlled by another corporation. Atrium does not know of any arrangement that may, at a subsequent date, result in a change of control.

USE OF PROCEEDS

The proceeds of the issue of the Notes will be used for the refinancing of the Group's existing debt and general corporate purposes.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the Terms and Conditions of the Notes which (subject to completion and amendment) will be endorsed on each Note in definitive form:

The EUR300,000,000 3.000 per cent. Notes due 11 September 2025 (the “**Notes**” which expression includes any notes issued pursuant to Condition 16 (*Further Issues*)) of Atrium European Real Estate Limited (the “**Issuer**”) are subject to, and have the benefit of, a trust deed dated 11 September 2018, (as may be amended or supplemented from time to time, the “**Trust Deed**”) between the Issuer and Deutsche Trust Company Limited as trustee (the “**Trustee**”, which expression includes all persons from time to time being trustee or trustees appointed under the Trust Deed) and are the subject of an agency agreement dated 11 September 2018 (as may be amended or supplemented from time to time, the “**Agency Agreement**”) between the Issuer, Deutsche Bank AG, London Branch as principal paying agent (the “**Principal Paying Agent**”, which expression includes any successor principal paying agent appointed from time to time in connection with the Notes) and the paying agents named therein (together with the Principal Paying Agent, the “**Paying Agents**”, which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes) and the Trustee. Certain provisions of these Conditions are summaries of the Trust Deed and the Agency Agreement and subject to their detailed provisions. The holders of the Notes (the “**Noteholders**”) and the holders of the related interest coupons (the “**Couponholders**” and the “**Coupons**”, respectively) are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Agency Agreement applicable to them. Copies of the Trust Deed and the Agency Agreement are available for inspection by Noteholders during normal business hours at the Specified Offices (as defined in the Agency Agreement) of each of the Paying Agents, the initial Specified Offices of which are set out below.

1. **Form, Denomination and Title**

The Notes are serially numbered and in bearer form in the denomination of EUR100,000 and integral multiples of EUR1,000 in excess thereof up to and including EUR199,000, with Coupons attached at the time of issue. Notes of one denomination will not be exchangeable for Notes of another denomination. Title to the Notes and the Coupons will pass by delivery. The holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof) and no person shall be liable for so treating such holder. No person shall have any right to enforce any term or condition of the Notes or the Trust Deed under the Contracts (Rights of Third Parties) Act 1999.

2. **Status**

The Notes constitute direct, unconditional and (subject to Condition 3 (*Negative Pledge*)) unsecured and unsubordinated obligations of the Issuer and (subject as provided above) rank and will rank *pari passu*, without any preference among themselves, with all other

outstanding unsecured and unsubordinated obligations of the Issuer, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

3. **Negative Pledge**

So long as any Note remains outstanding (as defined in the Trust Deed), the Issuer shall not, and the Issuer shall procure that none of its Subsidiaries will, create or permit to subsist any Security Interest upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness of the Issuer or a Subsidiary of the Issuer or Guarantee given by the Issuer or a Subsidiary of the Issuer in respect of Relevant Indebtedness without (a) at the same time or prior thereto securing the Notes equally and rateably therewith or (b) providing such other security for the Notes as may be approved by an Extraordinary Resolution (as defined in the Trust Deed) of Noteholders.

In these Conditions:

“**Group**” means the Issuer and its Subsidiaries;

“**Guarantee**” means, in relation to any Relevant Indebtedness of any Person, any obligation of another Person to pay such Relevant Indebtedness including (without limitation):

- (a) any obligation to purchase such Relevant Indebtedness;
- (b) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services for the express purpose of providing funds for the payment of such Relevant Indebtedness;
- (c) any indemnity against the consequences of a default in the payment of such Relevant Indebtedness; and
- (d) any other agreement to be responsible for such Relevant Indebtedness;

“**IFRS**” means International Financial Reporting Standards, including International Accounting Standards and Interpretations, issued by the International Accounting Standards Board as endorsed by the EU (as amended, supplemented or re-issued from time to time);

“**Indebtedness**” means, with respect to any Person at any date of determination (without duplication) any debt of such Person, including:

- (a) all indebtedness of such Person for borrowed money in whatever form;
- (b) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;

- (c) all obligations of such Person in respect of letters of credit or other similar instruments (including reimbursement obligations with respect thereto, except to the extent any such reimbursement obligations relate to trade payables);
- (d) all obligations of such Person to pay the deferred and unpaid purchase price of property, assets or services which purchase price is due more than 90 days after the earlier of the date of placing such property in service or taking delivery and title thereof or the completion of such services excluding:
 - (i) any trade payables or other liability to trade creditors; and
 - (ii) any post-closing payment adjustments in connection with the purchase by the Issuer or any Subsidiary of any business to which the seller may become entitled, to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing and **provided that** (x) the amount of any such payment is not determinable at the time of closing and, (y) to the extent such payment thereafter becomes fixed and determined, the amount is paid within 90 days thereafter;
- (e) all capitalised lease obligations of such Person, to the extent treated as indebtedness in the financial statements of such Person under IFRS;
- (f) all obligations of the type referred to in paragraphs (a) to (e) of other Persons guaranteed by such Person to the extent such obligation is guaranteed by such Person; and
- (g) all obligations of the type referred to in paragraphs (a) to (f) of other Persons secured by any Security Interest over any asset of such Person (the amount of such obligation being deemed to be the lesser of (i) the book value of such asset as shown in the most recent audited annual or unaudited semi-annual financial statements of such Person and (ii) the amount of the obligation so secured), whether or not such indebtedness is assumed by such Person.

For the purpose of determining the euro-equivalent of Indebtedness denominated in a foreign currency, the euro-equivalent principal amount of such Indebtedness pursuant thereto shall be calculated based on the relevant official central bank currency exchange rate in effect on the date of determination thereof.

The amount of Indebtedness of any Person at any date shall be the outstanding balance at such date of all unconditional obligations as described above provided that (i) with respect to contingent obligations as described above, will be the value of the contingency, if any, giving rise to the obligation as reported in that Person's financial statements and (ii) in the case of Indebtedness sold at a discount, the amount of such Indebtedness at any time will be the accreted value thereof at such time;

“**Person**” means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

“**Relevant Indebtedness**” means any Indebtedness which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, for the time being, or is ordinarily capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market);

“**Security Interest**” means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction; and

“**Subsidiary**” means, in relation to any Person (the “**first Person**”) at any particular time, any other Person (the “**second Person**”):

- (a) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise; or
- (b) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person.

4. Financial Covenants

So long as any Note remains outstanding (as defined in the Trust Deed):

- (a) the Issuer undertakes that in relation to the Group taken as a whole the Solvency Ratio shall not exceed 0.60;
- (b) the Issuer undertakes that in relation to the Group taken as a whole the Secured Solvency Ratio shall not exceed 0.40; and
- (c) the Issuer undertakes that in relation to the Group taken as a whole the Consolidated Coverage Ratio is at least 1.5:1.

The Issuer shall engage external independent international valuation companies and real estate consultants, having an appropriately recognised professional qualification and recent experience in the respective locations and categories of real estate assets being valued, to value at least 90 per cent. (by market valuation) of the Group’s standing investments and developments and land at least once per calendar year.

The Issuer will promptly notify the Trustee in accordance with the Trust Deed in the event that any of the ratios or levels in this Condition 4(a) to (c) are breached at any time.

For so long as the Notes remain outstanding, the Issuer will deliver a certificate to the Trustee on each Reporting Date signed by two authorised signatories of the Issuer,

certifying that the Issuer is and has been in compliance with the covenants set out in this Condition 4 at all times during the relevant period.

In these Conditions:

“**Adjusted EBITDA**” means the consolidated profit/(loss) of the Issuer before taxes, depreciation, amortisation and impairments and excluding any revaluation changes, financial income and financial expenses, net result on acquisitions and disposals and any other exceptional or non-recurring items, as determined by reference to the most recent audited annual or unaudited semi-annual, as the case may be, consolidated income statement of the Issuer;

“**Consolidated Coverage Ratio**” means, in respect of any Measurement Date, (x) the aggregate amount of Adjusted EBITDA for the period of the most recent two consecutive semi-annual periods ending on such Measurement Date divided by (y) the Consolidated Interest Expense for such two semi-annual periods;

“**Consolidated Interest Expense**” means, for any period, all charges, interest, commission, fees, discounts, premiums and other finance costs in respect of Indebtedness incurred by the Group as shown in the most recent audited annual or unaudited semi-annual, as the case may be, consolidated income statement of the Issuer;

“**Consolidated Total Assets**” means the total assets (excluding intangible assets) of the Group as shown in the most recent audited annual or unaudited semi-annual, as the case may be, consolidated statement of financial position of the Issuer;

“**Consolidated Total Indebtedness**” means the total Indebtedness of the Group as determined by reference to the most recent audited annual or unaudited semi-annual, as the case may be, consolidated statement of financial position of the Issuer;

“**Measurement Date**” means each day which is (i) the last day of the Issuer’s financial year in any year (the “**Annual Measurement Date**”) or (ii) the last day of the first half of the Issuer’s financial year in any year (the “**Semi-Annual Measurement Date**”);

“**Reporting Date**” means a date falling no later than 30 days after (i) the publication of the Issuer’s audited annual consolidated financial statements, with respect to an Annual Measurement Date, or (ii) the publication of the Issuer’s unaudited semi-annual consolidated financial statements, with respect to a Semi-Annual Measurement Date;

“**Secured Consolidated Total Indebtedness**” means such amount of Consolidated Total Indebtedness that is secured by a Security Interest granted by the Issuer or a Subsidiary of the Issuer;

“**Secured Solvency Ratio**” means, in relation to the Issuer and its Subsidiaries and in respect of any Measurement Date, the Secured Consolidated Total Indebtedness divided by Consolidated Total Assets; and

“**Solvency Ratio**” means, in relation to the Issuer and its Subsidiaries and in respect of any Measurement Date, the Consolidated Total Indebtedness divided by Consolidated Total Assets.

5. Interest

- (a) **Accrual of interest:** The Notes bear interest from 11 September 2018 (the “**Issue Date**”), at the rate of 3.000 per cent. per annum (the “**Rate of Interest**”), payable in arrear on 11 September in each year commencing on 11 September 2019 (each, an “**Interest Payment Date**”), subject as provided in Condition 7 (*Payments*).

Each Note will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which case it will continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (b) the day which is seven days after the Principal Paying Agent or the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

The amount of interest payable in respect of a Note on each Interest Payment Date shall be EUR30.00 per Calculation Amount. If interest is required to be paid in respect of a Note on any other date, it shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction and rounding the resulting figure to the nearest cent (half a cent being rounded upwards) and multiplying such rounded figure by a fraction equal to the denomination of such Note divided by the Calculation Amount, where:

“**Calculation Amount**” means EUR1,000;

“**Day Count Fraction**” means, in respect of any period, the number of days in the relevant period, from (and including) the first day in such period to (but excluding) the last day in such period, divided by the number of days in the Regular Period in which the relevant period falls (Actual/ Actual (ICMA)); and

“**Regular Period**” means each period from (and including) the Issue Date or any Interest Payment Date to (but excluding) the next Interest Payment Date.

- (b) **Adjustment of Rate of Interest:**
- (i) Subject to paragraph (vi) below, if at any time prior to the Interest Payment Date immediately preceding 11 September 2025, the rating given by any one Rating Agency for the long-term debt of the Issuer is below Investment Grade (a “**Rate of Interest Step Up Trigger**”) then each Note shall bear interest on its outstanding principal amount at the rate per annum equal to the Rate of Interest plus 1.25 per cent. per annum (the “**Step Up Rate**”). Following any Rate of Interest Step Up Trigger or a

Rating Agency Rate of Interest Step Up Trigger as described in paragraph (ii) below, if the rating given by such Rating Agency for the long-term debt of the Issuer is at or above Investment Grade (a “**Rate of Interest Step Down Trigger**”) then each Note shall bear interest on its outstanding principal amount at the rate per annum (expressed as a percentage) equal to the Rate of Interest only and in accordance with Condition 5(a) (*Accrual of interest*).

- (ii) The Issuer shall procure that the long-term debt of the Issuer shall at all times be assigned a rating by at least one Rating Agency from the date of issue of the Notes and for so long as any Notes are outstanding. If at any time prior to the Interest Payment Date immediately preceding 11 September 2025 the Issuer fails so to procure (a “**Rating Agency Rate of Interest Step Up Trigger**”), then each Note shall bear interest on its outstanding principal amount at the rate per annum equal to the Rate of Interest plus the Step Up Rate.
- (iii) Any adjustment to the rate of interest under the Notes under this Condition 5(b) shall take effect and accrue in accordance with Condition 5(a) (*Accrual of interest*) from the Interest Payment Date immediately following the Rate of Interest Step Up Trigger, the Rate of Interest Step Down Trigger or the Rating Agency Rate of Interest Step Up Trigger, as the case may be, and shall be applied from such Interest Payment Date. The Issuer will notify Noteholders and the Trustee upon any change in the rate of interest under the Notes upon a Rate of Interest Step Up Trigger, a Rate of Interest Step Down Trigger or a Rating Agency Rate of Interest Step Up Trigger in accordance with Condition 17 (*Notices*) and the Trust Deed respectively and as required by any applicable rules of the Luxembourg Stock Exchange as soon as reasonably practicable after such change becomes effective.
- (iv) If the rating designations employed by any Rating Agency are changed from those which are described in this Condition 5(b), the Issuer shall determine the rating designations of the relevant Rating Agency that are most nearly equivalent to the prior rating designations of the relevant Rating Agency and, accordingly, the resulting Rate of Interest Step Up Trigger, the Rate of Interest Step Down Trigger and the Rate of Interest which would apply to the Notes. The Issuer will notify the Noteholders and the Trustee upon any such change of rating designations of such change.
- (v) There shall be no limit on the number of times that the rate of interest under the Notes may be adjusted during the term of the Notes.
- (vi) After the 2020 Notes Redemption Date (a) a Rate of Interest Step Up Trigger shall only be deemed to occur if the long term debt rating of the Issuer assigned by two Rating Agencies is below Investment Grade and

(b) a Rate of Interest Step Down Trigger shall be deemed to occur if the long term debt rating of the Issuer assigned by any one Rating Agency is at or above Investment Grade.

- (vii) Condition 5(b)(*Adjustment of Rate of Interest*) shall not apply after the 2020 Notes Redemption Date if the long term debt rating of the Issuer is assigned a rating of BBB or better by any two Rating Agencies.
- (viii) Where in this Condition 5(b)(*Adjustment of Rate of Interest*) reference is made to a rating being assigned to the Issuer by a Rating Agency, in each case where more than two ratings are assigned to the Issuer by Rating Agencies, the lowest of such ratings shall be disregarded.

In these Conditions:

“**2020 Notes Redemption Date**” shall mean the date on which the EUR350,000,000 4.00 per cent. Notes due 20 April 2020 of the Issuer are no longer outstanding;

“**Investment Grade**” shall mean “BBB-” in the case of S&P Global Ratings Europe Limited (“**Standard & Poor’s**”) and Fitch Ratings Limited (“**Fitch**”) and the most nearly equivalent of BBB- in the case of Moody’s Investors Service Ltd or any other internationally recognised rating agency; and

“**Rating Agency**” shall mean S&P Global Ratings Europe Limited, Fitch Ratings Limited, Moody’s Investors Service Ltd or any of their respective successors or any other internationally recognised rating agency (a “**Substitute Rating Agency**”) substituted for any of them by the Issuer from time to time.

6. Redemption and Purchase

- (a) **Scheduled redemption:** Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on 11 September 2025, subject as provided in Condition 7 (*Payments*).
- (b) **Redemption for tax reasons:** The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days’ notice to the Noteholders (which notice shall be irrevocable), at their principal amount, together with interest accrued to the date fixed for redemption if, immediately before giving such notice, the Issuer satisfies the Trustee that:
 - (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of Poland, the Czech Republic, Slovakia, Russia, Hungary, Romania or Jersey or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or

regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after 7 September 2018; and

- (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it;

provided, however, that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Trustee:

- (A) a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and
- (B) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

The Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the circumstances set out in (i) and (ii) above, in which event they shall be conclusive and binding on the Noteholders.

Upon the expiry of any such notice as is referred to in this Condition 6(b), the Issuer shall be bound to redeem the Notes in accordance with this Condition 6(b).

- (c) ***Redemption at the Option of the Issuer:*** The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 17 (*Notices*) (which notices shall be irrevocable and shall specify the date fixed for redemption), at the Relevant Early Redemption Amount.

In this Condition, “**Relevant Early Redemption Amount**” means:

- (i) in relation to any date fixed for redemption which falls in the period from (and including) the Issue Date up to and including the date falling three months prior to 11 September 2025, such amount as is equal to the greater of the amounts in subparagraph (A) and (B) below together with interest accrued to but excluding the date fixed for redemption:
 - (A) the principal amount outstanding of the Notes; and
 - (B) the price (expressed as a percentage (as reported in writing to the Issuer by the Determination Agent (with a copy to the Trustee)))

which is equal to (x) the sum of the present values of the principal amount outstanding of the Notes at the date fixed for redemption and the Remaining Term Interest (exclusive of interest accrued to the date fixed for redemption) discounted to the date fixed for redemption on an annual basis at the Reference Bond Rate, plus (y) 0.50 per cent.

- (ii) in relation to any date fixed for redemption which falls in the period from but excluding the date falling three months prior to 11 September 2025 to but excluding 11 September 2025, such amount as is equal to the principal amount outstanding of the Notes together with interest accrued to but excluding the date fixed for redemption.

In these Conditions:

“**Calculation Date**” means the date which is the second TARGET2 Settlement Day prior to the date fixed for redemption;

“**Determination Agent**” means an investment bank or financial institution of international standing selected by the Issuer;

“**Reference Bond**” means DBR 1.000% due August 2025 with ISIN DE0001102382 (or, where the Determination Agent advises the Issuer that, for reasons of illiquidity or otherwise, such government bond is not appropriate for such purpose, such other government bond as the Determination Agent may recommend);

“**Reference Bond Price**” means, with respect to any date fixed for redemption, (A) the arithmetic average of the Reference Government Bond Dealer Quotations for such date fixed for redemption, after excluding the highest and lowest such Reference Government Bond Dealer Quotations, or (B) if the Determination Agent obtains fewer than four such Reference Government Bond Dealer Quotations, the arithmetic average of all such quotations;

“**Reference Bond Rate**” means, with respect to any date fixed for redemption, the rate per annum equal to the annual yield to maturity or interpolated yield to maturity on an Actual/Actual (ICMA) basis of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its nominal amount) equal to the Reference Bond Price for such date fixed for redemption;

“**Reference Government Bond Dealer**” means each of the five banks selected by the Issuer, or their affiliates, which are (A) primary government securities dealers, and their respective successors, or (B) market makers in pricing corporate bond issues;

“**Reference Government Bond Dealer Quotations**” means, with respect to each Reference Government Bond Dealer and any Calculation Date, the arithmetic average, as determined by the Determination Agent, of the bid and offered prices

for the Reference Bond (expressed in each case as a percentage of its nominal amount) at 3.30 p.m. (Frankfurt time) on the Calculation Date quoted in writing to the Determination Agent by such Reference Government Bond Dealer; and

“Remaining Term Interest” means the aggregate amount of scheduled payment(s) of interest on the Notes for the remaining term of the Notes determined on the basis of the Rate of Interest from and including the date fixed for redemption.

- (d) ***Redemption at the Option of Noteholders upon a Change of Control:*** If a Change of Control Put Event occurs, Noteholders will have the option (a **“Change of Control Put Option”**) (unless prior to the giving of the relevant Change of Control Put Notice the Issuer has given notice of redemption under Condition 6(b) (*Redemption for tax reasons*) above) to require the Issuer to redeem or, at the Issuer’s option, purchase (or procure the purchase of) that Note on the Change of Control Put Date at its principal amount together with interest accrued to (but excluding) the Change of Control Put Date.

A **“Change of Control Put Event”** will be deemed to occur if:

- (i) any person or any persons acting in concert, other than the Existing Holders or a holding company whose shareholders are or are to be substantially similar to the pre-existing shareholders of the Issuer and/or any direct or indirect holding company of the Issuer, shall acquire a controlling interest in (A) more than 50 per cent. of the issued or allotted ordinary stated capital of the Issuer or (B) shares in the stated capital of the Issuer carrying more than 50 per cent. of the voting rights normally exercisable at a general meeting of the Issuer (each such event being, a **“Change of Control”**); and
- (ii) on the date (the **“Relevant Announcement Date”**) that is the earlier of (1) the date of the first public announcement of the relevant Change of Control and (2) the date of the earliest Relevant Potential Change of Control Announcement (if any):
- (A) any Notes that have been issued and are outstanding carry an investment grade credit rating (BBB-, or its equivalent, or better) (an **“Investment Grade Rating”**) from any Rating Agency, whether provided by such Rating Agency at the invitation of the Issuer or by its own volition, and such rating is, within the Change of Control Period, downgraded to a non-investment grade credit rating (BB+, or its equivalent, or worse) and such rating is not within the Change of Control Period restored to an Investment Grade Rating by such Rating Agency or replaced by an Investment Grade Rating of another Rating Agency, or any such Rating Agency withdraws its rating of any such Notes and the rating of such Rating Agency is not within the Change of Control Period

replaced by an Investment Grade Rating of another Rating Agency; or

- (B) no such Notes carry an Investment Grade Rating from at least one Rating Agency and the Issuer is unable to acquire and maintain thereafter an Investment Grade Rating during the Change of Control Period from at least one Rating Agency,

provided that if at the time of the occurrence of the Change of Control any such Notes carry a credit rating from more than one Rating Agency, at least one of which is an Investment Grade Rating, then only sub-paragraph (A) shall be relevant for this purpose; and

- (iii) in making any decision to downgrade or withdraw a credit rating pursuant to paragraph (ii) above or to decline to confer an Investment Grade Rating, the relevant Rating Agency announces publicly or confirms in writing to the Issuer that such decision(s) resulted, in whole or in part, from the occurrence of the Change of Control or the Relevant Potential Change of Control Announcement.

Promptly upon but in any case no later than five Business Days after the Issuer becoming aware that a Change of Control Put Event has occurred the Issuer shall give notice (a “**Change of Control Issuer Put Notice**”) to the Noteholders in accordance with Condition 17 (*Notices*) specifying the nature of the Change of Control Put Event and the procedure for exercising the Change of Control Put Option.

To exercise the Change of Control Put Option, the holder of a Note must deliver such Note to the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the period (the “**Change of Control Put Period**”) of 30 days after a Change of Control Issuer Put Notice is given, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (a “**Change of Control Put Notice**”). The Note should be delivered together with all Coupons appertaining thereto maturing after the date which is seven days after the expiration of the Change of Control Put Period (the “**Change of Control Put Date**”), failing which the Paying Agent will require payment from or on behalf of the Noteholder of an amount equal to the face value of any missing such Coupon. Any amount so paid will be reimbursed to the Noteholder against presentation and surrender of the relevant missing Coupon (or any replacement therefor issued pursuant to Condition 12 (*Replacement of Notes and Coupons*)) at any time after such payment, but before the expiry of the period of five years from the date on which such Coupon would have become due, but not thereafter. The Paying Agent to which such Note and Change of Control Put Notice are delivered will issue to the Noteholder concerned a non-transferable receipt in respect of the Note so delivered. Payment in respect of any Note so delivered will be made, if the holder duly specified a bank account in the Change

of Control Put Notice to which payment is to be made, on the Change of Control Put Date by transfer to that bank account and, in every other case, on or after the Change of Control Put Date against presentation and surrender or (as the case may be) endorsement of such receipt at the specified office of any Paying Agent. A Change of Control Put Notice, once given, shall be irrevocable.

The Issuer shall redeem or purchase (or procure the purchase of) the relevant Notes on the Change of Control Put Date unless previously redeemed (or purchased) and cancelled.

The Trustee shall be entitled to assume that no Change of Control Put Event has occurred until it has received from the Issuer written notice of the same, and shall incur no liability to any person for so doing.

If the rating designations employed by any of the Rating Agencies are changed from those which are described in paragraph (ii) of the definition of “**Change of Control Put Event**” above, or if a rating is procured from a Substitute Rating Agency, the Issuer shall determine the rating designations of Fitch or Standard & Poor’s or such Substitute Rating Agency (as appropriate) as are most equivalent to the prior rating designations of Rating Agencies and this Condition 6(d) shall be construed accordingly.

Where in this Condition 6(d) (*Redemption at the Option of Noteholders upon a Change of Control*) reference is made to a rating being assigned to the Issuer by a Rating Agency, in each case where more than two ratings are assigned to the Issuer by Rating Agencies, the lowest of such ratings shall be disregarded.

In these Conditions:

“**Change of Control Period**” means the period commencing on the Relevant Announcement Date and ending 180 days after the Change of Control (or such longer period for which the Notes are under consideration (such consideration having been announced publicly within the period ending 180 days after the Change of Control) for rating review or, as the case may be, rating by a Rating Agency, such period not to exceed 60 days after the public announcement of such consideration);

“**Existing Holders**” means, individually or jointly, any and all of (i) Gazit Globe Ltd and (ii) any person or persons from time to time controlling, controlled by or under common control with any of the foregoing persons. For the purposes of this definition, control is deemed to be the ownership, including any voting rights in relation thereto, or ability to direct 30 per cent. or more of the equity share capital of a person; and

“**Relevant Potential Change of Control Announcement**” means any public announcement or statement by the Issuer, any actual or potential bidder or any adviser acting on behalf of any actual or potential bidder relating to any potential

Change of Control where within 180 days following the date of such announcement or statement, a Change of Control occurs.

- (e) **Redemption following exercise of Clean-Up Call:** The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time when the aggregate principal amount of the Notes is equal to or less than 25 per cent. of the aggregate principal amount of the Notes issued (x) on the Issue Date and (y) if any, issued pursuant to Condition 16 (*Further Issues*), at any time on giving not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 17 (*Notices*) (which notices shall be irrevocable and shall specify the date fixed for redemption), at the principal amount outstanding of the Notes together with interest accrued to but excluding the date fixed for redemption.
- (f) **No other redemption:** The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) (*Scheduled redemption*) to (e) (*Redemption following exercise of Clean-Up Call*) above.
- (g) **Purchase:** The Issuer or any of its Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price, **provided that** all unmatured Coupons are purchased therewith.
- (h) **Cancellation:** All Notes so redeemed or purchased by the Issuer or any of its Subsidiaries and any unmatured Coupons attached to or surrendered with them shall be cancelled and may not be reissued or resold.

7. Payments

- (a) **Principal:** Payments of principal shall be made only against presentation and (**provided that** payment is made in full) surrender of Notes at the Specified Office of any Paying Agent outside the United States by Euro cheque drawn on, or by transfer to a Euro account (or other account to which Euro may be credited or transferred) maintained by the payee with, a bank in a city in which banks have access to the TARGET System.
- (b) **Interest:** Payments of interest shall, subject to Condition 7(g) (*Payments other than in respect of matured Coupons*) below, be made only against presentation and (**provided that** payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (a) (*Principal*) above.

- (c) **Interpretation:** In these Conditions:

“**TARGET2**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007;

“**TARGET Settlement Day**” means any day on which TARGET2 is open for the settlement of payments in euro; and

“**TARGET System**” means the TARGET2 system.

- (d) **Payments subject to fiscal laws:** All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 8 (*Taxation*). No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (e) **Deduction for unmatured Coupons:** If a Note is presented without all unmatured Coupons relating thereto, then:
- (i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; **provided, however, that** if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;
 - (ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
 - (A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the “**Relevant Coupons**”) being equal to the amount of principal due for payment; **provided, however, that** where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and
 - (B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; **provided, however, that**, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) (*Principal*) above against presentation and (**provided that** payment is made in full) surrender of the relevant missing Coupons. No payments will be made in respect of void coupons.

- (f) **Payments on business days:** If the due date for payment of any amount in respect of any Note or Coupon is not a business day in the place of presentation, the

holder shall not be entitled to payment in such place of the amount due until the next succeeding business day in such place and shall not be entitled to any further interest or other payment in respect of any such delay. In this paragraph, “**business day**” means, in respect of any place of presentation, any day on which banks are open for presentation and payment of bearer debt securities and for dealings in foreign currencies in such place of presentation and, in the case of payment by transfer to a Euro account as referred to above, on which the TARGET System is open.

- (g) **Payments other than in respect of matured Coupons:** Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Notes at the Specified Office of any Paying Agent outside the United States.
- (h) **Partial payments:** If a Paying Agent makes a partial payment in respect of any Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.

8. Taxation

All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Poland, the Czech Republic, Slovakia, Russia, Hungary, Romania or Jersey or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event the Issuer shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note or Coupon presented for payment:

- (a) by or on behalf of a holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with Poland, the Czech Republic, Slovakia, Russia, Hungary, Romania or Jersey other than the mere holding of the Note or Coupon; or
- (b) more than 30 days after the Relevant Date except to the extent that the holder of such Note or Coupon would have been entitled to such additional amounts on presenting such Note or Coupon for payment on the last day of such period of 30 days.

In these Conditions, “**Relevant Date**” means whichever is the later of (1) the date on which the payment in question first becomes due and (2) if the full amount payable has not been received in a city in which banks have access to the TARGET System by the Principal Paying Agent or the Trustee on or prior to such due date, the date on which (the

full amount having been so received) notice to that effect has been given to the Noteholders.

Any reference in these Conditions to principal or interest shall be deemed to include any additional amounts in respect of principal or interest (as the case may be) which may be payable under this Condition 8 (*Taxation*) or any undertaking given in addition to or in substitution of this Condition 8 (*Taxation*) pursuant to the Trust Deed.

If the Issuer becomes subject at any time to any taxing jurisdiction other than Jersey, references in these Conditions to Jersey shall be construed as references to Jersey and/or such other jurisdiction.

9. Reorganisation and Substitution

The Trust Deed contains provisions under which:

- (a) a legal entity formed by any consolidation or merger of the Issuer with or into any other corporation or corporations (whether or not affiliated with the Issuer), or successive consolidations or mergers into which the Issuer or its successor or successors shall have been merged or consolidated;
- (b) a legal entity to which the Issuer has sold, conveyed or leased all or substantially all of the property of the Issuer (whether or not affiliated with the Issuer);
- (c) any new holding company of the Group holding, indirectly or indirectly, 100 per cent. of the shares of the Issuer (a “**New Holding Company**”); or
- (d) any Subsidiary of the Issuer or of any New Holding Company of the Issuer,

(any such legal entity, a “**Substituted Obligor**”) may, without the consent of the Noteholders or Couponholders assume the obligations of the Issuer as principal debtor under the Trust Deed and the Notes provided that certain conditions specified in the Trust Deed are fulfilled, including, in case of (a) and (b) above, that the Substituted Obligor takes direct or indirect ownership of at least 80 per cent. of Consolidated Total Assets, that the Substituted Obligor is a legal entity incorporated in a Member State of the European Economic Area or Jersey and that in case of (d) above, the Issuer or the New Holding Company, as the case may be, unconditionally and irrevocably guarantees all amounts payable under the Notes.

No Noteholder or Couponholder shall, in connection with any substitution, be entitled to claim any indemnification or payment in respect of any tax consequence thereof for such Noteholder or (as the case may be) Couponholder except to the extent provided for in Condition 8 (*Taxation*) (or any undertaking given in addition to or substitution for it pursuant to the provisions of the Trust Deed).

10. Events of Default

If any of the following events occurs and is continuing then the Trustee at its discretion may and, if so requested in writing by holders of at least one quarter of the aggregate principal amount of the outstanding Notes or if so directed by an Extraordinary Resolution, shall (subject in each case to the Trustee having been indemnified and/or provided with security and/or prefunded to its satisfaction) give written notice to the Issuer declaring the Notes to be immediately due and payable, whereupon they shall become immediately due and payable at their principal amount together with accrued interest without further action or formality:

- (a) **Non-payment:** the Issuer fails to pay any amount of principal in respect of the Notes on the due date for payment thereof or fails to pay any amount of interest in respect of the Notes, in each case within 30 days of the due date for payment thereof; or
- (b) **Breach of other obligations:** the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Notes or the Trust Deed and such default (i) is, in the opinion of the Trustee, incapable of remedy or (ii) being a default which is, in the opinion of the Trustee, capable of remedy and remains unremedied for 90 days after the Trustee has given written notice thereof to the Issuer; or
- (c) **Cross-default/Cross-acceleration of Issuer or Material Subsidiary:** a default under any Indebtedness of the Issuer or any Material Subsidiary, if that default (i) is caused by a failure to make any payment in respect of such Indebtedness and any originally applicable grace period has expired or (ii) results in the acceleration of such Indebtedness prior to its stated maturity; provided that the amount of Indebtedness referred to in sub-paragraph (i) and/or sub-paragraph (ii) above individually or in the aggregate exceeds EUR40,000,000 (or its equivalent in any other currency or currencies); or
- (d) **Enforcement Proceedings:** a distress, attachment, execution or other legal process, the award or decision in respect of which, in each case, is final and not subject to further appeal, is levied, enforced or sued out on or against any part of the property, assets or revenues of the Issuer and its Material Subsidiaries in an amount which exceeds 10 per cent. of the Consolidated Total Assets of the Group and is not discharged or stayed within 120 days; or
- (e) **Security Enforced:** any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or any Material Subsidiary in respect of an amount which exceeds 15 per cent. of the Consolidated Total Assets of the Group becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, administrative receiver, administrator manager or other similar person); or

- (f) **Insolvency:** (i) the Issuer is insolvent or any Material Subsidiary is adjudicated as insolvent or (ii) any of the Issuer or any Material Subsidiary is unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a substantial part of (or of a particular type of) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared or comes into effect in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer or any Material Subsidiary except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (x) pursuant to Condition 9 (*Reorganisation and Substitution*), (y) on terms approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders or (z) in the case of a Material Subsidiary, whereby the undertaking and assets of the Material Subsidiary are transferred to or otherwise vested in the Issuer or another Material Subsidiary (or a Subsidiary of the Issuer which, upon such transfer or vesting, will become a Material Subsidiary); or
- (g) **Winding-up:** an administrator, liquidator, receiver or any other similar officer is appointed, an order is made or an effective resolution passed for the winding-up or dissolution or administration of the Issuer or any Material Subsidiary, or the Issuer or any Material Subsidiary shall apply or petition for a winding-up or administration order in respect of itself in each case except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) pursuant to Condition 9 (*Reorganisation and Substitution*), (ii) on terms approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders or (iii) in the case of a Material Subsidiary, whereby the undertaking and assets of the Material Subsidiary are transferred to or otherwise vested in the Issuer or another Material Subsidiary (or a Subsidiary of the Issuer which, upon such transfer or vesting, will become a Material Subsidiary); or
- (h) **Nationalisation:** the assets of the Group in an amount which exceeds 15 per cent. of the Consolidated Total Assets of the Group are expropriated, seized or nationalised by any person; or
- (i) **Analogous Events:** any event occurs that under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs.

For the purposes of this Condition 10, “**Material Subsidiary**” means any Subsidiary of the Issuer whose total assets or gross revenues ((i) each as determined by reference to the relevant Subsidiary’s most recent annual, or unaudited semi-annual, as the case may be, IFRS financial statements and (ii) excluding any intra-Group Indebtedness and related receivables eliminated in the consolidated financial statements of the Issuer) exceed 10 per cent. of the Consolidated Total Assets or gross revenues of the Group, as the case may be (each as determined by reference to the Issuer’s most recent audited annual, or unaudited semi-annual, as the case may be, consolidated financial statements). The Issuer will procure that the Auditors (as defined in the Trust Deed) of the Issuer deliver on each

Reporting Date a certificate addressed to the Issuer and the Trustee confirming, in their opinion, which Subsidiaries of the Issuer are Material Subsidiaries of the Issuer as at each Measurement Date and such certificate may be relied on by the Trustee without further enquiry or evidence and, if relied upon by the Trustee, shall, in the absence of manifest error, be conclusive and binding on all parties.

11. Prescription

Claims for principal shall become void unless the relevant Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date.

12. Replacement of Notes and Coupons

If any Note or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Principal Paying Agent, subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

13. Trustee and Paying Agents

Under the Trust Deed, the Trustee is entitled to be indemnified and relieved from responsibility in certain circumstances and to be paid its costs and expenses in priority to the claims of the Noteholders. In addition, the Trustee is entitled to enter into business transactions with the Issuer and any entity relating to the Issuer without accounting for any profit.

In the exercise of its powers and discretions under these Conditions and the Trust Deed, the Trustee will have regard to the interests of the Noteholders as a class and will not be responsible for any consequence for individual holders of Notes or Coupons as a result of such holders being connected in any way with a particular territory or taxing jurisdiction.

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Paying Agents act solely as agents of the Issuer and (to the extent provided therein) the Trustee and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Paying Agents and their initial Specified Offices are listed below. The Issuer reserves the right (with the prior approval of the Trustee) at any time to vary or terminate the appointment of any Paying Agent and to appoint a successor principal paying agent and additional or successor paying agents; **provided, however, that** the Issuer shall at all times maintain a principal paying agent.

Notice of any change in any of the Paying Agents or in their Specified Offices shall promptly be given to the Noteholders.

14. Meetings of Noteholders; Modification and Waiver

- (a) **Meetings of Noteholders:** The Trust Deed contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions or the Trust Deed. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Trustee upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more persons holding or representing one more than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, two or more persons being or representing Noteholders whatever the principal amount of the Notes held or represented; **provided, however, that** certain proposals (including any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency of payments under the Notes or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution (each, a “**Reserved Matter**”)) may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of all Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

- (b) **Modification:** The Trustee may, without the consent of the Noteholders or Couponholders, agree to any modification of these Conditions or the Trust Deed (other than in respect of a Reserved Matter) which is, in the opinion of the Trustee, proper to make if, in the opinion of the Trustee, such modification will not be materially prejudicial to the interests of Noteholders and to any modification of the Notes or the Trust Deed which is of a formal, minor or technical nature or is to correct a manifest error.

In addition, the Trustee may, without the consent of the Noteholders or Couponholders authorise or waive any proposed breach or breach of the Notes or the Trust Deed (other than a proposed breach or breach relating to the subject of a Reserved Matter) if, in the opinion of the Trustee, the interests of the Noteholders will not be materially prejudiced thereby.

Unless the Trustee agrees otherwise, any such authorisation, waiver or modification shall be notified to the Noteholders by the Issuer as soon as practicable thereafter.

15. Enforcement

The Trustee may at any time, at its discretion and without notice, institute such proceedings as it thinks fit to enforce its rights under the Trust Deed in respect of the Notes, but it shall not be bound to do so unless:

- (a) it has been so requested in writing by the holders of at least one quarter of the aggregate principal amount of the outstanding Notes or has been so directed by an Extraordinary Resolution; and
- (b) it has been indemnified and/or provided with security and/or prefunded to its satisfaction.

No Noteholder may proceed directly against the Issuer unless the Trustee, having become bound to do so, fails to do so within a reasonable time and such failure is continuing.

16. Further Issues

The Issuer may from time to time, without the consent of the Noteholders or the Couponholders and in accordance with the Trust Deed, create and issue notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes. The Issuer may from time to time, with the consent of the Trustee, create and issue other series of notes having the benefit of the Trust Deed.

17. Notices

Notices to the Noteholders shall be valid if published on the website of the Luxembourg Stock Exchange (www.bourse.lu) or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of first publication. Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders.

18. Governing Law and Jurisdiction

- (a) **Governing law:** The Notes and the Trust Deed and any non-contractual obligations arising out of or in connection with the Notes and the Trust Deed are governed by English law.
- (b) **English courts:** The Issuer has in the Trust Deed (i) agreed for the benefit of the Trustee and the Noteholders that the courts of England shall have exclusive jurisdiction to settle any dispute (a “**Dispute**”) arising out of or in connection with the Notes (including any non-contractual obligation arising out of or in

connection with the Notes); (ii) agreed that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary; and (iii) agreed that the documents which start any proceedings relating to a Dispute (“**Proceedings**”) and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Law Debenture Corporate Services Limited at Fifth Floor, 100 Wood Street, London EC2V 7EX, or to such other person with an address in England or Wales and/or at such other address in England or Wales as the Issuer may specify by notice in writing to the Noteholders.

- (c) ***Rights of the Noteholders to take proceedings outside England:*** The Trust Deed also states that nothing contained in the Trust Deed prevents the Trustee or any Noteholder from taking Proceedings in any other courts with jurisdiction. To the extent allowed by law, the Trustee or any of the Noteholders may take concurrent Proceedings in any number of jurisdictions.

OVERVIEW OF PROVISIONS RELATING TO THE NOTES IN GLOBAL FORM

The Notes will initially be in the form of the Temporary Global Note which will be deposited on or around the Closing Date with a common safekeeper for Euroclear and Clearstream, Luxembourg.

The Notes will be issued in new global note (“**NGN**”) form. On 13 June 2006 the European Central Bank (the “**ECB**”) announced that notes in NGN form are in compliance with the “Standards for the use of EU securities settlement systems in ESCB credit operations” of the central banking system for the euro (the “**Eurosystem**”), **provided that** certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for notes in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Eurosystem operations if the NGN form is used.

The Notes are not intended to be held in a manner which will allow Eurosystem eligibility. However, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.

The Temporary Global Note will be exchangeable in whole or in part for interests in the Permanent Global Note not earlier than 40 days after the Closing Date upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

The Permanent Global Note will become exchangeable in whole, but not in part, for Notes in definitive form (“**Definitive Notes**”) in the denomination of EUR100,000 and integral multiples of EUR1,000 in excess thereof up to and including EUR199,000 each at the request of the bearer of the Permanent Global Note to the Principal Paying Agent if either of the following events (each, an “**Exchange Event**”) occurs: (a) Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 10 (*Events of Default*) occurs.

So long as the Notes are represented by a Temporary Global Note or a Permanent Global Note and the relevant clearing system(s) so permit, the Notes will be tradeable only in the minimum authorised denomination of EUR100,000 and higher integral multiples of EUR1,000, notwithstanding that no Definitive Notes will be issued with a denomination above EUR199,000.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons attached, in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Principal Paying Agent within 30 days of the bearer requesting such exchange.

In addition, the Temporary Global Note and the Permanent Global Note will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Temporary Global Note and the Permanent Global Note. The following is an overview of certain of those provisions:

Payments: All payments in respect of the Temporary Global Note and the Permanent Global Note will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Temporary Global Note or (as the case may be) the Permanent Global Note to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Temporary Global Note or (as the case may be) the Permanent Global Note, the Issuer shall procure that the payment is entered *pro rata* in the records of Euroclear and Clearstream, Luxembourg.

Payments on business days: In the case of all payments made in respect of the Temporary Global Note and the Permanent Global Note “**business day**” means any day on which the TARGET System is open.

Exercise of put option: In order to exercise the option contained in Condition 6(e) (*Redemption at the Option of Noteholders upon a Change of Control*) the bearer of the Permanent Global Note must, within the period specified in the Conditions for the deposit of the relevant Note and Change of Control Put Notice (as defined in Condition 6(e) (*Redemption at the Option of Noteholders upon a Change of Control*)), give written notice to the Principal Paying Agent of such exercise specifying the principal amount of Notes in respect of which such option is being exercised in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear, Clearstream, Luxembourg or any depositary for them to the Principal Paying Agent by electronic means as well) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time. Any such notice will be irrevocable and may not be withdrawn.

Notices: Notwithstanding Condition 17 (*Notices*), while all the Notes are represented by the Permanent Global Note (or by the Permanent Global Note and/or the Temporary Global Note) and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are) deposited with a common safekeeper for Euroclear and Clearstream, Luxembourg, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and Clearstream, Luxembourg and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 17 (*Notices*) on the date of delivery to Euroclear and Clearstream, Luxembourg, except that, for so long as such Notes are admitted to trading on the Luxembourg Stock Exchange and it is a requirement of applicable law or regulations, such

notices shall also be published on the website of the Luxembourg Stock Exchange (*www.bourse.lu*).

TAXATION

The following overview does not purport to be a comprehensive description of all tax considerations that could be relevant for Noteholders. This overview is intended as general information only and each prospective Noteholder should consult a professional tax adviser with respect to the tax consequences of an investment in the Notes. This overview is based on tax legislation and published case law in force as at the date of this Prospectus. It does not take into account any developments or amendments thereof after that date, whether or not such developments or amendments have retroactive effect.

Taxation in Jersey

Under the Income Tax (Jersey) Law 1961 (the “**Jersey Income Tax Law**”), Atrium is regarded as resident in Jersey but (being neither a financial services company nor a specified utility company under the Jersey Income Tax Law at the date hereof) will (except as noted below) be subject to Jersey income tax at a rate of zero per cent.

If any Jersey company derives any income from the ownership or disposal of land in Jersey, such income will be subject to tax at the rate of 20 per cent. It is not expected that Atrium will derive any such income.

Under the current law, Atrium will be able to make payments in respect of the Notes without any withholding or deduction for or on account of Jersey tax and Noteholders (other than residents of Jersey) will not be subject to any Jersey tax in respect of the holding, sale or other disposition of their Notes.

Noteholders (other than residents of Jersey) are not subject to any tax in Jersey in respect of the holding, sale or other disposition of Notes.

Goods and services tax

Atrium is an “international services entity” for the purposes of the Goods and Services Tax (Jersey) Law 2007 (the “**GST Law**”). Consequently, Atrium is not required to:

- (a) register as a taxable person pursuant to the GST Law;
- (b) charge goods and services tax in Jersey in respect of any supply made by it; or
- (c) (subject to limited exceptions that are not expected to apply to any Jersey Company) pay goods and services tax in Jersey in respect of any supply made to it.

Stamp duty, inheritance taxes and capital gains taxes

Under the current Jersey law, there are no death or estate duties, capital gains, gift, wealth, inheritance or capital transfer taxes. No stamp duty is levied in Jersey on the issue, transfer, acquisition, ownership, redemption, sale or other disposal of Notes. In the event of the death of an individual sole Noteholder, duty at rates of up to 0.75 per cent of the value of the Notes held

may be payable on registration of Jersey probate or letters of administration which may be required in order to transfer or otherwise deal with Notes held by the deceased individual sole Noteholder.

EU Common Reporting Standards Regulations

In keeping with Jersey's policy of constructive international engagement and in line with steps taken by other relevant third countries, Jersey has implemented a system for automatic exchange of information from 1 January 2015 (**EUSD Regulations**) in respect of payments of interest made to an individual beneficial owner resident in an EU Member State by a paying agent in Jersey. In addition, in 2014 Jersey also entered into an intergovernmental agreement with the United Kingdom (UK-Jersey IGA) which was often referred to as UK FATCA. Under the UK-Jersey IGA relevant financial information which was held in Jersey in respect of a person or entity resident in the United Kingdom for tax purposes was reported to HM Revenue and Customs. The EUSD Regulations and the UK-Jersey IGA were replaced in January 2016 by the Taxation (Implementation) (International Tax Compliance) (Common Reporting Standard) (Jersey) Regulations 2015 which implement the Common Reporting Standard for the Automatic Exchange of Financial Account Information published by the Organisation for Economic Co-operation and Development. This supports Jersey's commitment to international standards on transparency and is in accord with the signing of agreements for the automatic tax information exchange with the U.S. and the U.K.

Taxation in the Grand Duchy of Luxembourg

The following information is of a general nature only and is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. The information contained within this section is limited to Luxembourg withholding tax issues and prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only.

A holder of the Notes may not become resident, or deemed to be resident, in Luxembourg by reason only of the holding of the Notes, or the execution, performance, delivery and/or enforcement of the Notes.

Withholding Tax

Non-resident Noteholders

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to non-resident Noteholders, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident Noteholders.

Resident Noteholders

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005, as amended (the **Relibi Law**), there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident Noteholders.

Under the Relibi Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to an individual beneficial owner who is a resident of Luxembourg will be subject to a withholding tax of currently 20%. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Relibi Law will be subject to a withholding tax at a rate of currently 20 %.

The Proposed Financial Transactions Tax

The European Commission has published a proposal for a Directive for a common financial transaction tax ("FTT") in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**). However, Estonia has since stated that it will not participate.

The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

Under current proposals the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between the participating Member States and is the subject of legal challenge. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

SUBSCRIPTION AND SALE

Deutsche Bank AG, London Branch (“**DB**”) and HSBC Bank plc (together with DB, the “**Global Coordinators**”) and Citigroup Global Markets Limited (“**Citi**”), ING Bank N.V., London Branch (“**ING**”) and Raiffeisen Bank International AG (“**RBI**”) (the “**Joint Active Lead Managers**”) and, together with the Global Coordinators, the “**Managers**”) have, in a subscription agreement dated 7 September 2018 (as may be amended or supplemented from time to time, the “**Subscription Agreement**”) and made between Atrium and the Managers upon the terms and subject to the conditions contained therein, agreed to subscribe for the Notes at their issue price of 98.457 per cent. of their principal amount, less any expenses that are to be deducted in respect thereof. Atrium has also agreed to reimburse the Managers for certain of their expenses incurred in connection with the management of the issue of the Notes. The Managers are entitled in certain circumstances to be released and discharged from its obligations under the Subscription Agreement prior to the closing of the issue of the Notes.

Prohibition of Sales to EEA Retail Investors

Each of the Managers has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area. For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or
- (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the “**Insurance Mediation Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

United Kingdom

Each of the Managers has represented, warranted and undertaken that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (“**FSMA**”)) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to Atrium; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

United States of America

The Notes have not been and will not be registered under the Securities Act or the securities laws of any State or other jurisdiction of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions

exempt from, or in a transaction not subject to, the registration requirements of the Securities Act. The Notes are being offered and sold solely outside the United States to non-U.S. persons in reliance on Regulation S. Terms used in this paragraph have the meanings given to them by Regulation S.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

Each of the Managers has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Notes, (a) as part of its distribution at any time or (b) otherwise, until 40 days after the later of the commencement of the offering and the issue date of the Notes, within the United States or to, or for the account or benefit of, U.S. persons, and that it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meaning given to them in Regulation S.

In addition, until 40 days after commencement of the offering, an offer or sale of Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Jersey

The Notes are not regulated or authorised by either the JFSC or the Jersey Company Registry.

General

Each of the Managers has represented, warranted and agreed that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Prospectus or any other offering material relating to the Notes. Persons into whose hands this Prospectus comes are required by Atrium and the Managers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Prospectus or any other offering material relating to the Notes, in all cases at their own expense.

GENERAL INFORMATION

1. Atrium accepts responsibility for the information contained in this Prospectus and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.
2. Atrium has obtained all necessary consents, approvals, confirmations and authorisations in Jersey in connection with the issue and performance of the Notes. The JFSC has consented to the circulation of this Prospectus by Atrium. The Notes are not regulated or authorised by either the JFSC or the Jersey Company Registry. The issue of the Notes was authorised by resolutions of the Board of Atrium passed on 29 August 2018.
3. There has been no significant change in the financial or trading position of Atrium or of the Group since 30 June 2018, other than as disclosed in relation to the Militari Disposal and the Wars Sawa Acquisition.
4. There has been no material adverse change in the prospects of Atrium since 31 December 2017.
5. Other than as otherwise referred to in (*“Description of Atrium and the Group—Description of the Portfolio—Legal Proceedings”*), Atrium is not involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Atrium is aware) during the 12 months preceding the date of this Prospectus which may have or have had in the recent past significant effects on the financial position or profitability of Atrium or the Group.
6. The aggregate principal amount of the Notes to be issued on or around 11 September 2018 shall be EUR300,000,000.
7. The Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records). In respect of the Notes, the International Securities Identification Number (“ISIN”) is XS1829325239 and the Common Code is 182932523. The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy L-1855 Luxembourg.
8. There are no material contracts entered into other than in the ordinary course of Atrium’s business, which could result in any member of the Group being under an obligation or entitlement that is material to Atrium’s ability to meet its obligations to Noteholders in respect of the Notes (including the Notes being issued).
9. For the period of 12 months starting on the date on which this Prospectus is made available to the public, copies (and English translations where the documents in question are not in English) of the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the office of Atrium:

- the Trust Deed (which includes the form of the Global Notes);
- the Articles of Atrium;
- a copy of this Prospectus together with any Supplement to this Prospectus or further Prospectus;
- any documents incorporated herein by reference; and
- the Issuer-ICSDs Agreement.

This Prospectus will be published on the website of Atrium (www.aere.com) and the website of the Luxembourg Stock Exchange (www.bourse.lu).

10. At the Annual General Meeting on 2 May 2018, PricewaterhouseCoopers CI LLP were appointed as auditor of Atrium for the year ending 31 December 2018.

PricewaterhouseCoopers CI LLP has reviewed, but not audited, the Unaudited Interim Consolidated Financial Statements. The review report has been included in this Prospectus through incorporation by reference.

KPMG Channel Islands Limited has audited, and rendered unqualified audit reports on, the accounts of Atrium for the two years ended 31 December 2017 and 2016. The audit reports have been included in this Prospectus through incorporation by reference, with consent of KPMG Channel Islands Limited.

Both KPMG Channel Islands Limited and PricewaterhouseCoopers CI LLP are registered with the Jersey Financial Services Commission as Recognized Auditors under Article 110 of the Companies (Jersey) Law, 1991.

11. Application has been made for the Notes to be listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange's regulated market. References in this Prospectus to the Notes being "listed" (and all related references) shall mean that the Notes have been listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange, which is a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments. The total expenses related to the listing and admission to trading of the Notes are estimated by the Group to be EUR5,000.
12. The Notes are expected to be rated Baa3 by Moody's and BBB- by Fitch. The Issuer is rated BBB- (stable) by Standard & Poor's, BBB- (positive) by Fitch and Baa3 (positive) by Moody's. Each of Standard & Poor's, Fitch and Moody's is established in the EU and are registered under the CRA Regulation.
13. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

14. On the basis of the issue price of the Notes of 98.457 per cent. of their principal amount, the yield of the Notes is 3.250 per cent. on an annual basis.
15. The Notes (except for the Temporary Global Note) and any Coupons and Talons appertaining thereto will bear a legend to the following effect: “Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code”.

INDEX OF DEFINED TERMS

\$	44	Euroclear	1, 35
€	43	Euronext	51
Adjusted EBITDA	76	Euronext Amsterdam	51
Agency Agreement	72	Eurosystem	95
AIF	21	Exchange Event	95
AIFM	21	Existing Holders	85
Annual Measurement Date	76	Financial Statements	40
Articles	51	first Person	75
Atrium	1	Fitch	2, 79
Board	64	FSMA	101
business day	87, 96	FTT	100
Calculation Amount	77	GLA	42
Calculation Date	81	Group	42, 73
CEE	42	Group Companies	24, 42
Central and Eastern Europe	42	GST Law	98
Change of Control	83	Guarantee	73
Change of Control Period	85	IFRS	73
Change of Control Put Date	84	Indebtedness	73
Change of Control Put Event	82, 84	Insurance Mediation Directive	2
Change of Control Put Notice	83, 84	Interest Payment Date	77
Change of Control Put Option	82	Investment Grade	79
Change of Control Put Period	84	Investment Grade Rating	83
CIF Law	2	Investor Parties	68
CIS	43	Investor's Currency	33
Clearstream, Luxembourg	1, 35	ISIN	103
Closing Date	1	Issue Date	77
Consolidated Coverage Ratio	76	Issuer	1, 72
Consolidated Interest Expense	76	Jersey Income Tax Law	98
Consolidated Total Assets	76	JFSC	1
Consolidated Total Indebtedness	76	Koruna	43
Couponholders	72	m ²	42
Coupons	72	Managers	1, 101
CRA Regulation	2	Material Subsidiary	91
CSSF	1	Measurement Date	76
Czech Koruna	43	Member State	43
CZK	43	MiFID II	1
Day Count Fraction	77	Moody's	2
Definitive Notes	95	New Holding Company	89
Determination Agent	81	NGN	95
Directors	64	Noteholders	72
Dispute	94	Notes	1, 72
distributor	1	Paying Agents	72
dollar	44	Permanent Global Note	1, 35
ECB	95	Person	75
EEA	2, 43	PLN	43
EU	43	Polish Zloty	43
EUR	43	PRIIPs Regulation	2
euro	43	Principal Paying Agent	72

Proceedings	94	Russia	43
Prospectus.....	1	Russian Ruble.....	43
Prospectus Directive.....	1	second Person.....	75
Prospectus Regulation.....	40	Secured Consolidated Total Indebtedness.....	77
Rate of Interest	77	Secured Solvency Ratio	77
Rate of Interest Step Down Trigger	78	Securities Act	1
Rate of Interest Step Up Trigger	78	Security Interest.....	75
Rating Agency.....	79	Semi-Annual Measurement Date	76
Rating Agency Rate of Interest Step Up Trigger	78	Shares	51
Reference Bond.....	81	Slovakia.....	43
Reference Bond Price.....	81	Solvency Ratio	77
Reference Bond Rate.....	82	sqm	42
Reference Government Bond Dealer	82	Stabilising Manager.....	2
Reference Government Bond Dealer Quotations	82	Standard & Poor's	79
Region	43	Step Up Rate.....	78
Regular Period.....	78	Subscription Agreement.....	101
Regulation S	1	Subsidiary.....	75
Relevant Announcement Date.....	83	Substitute Rating Agency.....	79
Relevant Coupons	87	Substituted Obligor	89
Relevant Date	88	TARGET Settlement Day	86
Relevant Early Redemption Amount	81	TARGET System	86
Relevant Indebtedness.....	75	TARGET2	86
Relevant Potential Change of Control Announcement	85	Temporary Global Note	1, 35
Remaining Term Interest.....	82	Trust Deed.....	72
Reporting Date	76	Trustee.....	1, 72
Reserved Matter	93	U.K.	43
Ruble	43	U.S.....	43
RUR.....	43	U.S. dollar	44
		U.S.\$	44
		Western Europe	43
		Zloty	43

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31 December 2016 and 2017*

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