

Prospectus



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

EUR 350,000,000

3.625 per cent. Subordinated Fixed to Reset Rate Undated Notes

issued as Tranche 1 of Series 3

under its €1,500,000,000 Euro Medium Term Note Programme

Issue Price: 98.197 per cent.

The €350,000,000 3.625 per cent. Subordinated Fixed to Reset Rate Undated Notes (the “Notes”) of Atrium European Real Estate Limited (“Atrium” or the “Issuer”) will be issued on 4 May 2021 (the “Issue Date”) under its €1,500,000,000 Euro Medium Term Note Programme (the “Programme”). References herein to the “Conditions” shall be construed as references to the Terms and Conditions of the Notes and references to a numbered “Condition” shall be construed accordingly.

The Notes bear interest from the Issue Date to (but excluding) 4 November 2026 (the “First Reset Date”) at the rate of 3.625 per cent. per annum, and thereafter at the relevant Reset Interest Rate (as defined in Condition 4(d) (*Reset Interest Rates*) of the Notes). Interest on the Notes will (subject to the option of the Issuer to defer payments, as provided below) be payable annually in arrear on 4 November in each year from (and including) 4 November 2021. The first payment will be made on 4 November 2021 in respect of the period from (and including) the Issue Date to (but excluding) 4 November 2021. Payments on the Notes will be made in euro without deduction for or on account of taxes imposed or levied by the Relevant Jurisdiction (as defined in the Conditions) to the extent described under “*Terms and Conditions of the Notes—Taxation*”.

Payments of interest on the Notes may, at the option of the Issuer, be deferred, as set out in Condition 5(a) (*Deferral of Interest Payments*). Deferred interest, which shall itself bear interest, may be paid at any time at the option of the Issuer (upon notice to the holders of the Notes), and must be paid in the circumstances provided in Condition 5(b)(ii) (*Mandatory Settlement*).

If the Issuer does not elect to redeem the Notes in accordance with Condition 6(f) (*Redemption for Change of Control Event*) following the occurrence of a Change of Control Event (as defined in the Conditions), the then prevailing interest rate per annum (and each subsequent interest rate per annum otherwise determined in accordance with the Conditions) for the Notes shall be increased by an additional five percentage points per annum with effect from (and including) the day immediately following the Change of Control Step-up Date, as set out in Condition 4(i) (*Step-Up after Change of Control Event*).

The Notes are perpetual securities in respect of which there is no fixed redemption date. The Issuer will have the right to redeem all, but not some only, of the Notes on (a) any date from (and including) 4 August 2026 (the “First Optional Redemption Date”) up to (and including) the First Reset Date or (b) any Interest Payment Date thereafter at their principal amount together with any Deferred Interest and any accrued and unpaid interest up to and including the redemption date. The Issuer will also have the right to redeem all, but not some only, of the Notes on any date prior to the First Optional Redemption Date at their Make-whole Redemption Amount. The Issuer may also redeem the Notes upon the occurrence of a Change of Control Event, a Tax Deductibility Event, a Substantial Repurchase Event, a Capital Event, an Accounting Event or a Withholding Tax Event, and may in certain circumstances vary the terms of, or substitute, the Notes, all as set out in the Conditions.

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 the Relevant Jurisdiction.

This drawdown prospectus (the “**Prospectus**”) has been approved by the *Commission de Surveillance du Secteur Financier* (the “**CSSF**”), which is the Luxembourg competent authority for the purpose of Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). This Prospectus constitutes a prospectus within the meaning of Article 6.3 of the Prospectus Regulation. The CSSF only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the CSSF should not be considered as an endorsement of the Issuer or of the quality of the Notes. Investors should make their own assessment as to the suitability of investing in the Notes. By approving a prospectus, in accordance with Article 20 of the Prospectus Regulation, the CSSF does not engage in respect of the economic or financial opportunity of the operation or the quality and solvency of the Issuer, in line with the provisions of Article 6(4) of the Luxembourg act dated 16 July 2019 on prospectuses for securities.

Application has been made to the Luxembourg Stock Exchange for the Notes to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange.

References in this Prospectus to Notes being “**listed**” (and all related references) shall mean that such Notes have been admitted to trading on the Luxembourg Stock Exchange's regulated market and have been admitted to the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of Directive 2014/65/EU (as amended, “**MIFID II**”).

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 Joint Bookrunners (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 EUR 100,000 and integral multiples of EUR 1,000 in excess thereof up to and including EUR 199,000. The Notes will initially be in the form of a temporary global note (the “**Temporary Global Note**”), without interest coupons and talons, which will be deposited on or around 4 May 2021 (the “**Closing Date**”) with a common depository 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 and talons, 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 EUR 100,000 and integral multiples of EUR 1,000 in excess thereof up to and including EUR 199,000 each and with interest coupons and talons attached. See “*Overview of Provisions Relating to the Notes in Global Form*”.

The period of validity of this Prospectus is up to (and including) 12 months from the date of the approval of this Prospectus until 29 April 2022. For the avoidance of doubt, the Issuer shall have no obligation to supplement this Prospectus after the admission to trading of the Notes.

The Notes are expected to be rated Ba2 by Moody's Deutschland GmbH (“**Moody's**”) and BB+ by Fitch Ratings Ireland (“**Fitch**”). Moody's and Fitch are established in the European Union and are registered under Regulation (EC) No. 1060/2009 (as amended) (the “**CRA Regulation**”). As such, Moody's and Fitch are included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation. The ratings from Moody's and Fitch have been endorsed by Moody's Investors Service Limited and Fitch Ratings Ltd, respectively, which are established in the United Kingdom and registered under the CRA Regulation as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the “**UK 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 Coordinators

Goldman Sachs International

HSBC

Joint Bookrunners

Citigroup

Deutsche Bank

Goldman Sachs International

HSBC

ING

Raiffeisen Bank International

The date of this Prospectus is 29 April 2021.

IMPORTANT NOTICES

Responsibility for this Prospectus

The Issuer accepts responsibility for the information contained in this Prospectus and declares that, to the best of its knowledge, the information contained in this Prospectus is in accordance with the facts and this Prospectus makes no omission likely to affect its import.

Other relevant information

This Prospectus is to be read and construed in conjunction with the documents incorporated by reference in this Prospectus (see “*Documents Incorporated by Reference*” below) which have been previously published and which shall be deemed to be incorporated by reference in, and form part of, this Prospectus (except to the extent so specified in, or to the extent inconsistent with, this Prospectus).

Unauthorised information

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Prospectus or any other document entered into in relation to the Prospectus or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer or any Joint Bookrunner (as defined below).

Neither the Joint Bookrunners nor Citibank N.A., London Branch (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 or any responsibility for the acts or omissions of the Issuer or any other person (other than the relevant Joint Bookrunner) in connection with the issue and offering of the Notes. 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. The Joint Bookrunners, the Trustee and any of their respective affiliates also do not accept any responsibility for the acts or omissions of the Issuer or any other person (other than the relevant Joint Bookrunner) in connection with the issue and offering of the Notes. In particular, neither the Joint Bookrunners nor the Trustee accept any responsibility for any third party social, environmental and sustainability assessment of any Notes or makes any representation or warranty or assurance whether the Notes will meet any investor expectations or requirements regarding such "green" or similar labels. Neither the Joint Bookrunners nor the Trustee is responsible for the monitoring of the use of proceeds for any Notes. No representation or assurance is given by the Joint Bookrunners and the Trustee as to the suitability or reliability of the Green Financing Framework (as defined herein) or any opinion or certification of any third party made available in connection with an issue of Notes and any such opinion or certification is not a recommendation by any Joint Bookrunner or the Trustee to buy, sell or hold any such Notes. In the event any such Notes are listed or admitted to trading on a dedicated "green" or other equivalently-labelled segment of a stock exchange or securities market, no representation or assurance is given by the Joint Bookrunners or the Trustee that such listing or admission will be obtained or maintained for the lifetime of the Notes.

Neither the delivery of this Prospectus nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Prospectus is true subsequent to the date hereof or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer since the date hereof or that any other information supplied in connection with the Notes is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. The Joint Bookrunners and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Notes or to advise any investor in Notes of any information coming to their attention. To the fullest extent permitted by law, the Joint Bookrunners and the Trustee accept no responsibility whatsoever for the contents of this Prospectus. The Joint Bookrunners and the Trustee accordingly disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Prospectus.

Certain information in this Prospectus has been extracted or derived from independent sources. Where this is the case, the source has been identified. The Issuer does not accept any responsibility for the accuracy of such information nor has the Issuer independently verified any such information. The Issuer confirms that this information has been accurately reproduced, and so far as the Issuer is aware and is able to ascertain from information available from such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Restrictions on distribution

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. The Issuer, the Joint Bookrunners and the Trustee do not represent that this Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, Joint Bookrunners or the Trustee which is intended to permit a public offering of any Notes or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus comes are required by the Issuer and the Joint Bookrunners 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 the 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 or with any securities regulatory authority of any state or other jurisdiction of the United States, and Notes in bearer form are subject to U.S. tax law requirements. The Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except in certain transactions exempt from the registration requirements of the Securities Act. For a description of these and certain further restrictions on offers, sales and transfers of Notes, see "*Subscription and Sale*".

NEITHER THE PROSPECTUS NOR THE NOTES HAVE BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE "SEC"), ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAS ANY OF THE FOREGOING AUTHORITIES PASSED

UPON OR ENDORSED THE MERITS OF ANY OFFERING OF NOTES OR THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

This Prospectus does not constitute an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by any of the Issuer, the Joint Bookrunners or any of them that any recipient of this Prospectus should subscribe for or purchase any Notes. Each recipient of this Prospectus shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

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 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.

UK MIFIR 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 only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (COBS), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**UK MiFIR**”); 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 the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) 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 2016/97/EU (as amended, the “**Insurance Distribution 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.

PROHIBITION OF SALES TO UK 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 United Kingdom (“**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it

forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“EUWA”); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (“FSMA”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) no 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “UK PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

In addition, in the UK, the attached document is being distributed only to and is directed only at persons in circumstances where section 21(1) of the FSMA 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 UK (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.

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 Continental Europe (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.

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:

1. 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;
2. 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;
3. 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;

4. understand thoroughly the terms of the Notes and be familiar with the behaviour of financial markets in which they participate; and
5. 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.

The Notes are complex financial instruments and such instruments may be purchased by potential investors as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Notes unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

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.

Exchange rate risks and exchange controls

Atrium will pay principal and interest on the Notes in euro. To the extent an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than euro, 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.

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.

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RISK FACTORS

Investment in the Notes involves certain risks.

Atrium believes that the following risk factors may affect its ability to fulfil its obligations under the Notes.

Although the most material risk factors have been presented first within each category, the order in which the remaining risks are presented is not necessarily an indication of the likelihood of the risks actually materialising, of the potential significance of the risks or of the scope of any potential negative impact to Atrium's business, financial condition, results of operations and prospects. Atrium may face a number of these risks described below simultaneously and some risks described below may be interdependent. While the risk factors below have been divided into categories, some risk factors could belong in more than one category and prospective investors should carefully consider all of the risk factors set out in this section.

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 all the factors described below represent the material risks 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. Atrium represents that the statements below regarding the risks of investing in any Notes are not exhaustive. Other risks, events, facts or circumstances not included in this Prospectus, not presently known to Atrium, or that Atrium currently deems to be immaterial could, individually or cumulatively, prove to be important and may have a significant negative impact on the business, financial condition, results of operations and prospects of Atrium and its consolidated subsidiaries (together, the “**Group**”). Prospective investors should carefully read and review the entire Prospectus and should form their own views before making an investment decision with respect to the Notes. 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.*

Before making an investment decision with respect to any Notes, prospective investors should consult their own stockbroker, bank manager, lawyer, accountant or other financial, legal and tax advisers and carefully review the risks entailed by an investment in the Notes and consider such an investment decision in the light of the prospective investor's personal circumstances.

RISKS RELATED TO THE ISSUER

1. Risks related to the business sector and operating environment

The viral disease known as COVID-19 and any (future) outbreak of an infectious disease, European or global pandemic event or any other serious public health concerns, may adversely affect the business and financial condition of the Group

Since its discovery in November 2019, a new strain of coronavirus, which causes COVID-19, has spread from China to many other countries, including the Group's geographies of Poland, the Czech Republic, the Slovak Republic and the Russian Federation.

Considerable uncertainty still surrounds the COVID-19 pandemic and its potential effects, and the extent of and effectiveness of any responses taken on a national and local level together with the roll out of

vaccination. The impact of the COVID-19 pandemic on the Group's markets and the world economy is uncertain and is expected to result in a world-wide economic downturn that may lead to corporate bankruptcies in the most affected industries and has already led to a substantial increase in unemployment.

COVID-19 has changed the global economic outlook and this inevitably impacts the Group's business. There is no doubt that the short-term implications of government-imposed trading restrictions will bring commercial and financial challenges in 2021, until there are substantial rollouts of the vaccine. Irrespective of the easing of the strict lockdown measures in some of the Group's regions, there is a risk that governments which have reduced strict lockdown measures impose new or stricter temporary measures and regulations or prolong imposed quarantines and other government measures and regulations, as seen in the fourth quarter of 2020 as a result of the second wave in Europe. Furthermore, the increase in e-commerce fuelled by COVID-19 may continue and previous consumer shopping habits may be permanently changed as a result of the pandemic.

Quarantines, states of emergencies and other government measures and regulations taken in response to the evolving COVID-19 situation within the Issuer's operational jurisdictions may negatively impact the business, result in an additional decrease in the value of the Group's assets, adversely impact the financial condition, restrict access to debt capital markets/loans, limit the ability to further execute the Group's asset rotation strategy, constrain the expansion of the Group's investment strategy into the residential for rent asset class and inhibit the result of operations and prospects of the Group.

The extent to which the COVID-19 pandemic impacts the Group's operations will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the duration of the outbreak, new information that may emerge concerning the severity of the various strains of COVID-19 and the actions taken to contain the COVID-19 pandemic or treat its impact, among others.

In addition, a risk exists of further waves of the COVID-19 pandemic in the second and third quarter of 2021 that could result in government restrictions on the Group's ability to trade, or any (future) outbreak of any infectious diseases or any other serious public health concerns in the various countries the Group operates, or in other parts of the world, which could adversely impact the business, financial condition, result of operations including valuations, investment grade ratings and prospects of the Group.

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, 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 and other governmental rules and fiscal policies, changes in technology and online retailing, changes in the relative popularity of real estate types and locations and operational risks.

These factors could cause fluctuations in rental income, operating expenses, occupancy rate¹ and/or the value of the properties, 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 and decrease in the occupancy rate or in the value of the properties could have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

¹ Approximately 95.4% at 30 June 2020 and 97.0% at 31 December 2019.

The fair value of the Group's properties may fluctuate

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 investors' yield requirements and competition. In particular, the continuing spread of the COVID-19 pandemic and the related government-imposed trading restrictions in response to the pandemic could have a negative impact on the fair value of the Group's investment properties.

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, the expected expenses, subsidies, capital expenditures 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 high 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 fair value is influenced by several factors. Including, the continuing spread of the COVID-19 pandemic and the related government-imposed trading restrictions could have a negative impact on the fair value of the Group's investment properties. The uncertainty related to the COVID-19 pandemic has led to a significant reduction in the number of real estate transactions since February 2020 and has impacted the availability of reliable market data. The latest valuation date of the Group's investment properties was 31 December 2020. Due to limited available market data, a high degree of judgment has been applied in determining the estimated cash flows used in the assessment of the fair value of investment properties. Consequently, a higher level of uncertainty exists in the latest valuation than would normally be the case.

The fair values as determined by external, independent real estate valuation experts as at 31 December 2020 have used all available information from reliable sources in developing appropriate assumptions to determine the fair value of investment properties. The fair values as at 31 December 2020 of all standing investments were determined on the basis of independent external valuations received from CBRE and Cushman & Wakefield. The fair values of most of the redevelopments and land, as at 31 December 2020, were determined on the basis of independent external valuations received from CBRE and Cushman & Wakefield. Approximately 77% of the land properties were valued externally.

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, results of operations and execution of its strategy.

A decreased demand for, or an increased supply of, or a contraction of the market for, properties in the Poland, the Czech Republic, Russia, Slovakia and Turkey (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.

The execution of Atrium's first pillar of its strategy to focus on core markets continues to be realised through the planned dispositions of high yielding secondary assets to improve the quality of the portfolio and the security of current and future cash flows. Atrium's dominant assets in strong locations remain the focus of the portfolio, further supported by redevelopments and the expansion of the Group's investment strategy into the residential for rent asset class. There can be no guarantee that Atrium will be able in the future to execute disposals at all or execute them at acceptable prices or at prices that are higher than the fair market valuation of a particular property, in particular in the current economic environment driven by the impact of the COVID-19 pandemic on the Group's markets.

All of these risks, if realised, could have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

Increasing competition in the real estate market

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 requirements 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 online sales 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 continues to transform as online retail grows and consumers increasingly use online shopping. In particular, the continuing of the COVID-19 pandemic has pushed more consumers to shift their shopping habits online.

The growth of online sales may change consumers' behaviour, demand for commercial retail premises, decrease in footfall and the occupancy rate of the Group and may also lead to higher investment needs and higher pressure on margins. Shopping centres are constantly adapting their services and tenant offerings to meet changing consumer behaviour and demand to continue to attract customers. The Group aims to adapt

its operations to the effects of increasing online retail by focusing on prime urban locations, in growing demographics which are more resilient to internet penetration. However, there can be no certainty as to the successful implementation of the strategy nor that the strategy will work, which could result in lower cash flows and valuations which 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 creditworthiness of a tenant can decline over the short or medium term, for example as a result of change in the economic environment or the COVID-19 pandemic, leading to a risk that the tenant will become insolvent or be otherwise unable to meet its obligations under the lease. In particular, the government-imposed trading restrictions in response to the evolving COVID-19 pandemic has a negative impact on the Group's tenants and their profitability, which could have a direct impact on the earning of the Group, as some tenants' rent is based on the turnover generated.

Although the Group receives and holds advance deposits, such deposits may 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. 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. The Group's credit losses may increase in the future. Any significant credit losses could have a material adverse effect on the Group's business, financial condition, cash flows, prospects and results of operations.

Risk related to climate change

The Group is exposed to the potential impacts of future climate change and climate change-related risks. In particular, the Group is exposed to unpredictable physical risks from possible future changes in climate and rare catastrophic weather events. Over 40% of the Group's income derives from tenants who are active in the fashion industry. Such tenants may be unable to plan products based on seasonality which means that winter or summer collections may fail, which could result in tenants encountering financial difficulties, which could in turn impact their ability to pay rent. Climate change could ultimately have a material adverse effect on the Group's business, financial condition, cash flows, prospects and results of operations.

2. Risks related to Group's operations

Risks related to change in strategy following a strategic review

On 10 December 2019, following a strategic review, Atrium announced a change in its strategy for future investments, with a focus on, amongst other things, densification of core retail assets and diversification into other classes of real estate, including residential for rent. On 25 February 2020, the Directors endorsed the outcome of the aforementioned strategic review. Following the implementation of the strategic review, Atrium will invest in a new asset class, residential for rent, which might expose Atrium to new and additional industry and other risks to which it is currently not subject and are currently not known to Atrium and may be identified during the implementation phase. The change of strategy as a result of the implementation of the strategic review or the strategy not being properly implemented could have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

The performance of the portfolio of the Group is exposed to concentration risks

The Group's real estate portfolio is concentrated and consists almost entirely of retail properties, 85% of which (by fair value as at 31 December 2020) are located in Poland (64%) and the Czech Republic (21%), and more than half thereof in Warsaw and Prague (38% and 17%, respectively). The performance of the real estate portfolio of the Group may be disproportionately impacted by events or market developments occurring in specific regions of the portfolio or by developments that affect certain types of commercial or residential real estate. The Group's high level of concentration in retail properties and its dependency on the Polish and Czech Republic's markets may have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

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

In accordance with its asset rotation programme, the Group has in the past sold non-core properties or divested from non-strategic geographies, and it may continue to divest properties that are not considered to be part of its core portfolio in the future. The Group intends to continue to improve the quality of its portfolio through additional divestments in the coming years.

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. There can be no guarantee that the Group will be able to execute future disposals at acceptable prices or at prices that are similar or higher than the fair market valuation of a particular property, in particular in the current economic environment driven by the impact of the COVID-19 pandemic on the Group's markets and world economies. The inability of the Group to sell at acceptable prices, or any such shortfall, delay or restriction, or any claim under the sale agreement, or default by a buyer to repay vendor loans could have an unfavourable impact on the Group's balance sheet and may have a material adverse effect on the Group's business, financial condition, prospects and results of operations and execution of its strategy.

The ability to identify and successfully execute new acquisitions is essential for meeting the Group's growth targets

In accordance with its asset rotation strategy and in addition to the redevelopments projects, the Group intends to grow through selective acquisitions. However, there can be no guarantee that the Group will find new targets that will fit its strategy at acceptable commercial terms or that it will succeed to negotiate and complete new acquisitions.

Moreover, 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 investment 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 potential issues may only become apparent at a later stage and force the Group to recognise fair value losses on its financial statements.

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 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. As such the evolving COVID-19 situation could have a negative impact on 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.

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 particular to the outbreak of COVID-19, Russia has adopted rules allowing tenants to re-negotiate or even terminate lease agreements and postpone rent payments in certain cases.

The weighted average lease terms of the Group might decrease as food anchors and consumer electronics, which typically have longer leases, are reducing their footprint. 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, restrictions imposed on the business of the anchor tenants (e.g. COVID-19 measures) 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 a secured loan financing 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.

Risks related to the evolution of rent levels, in particular upon renewal of an existing lease, and increases in operating and administrative expenses

The average length of the leases in the portfolio at 31 December 2020 was 5.1 years (31 December 2019: 5.3 years). Upon expiry of an existing lease, the Group is subject to the risk of a potential reduction of the rent by the tenant depending notably on the rental levels in the market which are 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 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 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. Besides these factors, governments in the Group's markets have implemented legislation in response to the COVID-19 crisis which provides the tenants *inter alia* with the option to reduce the rent during the lockdown period, defer rent payments, and in some cases the right to terminate unfavourable long-term leases.

Given the uncertain nature of the current COVID-19 situation, the Group is unable at this stage to quantify the duration and the extent that the impact of this or any future legislation will have on its operations and Group earnings.

In addition, 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 is exposed to risks related to capex, maintenance, repositioning and repair of properties. Those initiatives may take more time, be more expensive or ultimately generate a lower yield than originally anticipated

The Group is required to maintain the properties in the portfolio of the Group 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 regions of the portfolio. The Group performs maintenance and repairs, as well as invests capex, in its properties for many reasons, including amongst 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 health requirements/social distancing under COVID-19 measures. In some cases, the amount invested in a property by the Group may be significant.

The properties in the portfolio of the Group may from time to time require investment for targeted modernisation and repositioning. 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. 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 and net profits.

The Group is exposed to risks related to its redevelopment projects

Since 2015, Atrium has focused on the redevelopment and extension of the Group's existing properties. The Group has reported a pipeline of €0.4 billion scheduled for ongoing investment in redevelopment projects, the Issuer has postponed planned investments in redevelopments for the period from 2020 to 2022/2023 as part of its action plan for strengthening its liquidity due to the impact of COVID-19 on its operations.

The construction and redevelopment of properties is subject to a risk of defective construction, corrective or other works and associated adverse publicity, cost overruns, commercial related risks (lack of demand for new or redeveloped space or tenants wanting to step-out of projects), delays in construction work or other unforeseen delays and planning, permitting, zoning, procedural and compliance risks.

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.

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. The occurrence of any of the foregoing factors may have a material adverse effect on the business, net assets, cash flows, financial condition, prospects, results of operations and net profits.

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.

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.

The Group's insurance coverage may be inadequate

The Group's insurance policies may not provide cover 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. 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. Since the outbreak of COVID-19 the Group has to comply with stricter health and safety policies and Atrium is unable at this stage to quantify the duration and the extent that the impact of these stricter health and safety policies will have on its operations and Group earnings.

If the relevant authorities in a country where the Group has its operations or assets determine 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. 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 Atrium 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.

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

Presently, Atrium's shares are admitted to trading on the Vienna Stock Exchange and Euronext in Amsterdam under ticker: ATRS. Consequently, Atrium 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 Atrium, 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, Atrium 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, Atrium 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 Atrium and, depending on the case, expose Atrium 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 relies on the expertise of professional management and key personnel

The success of the Group depends, among other things, on the professional skills of the Directors and the Group's management and other key personnel as well as on the ability to retain its current management and to be able to recruit new skilled personnel when needed. Whereas the Directors pro-actively manage 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 exposed to disruption and other damages to its information technology infrastructure and operations and breaches in data security

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. Increased frequency and sophistication of cyber threats, could lead to installation of malicious software, unauthorised access to data and other electronic security breaches that could lead to disruptions in systems, unauthorised disclosure of confidential or otherwise protected information and the corruption of data. 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 private data in accordance with the applicable laws, the Group cannot discount the possibility of future data breaches. 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. The Group's insurance also covers disruption of its information technology systems and cyber threats, but there is no guarantee that such insurance is adequate to cover all potential losses. Unanticipated information technology problems, system failures, computer viruses, intentional/unintentional misuses, hacker attacks or unauthorised 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 privacy regulated 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 the Group's business, prospects, results of operation and financial condition.

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

(the “**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 reputational, financial or other damages. The Group may fail to adequately identify, recognise or 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, unrecognised, 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 Atrium 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 Group may reduce the demand for the Group’s properties, shares or debt, reduce the ability of the Group to raise capital or debt on attractive terms and to retain key personnel

The Group’s ability to attract and retain tenants, raise capital, issue debt or gain access to bank financing, as well as retain personnel in its employment may suffer if the Group’s reputation is damaged or harm to the brand name of the Group is done. Matters affecting the Group’s reputation may include, amongst other things, the quality and safety of the Group’s assets, compliance with legislation and regulations.

Any damage to the Group's reputation may result in a material decline in the share price of Atrium or the trading prices of its securities, 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.

3. 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 31 December 2020 the Group had total borrowings, including bonds and bank loans, with a carrying value of €1,105 million, of which €807 million was unsecured. As at 31 December 2020, the market value of properties secured in favour of external creditors was €527 million. In 2020, the Group repaid €133 million bonds that matured in April 2020, refinanced €200 million bonds in June, and bought back €8 million bonds in the open market in October. In February 2021 the Group issued €300 million green bonds and bought back €78 million of the outstanding 2022 notes. As at the date of this Circular, the Group has €300 million unutilized credit facilities.

Atrium's EUR 154,717,000 3.625 per cent. Notes due 17 October 2022 and EUR 500,000,000 3.000 per cent. Notes due 11 September 2025 contain covenants which require the Group to maintain its solvency ratio at or below 60%, its secured solvency ratio at or below 40% and an interest coverage ratio of at least 1.5:1. As at 31 December 2020, the Group's solvency ratio was 39.5%, its secured solvency ratio was 10.1% and its interest coverage ratio was 2.42:1. The Group's existing secured debt facilities also contain covenants, such as an obligation to maintain a maximum loan to valuation ratio, income to interest coverage 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 and which in addition might be adversely affected by the COVID-19 pandemic. 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 could result in the acceleration of its payment obligations, the locking of cure accounts, 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 operates in a sector that requires high level of capital investment for growth. The Group uses, and has used in the past, debt, together with free cash flow, to finance the Group's acquisitions. 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 in line with the financial covenants of the Group and loan margins may fluctuate over time. 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, financing costs and the ability to raise external bank financing as a result of the COVID-19 pandemic, which includes 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 might increase the Group's financing costs

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. In 2019, interest rates for the Euro reached all time lows and this trend continued in 2020, however, interest rates could increase over time. Currently, the spread for financing has increased due to the changed market conditions as a result of COVID-19. The Group has no unhedged interest rate variable indebtedness as at 31 December 2020. Fluctuations in interest rates affect the value of the Group's interest swap facility. As at 31 December 2020, there were two interest swap facilities amounting to €22.7 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 sector (Basel III) 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 coming years, the Group will have to refinance bonds or loans 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. 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"), Atrium's ability to pay interest and/or principal under the Notes, and on any other of its financial obligations, 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. In particular, the COVID-19 pandemic and the related government-imposed restrictions has had a negative impact on the cash flow of the Group and could adversely affect its ability to pay interest when it falls due.

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 apply to the Group's financial reporting from 1 January 2019, consist of, in particular, IFRS 16: Leases. 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 new standard IFRS 16 has been implemented as per 1 January 2019, with no significant impact on the results for the year ended 31 December 2019.

As a result of the COVID-19 pandemic, the Group is in continuous dialogue with its tenants about lease incentives to support them with the challenges that the COVID-19 pandemic is presenting. In some countries, these are mandated by local legislations. Under IFRS 16, under certain conditions rent concessions might be treated as lease modifications and, consequently, the Issuer would straight-line the concessions over the remaining lease term.

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.

4. 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 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 with significant potential consequences for the political, economic, and social status quo of the Group's markets.

The Group may be 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.

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 as well as their interpretations, 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 the countries in which the Group has its operations or assets, political instability, changes in regulatory requirements and applicable laws and their interpretation (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 operates 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 Polish Zloty, Czech Koruna, Russian Ruble or others. 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 most of 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 rental or service charges are payable may have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

Different legal and regulatory systems may create an uncertain environment for investment and business activities

The Group's operations are subject to a range of laws and regulations and require the maintenance and renewal of commercial licenses and permits. In many countries, 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. 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.

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

The governments of the Czech Republic, Poland, Russia, Slovakia and Turkey 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.

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.

There are uncertainties in the taxation and fiscal systems in the countries in which the Group has its operations or assets

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, withholding taxes levied on any income distributions or cross-border payments as well as deferred tax assets or liabilities may be subject to change. In addition, there are various supra-national initiatives which impact national tax systems intended to counter certain tax structures such as Base Erosion and Profit Shifting projects ("BEPS"), European Union legislation aimed at counteracting aggressive tax planning such as Anti-Tax Avoidance Directive I and Anti-Tax Avoidance Directive II and the enactment of local legislation e.g. imposing economic substance requirements on certain Jersey companies, including regulated collective investment funds.

In addition, the Group's future effective tax rates may be adversely affected by a number of factors, including unilateral changes to double taxation treaties, or 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.

RISKS RELATED TO THE NOTES

1. Risks related to the Notes

The Notes are subordinated obligations; accordingly, claims in respect of the Notes would rank junior to claims in respect of unsubordinated obligations of the Issuer in the event of an Issuer Winding-up

The Notes are direct, unsecured and subordinated obligations of the Issuer. In the event of an Issuer Winding-up, the Trustee on behalf of the Noteholders or, in the limited circumstances described in Condition 12 (*Default and Enforcement – Right of Noteholders*), the Noteholders will have a claim ranking behind claims of unsubordinated creditors of the Issuer and creditors of the Issuer in respect of all Subordinated Indebtedness, in priority to any present and future claims in respect of (i) any Ordinary Shares and (ii) any other obligation of the Issuer which ranks or is expressed by its terms to rank junior to the Notes or any Parity Obligation and *pari passu* without any preference among themselves and with any present and future claims in respect of obligations of the Issuer in respect of Parity Obligations.

In the event of an Issuer Winding-up, Noteholders (or the Trustee on their behalf) will only be eligible to recover any amounts in respect of their Notes if all claims in respect of more senior-ranking obligations of the Issuer (whether secured or unsecured) have first been paid in full. If on an Issuer Winding-up, the assets of the Issuer are insufficient to repay the claims of all senior-ranking creditors in full, the Noteholders will lose their entire investment in the Notes. If there are sufficient assets to repay the claims of senior-ranking creditors in full but insufficient assets to enable it to pay claims in respect of the Notes and all other obligations of the Issuer ranking *pari passu* with the Notes, Noteholders will lose some or substantially all of their investment in the Notes. The Noteholders therefore face a higher recovery risk than holders of unsubordinated obligations and Subordinated Indebtedness of the Issuer. Furthermore, the Conditions do not limit the amount of the liabilities ranking senior to or *pari passu* with the Notes which may be incurred or assumed by the Issuer from time to time, whether before or after the Issue Date of the Notes.

Furthermore, subject to applicable law, no Noteholder may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with, the Notes and each Noteholder shall, by virtue of their holding, be deemed to have waived all such rights of set-off, compensation or retention.

In addition, if the financial condition of the Issuer deteriorates such that Issuer Winding-up may be anticipated, the market price of the Notes can be expected to fall, and such fall may be significant. A Noteholder that sells its Notes in such an event may lose some or substantially all of its initial investment in the Notes (whether or not an Issuer Winding-up subsequently occurs).

Any of the above circumstances could lead to a situation in which the Issuer does not have enough assets remaining to pay amounts due and payable under the Notes, which could in turn lead to Noteholders incurring losses.

No limitation on issuing or guaranteeing debt ranking senior to or pari passu with the Notes

There is no restriction in the Conditions on the amount of debt which the Issuer may issue or guarantee. The Issuer and its subsidiaries and affiliates may incur additional indebtedness or grant guarantees in respect of indebtedness or guarantees of third parties, including indebtedness that ranks *pari passu* with or senior

to the Notes. The issue of any such securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by Noteholders on an Issuer Winding-up and/or may increase the likelihood of a deferral of interest payments under the Notes.

The Issuer may defer interest payments

The Issuer may, under the Conditions, at any time and in its sole discretion (except on any Interest Payment Date on which the Notes are to be redeemed), elect to defer payment of all (but not some only) of the interest which would otherwise be paid on any Interest Payment Date, and the Issuer shall not have any obligation to make such payment and any failure to pay shall not constitute a default by the Issuer for any purpose.

Any interest not paid on an applicable Interest Payment Date and deferred shall constitute Deferred Interest and shall be paid in whole or in part, at any time, at the option of the Issuer or on the occurrence of certain mandatory settlement events described in the Conditions.

Any deferral of interest payments will be likely to have an adverse effect on the market price of the Notes. In addition, as a result of such interest deferral provisions of the Notes, the market price of the Notes may be more volatile than the market prices of other debt securities on which interest accrues that are not subject to the above provisions and may be more sensitive generally to adverse changes in the Issuer's financial condition.

This risk applies irrespective of the intended application of net proceeds of the Notes towards investments in Green Assets, which will not impact the terms of the Notes or the exercise of the Issuer's discretions thereunder - see "*The use of proceeds of the Notes may not meet investor expectations*" for further information."

The Notes are undated securities and therefore an investment in the Notes constitutes a financial risk for an indefinite period

The Notes are perpetual securities in respect of which there is no fixed redemption date. The Issuer is under no obligation to redeem the Notes at any time and Noteholders have no right to call for redemption of the Notes. Accordingly, there is uncertainty as to when (if ever) an investor in the Notes will receive repayment of the principal amount of the Notes.

Therefore, prospective investors should be aware that they may be required to bear the financial risks of an investment in the Notes for a long period and may not recover their investment before the end of this period.

This risk applies irrespective of the intended application of net proceeds of the Notes towards investments in Green Assets, which will not impact the terms of the Notes or the exercise of the Issuer's discretions thereunder - see "*The use of proceeds of the Notes may not meet investor expectations*" for further information."

The Issuer may redeem the Notes early; investors should consider reinvestment risk

The Issuer will have the right to redeem all, but not some only, of the Notes on (a) any date from (and including) the First Optional Redemption Date up to (and including) the First Reset Date or (b) any Interest Payment Date thereafter, at their principal amount together with any Deferred Interest and any other accrued and unpaid interest up to (but excluding) the redemption date. The Issuer will also have the right to redeem all, but not some only, of the Notes on any date prior to the First Optional Redemption Date at their Make-whole Redemption Amount.

The Issuer may also, at its option, redeem the Notes in whole, but not in part, upon the occurrence of a Tax Deductibility Event, a Capital Event, a Change of Control Event, a Withholding Tax Event, an Accounting Event or a Substantial Repurchase Event with respect to the Notes, as further described in the Conditions.

In the case of a Tax Deductibility Event, an Accounting Event or a Capital Event, such redemption will be at (i) 101 per cent. of the principal amount of the Notes, where such redemption occurs before the First Optional Redemption Date, or (ii) 100 per cent. of the principal amount of the Notes, where such redemption occurs on or after the First Optional Redemption Date, together in each case with any Deferred Interest and any other accrued and unpaid interest up to (but excluding) the redemption date.

In the case of a Withholding Tax Event, a Change of Control Event or a Substantial Repurchase Event, such redemption will be at 100 per cent. of the principal amount of the Notes, together with any Deferred Interest and any other accrued and unpaid interest up to (but excluding) the redemption date.

During any period when the Issuer may elect to redeem the Notes or is perceived to be able to redeem the Notes, the market value of the Notes generally will not rise substantially above the price at which they can be redeemed.

The Issuer might redeem the Notes when its cost of borrowing is lower than the interest rate on the Notes. Any redemption prior to maturity as set out above could have a material adverse effect on the value of the Notes as the relevant redemption amount may be less than the then current market value of the Notes. An optional redemption feature is also likely to limit the market value of the Notes. During any period when the Issuer may elect to redeem the Notes, the market value of the Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. An investor may not be able to reinvest the proceeds of the redemption of the Notes in a comparable security at a rate of return similar to that of the Notes. Potential investors should consider reinvestment risk in light of other investments available at that time.

This risk applies irrespective of the intended application of net proceeds of the Notes towards investments in Green Assets, which will not impact the terms of the Notes or the exercise of the Issuer's discretions thereunder - see "*The use of proceeds of the Notes may not meet investor expectations*" for further information."

The current IFRS accounting classification of financial instruments such as the Notes as equity instruments may change, which may result in the occurrence of an Accounting Event

In June 2018, the IASB (International Accounting Standards Board) published the discussion paper DP/2018/1 on "Financial Instruments with Characteristics of Equity", (the "**DP/2018/1 Paper**") and in December 2020 the IASB decided to add the project to its standard setting programme. While the final timing and outcome are uncertain, if the proposals set out in the DP/2018/1 Paper are implemented in their current form, or if alternative changes are proposed and implemented, the current IFRS accounting classification of financial instruments such as the Notes as equity instruments may change and this may result in the occurrence of an Accounting Event. In such an event, the Issuer may have the option to redeem, in whole but not in part, the Notes (pursuant to Condition 6(c)). The implementation of any of the proposals set out in the DP/2018/1 Paper or any other similar such proposals that may be made in the future, including the extent and timing of any such implementation, if at all, is uncertain.

At the December 2020 meeting of the IASB it was agreed that the Financial Instruments with Characteristics of Equity project would move to a standard setting project, but limited decisions have been made on how classification requirements will be adjusted and consultation will be required before any changes are implemented. Accordingly, no assurance can be given as to the future classification of the Notes from an accounting perspective or whether any such change may result in the occurrence of an Accounting Event, thereby providing the Issuer with the option to redeem the Notes or substitute or vary the terms of the Notes pursuant to the Conditions.

The redemption of the Notes by the Issuer or the perception that the Issuer will exercise its optional redemption right may negatively affect the market value of the Notes. During any period when the Issuer may elect to redeem the Notes, the market value of the Notes generally will not rise substantially above the

price at which they can be redeemed. For a further description of the risks related to the early redemption of the Notes, see the Risk Factor entitled "*The Issuer may redeem the Notes early; investors should consider reinvestment risk*".

The claims of holders of the Notes are structurally subordinated to those of certain other creditors of the Issuer and to creditors of the Issuer's subsidiaries

As is usual for property companies, the Issuer's operations are principally conducted through subsidiaries. Accordingly, the Issuer is, and will be, dependent on its subsidiaries' operations to service its payment obligations in respect of the Notes. The Notes are structurally subordinated to the claims of all holders of debt securities and other creditors, including trade creditors, of the Issuer's subsidiaries, and structurally and/or effectively subordinated to the extent of the value of collateral to all the Issuer's and its subsidiaries' secured creditors.

Generally, lenders and trade and other creditors of the Issuer's subsidiaries are entitled to payment of their claims from the assets of such subsidiaries before these assets would be available for distribution to the Issuer, as direct or indirect shareholder, which would then allow for the Issuer to make payments under the Notes. Any debt that the Issuer's subsidiaries may incur in the future will also rank structurally senior to the Notes.

A significant part of the Group's assets and revenues are generated by Atrium's subsidiaries. The subsidiaries are legally separated from the Issuer and the subsidiaries' ability to make payments to the Issuer is restricted by, among other things, the availability of funds, corporate restrictions and local law. The Notes will not be guaranteed by any of the Issuer's subsidiaries or any other company or person. Furthermore, in the event of insolvency, liquidation or a similar event relating to one of the subsidiaries, all creditors of such subsidiary would be entitled to payment in full out of the assets of such subsidiary before any entity within the Group, as a shareholder, would be entitled to any payments. Thus, the Notes are structurally subordinated to the liabilities of the subsidiaries of the Issuer. From the audited figures, as at 31 December 2020, the book value of interest-bearing debt of the Group was EUR 1,232 million.

The Conditions contain provisions which may permit their modification without the consent of all investors and confer significant discretions on the Trustee which may be exercised without the consent of the Noteholders and without regard to the individual interests of particular Noteholders

The Conditions contain provisions for calling meetings of Noteholders to consider and vote upon matters affecting their interests generally, or to pass resolutions in writing or through the use of electronic consents. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting or, as the case may be, did not sign the written resolutions or give their consent electronically, and including those Noteholders who voted in a manner contrary to the majority.

The Conditions also provide that the Trustee may, without the consent of Noteholders, agree to (i) any modification of the Conditions, the Agency Agreement, the Trust Deed or the Notes (other than in respect of a Reserved Matter) which, in the opinion of the Trustee, will not be materially prejudicial to the interests of the Noteholders or (ii) any modification of the Conditions, the Agency Agreement, the Trust Deed or the Notes which, in the opinion of the Trustee, is of a formal, minor or technical nature or is made to correct a manifest error or (iii) (other than in respect of a Reserved Matter) any waiver or authorisation of any breach or proposed breach of, the provisions of the Conditions, the Agency Agreement, the Trust Deed or the Notes which is, in the opinion of the Trustee, will not be materially prejudicial to the interests of the Noteholders.

In addition, pursuant to Condition 4(j) (*Benchmark Event*), certain modifications may be made to the interest calculation provisions of the Notes in the circumstances and as otherwise set out in such Condition, without the requirement for consent of the Noteholders.

Noteholders are therefore exposed to the risk that changes are made to the Conditions without their knowledge or consent which may be against the interest of such Noteholder and this may have an adverse effect on the (value of the) Notes. Moreover, Noteholders should be aware that if they intend to sell any of the Notes, the fact that changes may be made to the Conditions without their knowledge or consent, could have an adverse effect on the value of such Notes.

Reform and Regulation of "benchmarks"

The Euro Interbank Offer Rate ("EURIBOR") (which is the floating leg of the 5 Year EUR Mid-Swap Rate used in the reset provisions for the Notes) and other indices which are deemed "benchmarks" (each a "Benchmark" and together, the "Benchmarks"), to which the interest on the Notes during any Reset Period is linked, have become the subject of regulatory scrutiny and recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on the value of and the amount payable under the Notes. International proposals for reform of Benchmarks include Regulation (EU) 2016/1011 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the "Benchmark Regulation"). Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the EUWA (the "UK Benchmarks Regulation") among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the FCA or registered on the register of the United Kingdom Financial Conduct Authority ("FCA") (or, if non-UK based, not deemed equivalent or recognised or endorsed).

Any changes to a Benchmark as a result of the Benchmark Regulation and/or the UK Benchmark Regulation or other initiatives, could have a material adverse effect on the costs of refinancing securities linked to such Benchmark or the costs and risks of administering or otherwise participating in the setting of a Benchmark and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or participate in certain Benchmarks, trigger changes in the rules or methodologies used in certain Benchmarks or lead to the disappearance of certain Benchmarks. Although it is uncertain whether or to what extent any of the abovementioned changes and/or any further changes in the administration or method of determining a Benchmark could have an effect on the value of the Notes, investors should be aware that they face the risk that any changes to the relevant Benchmark may have a material adverse effect on the value of and the amount payable under the Notes.

The Conditions provide that, if a Benchmark Event (which, amongst other events, includes the Original Reference Rate ceasing to exist, be administered or be published for at least five Business Days) occurs, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser. The Issuer and the Independent Adviser shall endeavour to determine a Successor Rate or an Alternative Rate and, in either case, an Adjustment Spread (which could be positive, negative or zero) to be used in place of the Original Reference Rate. The use of any such Successor Rate or Alternative Rate with the application of an Adjustment Spread to determine the Reset Interest Rate for a Reset Period may result in the Notes performing differently (which may include payment of a lower Reset Interest Rate for such Reset Period) than they would do if the Original Reference Rate were to continue to apply.

The use of any Successor Rate or Alternative Rate with the application of an Adjustment Spread may still result in the Notes performing differently (which may include payment of a lower Reset Interest Rate for such Reset Period) than they would if the Original Reference Rate were to continue to apply in its current form.

Furthermore, if a Successor Rate, Alternative Rate and/or Adjustment Spread, as applicable, is determined by the Issuer and the Independent Adviser, the Conditions provide that the Issuer and the Independent Adviser may agree to vary the Conditions, the Trust Deed and/or the Agency Agreement, as necessary, to

ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread, as applicable, without any requirement for consent or approval of the Noteholders, in the circumstances and as otherwise set out in the Conditions.

Notwithstanding the occurrence of a Benchmark Event, the Issuer may be unable to appoint an Independent Adviser in accordance with the Conditions, or the Issuer and the Independent Adviser may not be able to determine, or may not agree on the selection of, a Successor Rate or Alternative Rate or, in either case, the applicable Adjustment Spread in accordance with the Conditions before the Reset Interest Determination Date in respect of a Reset Period. In such circumstances, the Conditions provide for certain additional fall-back provisions which may result in (i) the 5 Year EUR Mid-Swap Rate being set by reference to offered quotations from banks communicated to the Calculation Agent or (ii) the last 5 Year EUR Mid-Swap Rate that was available on the Reset Screen Page being used to determine the Reset Interest Rate for a Reset Period.

If the Issuer is unable to appoint an Independent Adviser or the Issuer and the Independent Adviser fail to determine, or do not agree on the selection of, a Successor Rate or Alternative Rate or, in either case, the applicable Adjustment Spread for the life of the Notes, this could result in the Notes, in effect, becoming fixed rate securities.

Any such consequences could have a material adverse effect on the value of and return on the Notes. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could affect the ability of the Issuer to meet its obligations under the Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Notes. Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmark Regulation and/or UK Benchmark Regulation reforms in making any investment decision with respect to any Notes linked to or referencing a benchmark.

Laws and practices applicable to the Notes may change

The Conditions are based on and governed by English law in force on the Issue Date. Any new statutes, ordinances and regulations, amendments to the legislation or changes in application of the law (including any amendments to or changes in application of tax laws or regulations) after the Issue Date may affect the Notes and/or have a material adverse effect on the Issuer's business, financial condition, results of operations and future prospects, and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

The Notes may be affected by the Issuer's business decisions and, in making such decisions, interests of the Issuer may not be aligned with those of the Noteholders

The Notes are non-voting with respect to general meetings of the Issuer. Consequently, the holders of the Notes cannot influence, *inter alia*, any decisions by the Issuer to defer payments or to optionally settle outstanding payments or any other decisions by the Issuer's shareholders concerning the capital structure of the Issuer. Such decisions could cause Noteholders to lose all or part of the value of their investment in the Notes.

Substitution or variation of the Notes

There is a risk that, after the issue of the Notes, a Tax Deductibility Event, a Capital Event, an Accounting Event or a Withholding Tax Event may occur which would entitle the Issuer, without any requirement for the consent or approval of the Noteholders, to substitute all, but not some only, of the Notes for, or vary the terms of the Notes so that they become or remain, Qualifying Notes.

Whilst Qualifying Notes are required to have terms which are not materially less favourable to Noteholders than the terms of the Notes (as reasonably determined by the Issuer in consultation with an independent

investment bank, independent financial adviser or legal counsel of international standing), there can be no assurance that the Qualifying Notes will not have a significant adverse impact on the price of, and/or the market for, the Notes, nor that there will not be any adverse tax consequences for any Noteholders of the Notes arising from such substitution or variation.

Fixed rate securities have a market risk

The Notes will bear interest at a fixed rate, reset by reference to the 5 Year EUR Mid-Swap Rate plus a margin on the First Reset Date for the Notes and on each fifth anniversary of the First Reset Date.

A holder of a security with a fixed interest rate is exposed to the risk that the price of such security falls as a result of changes in the current interest rate on the capital market (the "**Market Interest Rate**"). While the nominal interest rate of a security with a fixed interest rate is fixed during the life of such security or during a certain period of time, the Market Interest Rate typically changes on a daily basis. A change of the Market Interest Rate may cause the price of such security to change. If the Market Interest Rate increases, the price of such security typically falls. If the Market Interest Rate falls, the price of a security with a fixed interest rate typically increases. Potential investors should be aware that movements of the Market Interest Rate can adversely affect the price of the Notes and can lead to losses for the Noteholders if they sell the Notes.

Each Reset Interest Rate may be different from the initial interest rate of the Notes and may adversely affect the yield of the Notes.

Noteholders have very limited rights in relation to the enforcement of payments on the Notes

If a default is made by the Issuer for a period of 30 days or more in relation to the payment of any interest, principal or premium in respect of the Notes which is due and payable, the rights of the Noteholders in respect of the Notes are limited to instituting proceedings for an Issuer Winding-up, and the Noteholders (or the Trustee on their behalf) may prove and/or claim in respect of the Notes in an Issuer Winding-up.

Whilst the claims of the Noteholders (or the Trustee on their behalf) in an Issuer Winding-up are for the principal amount of their Notes together with any Deferred Interest and any other accrued and unpaid interest, such claims will be subordinated as provided above under "*The Notes are subordinated obligations; accordingly, claims in respect of the Notes would rank junior to claims in respect of unsubordinated obligations of the Issuer in the event of an Issuer Winding-up*". The Noteholders (or the Trustee on their behalf) shall not be entitled to accelerate payments of interest or principal under the Notes in any circumstances outside an Issuer Winding-up. Furthermore, whilst the Trustee (if so directed by the Noteholders in accordance with the provisions of the Conditions and the Trust Deed) may institute other proceedings against the Issuer to enforce the terms of the Notes, the Issuer shall not, by virtue of such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

Accordingly, the Noteholders' rights of enforcement in respect of payments under the Notes are very limited.

2. Risks related to the holding of the Notes

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 the Issuer

The Notes will be represented by the applicable Global Note except in certain limited circumstances described in the Global Notes. The Global Note will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Except in certain limited circumstances described in the Global Note, 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 Note, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg. The Issuer will discharge its payment obligations under the Notes by making payments to the common depositary for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Note.

Further, Noteholders of beneficial interests in the Global Note 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. There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable investors to vote on any matters on a timely basis. Similarly, holders of beneficial interests in the Global Note will not have a direct right under the Global Note to take enforcement action against the Issuer in the event of a default under the Notes, but will have to rely upon their rights under the Trust Deed.

Denominations involve integral multiples; definitive Notes

The Notes have denominations consisting of a minimum of EUR 100,000 plus integral multiples of EUR 1,000 in excess thereof up to and including EUR 199,000.

It is possible that the Notes may be traded in amounts that are not integral multiples of EUR 100,000. In such a case a holder who, as a result of trading such amounts, holds a principal amount which is less than EUR 100,000 in its account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of EUR 100,000 such that its holding amounts to EUR 100,000 or a higher integral multiple of EUR 1,000. Further, a holder of the Notes who, as a result of trading such amounts, holds a principal amount which is less than EUR 100,000 in its account with the relevant clearing system at the relevant time may 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 its holding amounts to EUR 100,000.

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

3. Risks related to the admission of the Notes to trading on a regulated market

There is no public trading market for the Notes and an active trading market may not develop or be sustained in the future

The Notes may have no established trading market when issued, and the Issuer cannot assure investors that an active trading market for the Notes will develop or be maintained. If investments in the Notes are traded after their initial issuance, then they might trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the Group's financial condition and results of operations. Although application has been made to the Luxembourg Stock Exchange for the Notes to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange, there is no assurance that such application will be accepted or that an active trading market will develop. If a market does develop, it may not be liquid. In addition, liquidity may be limited if the Issuer makes large allocations to a limited number of investors. 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. A lack of liquidity may have a material adverse effect on the market value of the Notes.

4. Risks related to the market

The market price of the Notes is subject to a high degree of volatility

The market price of investments in the Notes could be subject to significant fluctuations in response to actual or anticipated variations in the Issuer's operating results and those of its competitors, adverse business developments, changes to the regulatory environment in which the Issuer operates, changes in financial estimates by securities analysts and the actual or expected sale by the Issuer of other debt securities, as well as other factors, including the trading market for notes issued by entities in the jurisdiction of the Issuer. In addition, in recent years the global financial markets have experienced significant price and volume fluctuations, which, if repeated in the future, could adversely affect the market price of the Notes without regard to the Issuer's results of operations, prospects or financial condition. Factors including increased competition or the Issuer's operating results, the regulatory environment, general market conditions, natural disasters, terrorist attacks and war may have an adverse effect on the market price of the Notes.

The market value of the Notes may be affected by the creditworthiness of the Issuers and the Group, the credit rating of the Notes and a number of additional factors

The value of the Notes may be affected by the creditworthiness of the Issuer and the Group, the credit rating of the Notes 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.

The Issuer's credit ratings are an assessment by the relevant rating agencies of its ability to pay its debts when due. Consequently, real or anticipated changes in its credit ratings will generally affect the market value of the Notes. One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to the structure and marketing of the Notes and additional factors discussed in this Prospectus or any other factors that may affect the value of the Notes. Credit ratings assigned to the Notes do not necessarily mean that they are a suitable investment. A rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time. Similar ratings on different types of notes do not necessarily mean the same thing. The significance of each rating should be analysed independently from any other rating.

In addition, a rating agency may change its methodology or its application for rating securities with features similar to the Notes in the future. This may include the relationship between ratings assigned to an issuer's senior securities and ratings assigned to securities with features similar to the Notes, sometimes called "notching". If a rating agency was to change its practices or their application for rating such securities in the future and the ratings of the Notes were to be subsequently lowered, this may have a negative impact on the trading price of the Notes. If as a consequence of an amendment, clarification or change in the equity credit criteria of a rating agency, the Notes are no longer eligible for the same or higher category of equity credit attributed to the Notes at the date of their issue (or if equity credit is not assigned on the Issue Date, at the date when the equity credit is assigned for the first time), the Issuer may redeem the Notes in whole, but not in part, as further described in the Conditions. For a description of the risks related to the early redemption of the Notes, see the Risk Factor entitled "*The Issuer may redeem the Notes early; investors should consider reinvestment risk*".

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in the EEA and registered under the CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by third country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA registered credit rating agency or the relevant third country 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, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by 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.

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances. In the case of third country ratings, for a certain limited period of time, transitional relief accommodates continued use for regulatory purposes in the UK, of existing pre-2021 ratings, provided the relevant conditions are satisfied.

If the status of the rating agency rating the Notes changes for the purposes of the CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Prospectus.

Any of the factors indicated above could adversely affect the trading price for 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.

5. Risks related to the nature of the Notes

The use of proceeds of the Notes may not meet investor expectations

It is the Issuer's intention to allocate an amount equal to the net proceeds from the issue of the Notes to the financing or refinancing of Green Assets (as defined in the "Use of Proceeds" section) under Atrium's Green Financing Framework (as defined in the "Documents Incorporated by Reference" section) (Green Assets, as defined in the "Use of Proceeds" section). Prospective investors should have regard to the Green Financing Framework available at <https://aere.com/Files/OtherDocuments/AEREGreenFinancingFramework.pdf> and must determine for themselves the relevance of such information for the purpose of any investment in the Notes together with any other investigation such investor deems necessary.

In particular no assurance is given by the Issuer that the use of such proceeds for any Green Assets will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Green Assets.

Accordingly, no assurance is or can be given that Green Assets will meet investor expectations or requirements regarding "green" or similar labels (including Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment, the so called "EU Taxonomy") or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses

the subject of, or related to, any Green Assets.

In connection with the issue of the Notes, Atrium has appointed Sustainalytics to provide a second opinion (the "**Second Opinion**") of Atrium's Green Financing Framework. The Second Opinion aims to provide transparency to investors that seek to understand and act upon potential exposure to climate risks and impacts of the Notes issued under the Green Financing Framework. The Second Opinion is only an opinion and not a statement of fact. No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of the Second Opinion which may be made available in connection with the issue of the Notes and in particular with any Green Assets to fulfil any environmental, sustainability, social and/or other criteria. The Second Opinion is not, nor should be deemed to be, a recommendation by Atrium or any other person to buy, sell or hold any Notes. The Second Opinion is only current as at the date that opinion is issued. Prospective investors must determine for themselves the relevance of the Second Opinion and/or the information contained therein and/or the provider of the Second Opinion for the purpose of any investment in the Notes. Currently, the provider of such opinions are not subject to any specific regulatory or other regime or oversight. Furthermore, the Noteholders will have no recourse against the provider of the Second Opinion. A negative change to, or a withdrawal of, the Second Opinion of the Green Financing Framework may affect the value of the Notes and may have consequences for certain investors with portfolio mandates to invest in Green Assets.

In the event that the Notes are listed or admitted to trading on any dedicated "green or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Green Assets. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Issuer or any other person that any such listing or admission to trading will be obtained in respect of any the Notes or, if obtained, that any such listing or admission to trading will be maintained for so long as any Notes remain outstanding.

While it is the intention of the Issuer to invest an amount equal to the net proceeds from the issue of the Notes into Green Assets, there can be no assurance that the relevant project(s) or use(s) the subject of, or related to, any Green Assets will be capable of being implemented in, or substantially in, the intended manner and/or in accordance with any timing schedule and that accordingly such amount will be totally or partially disbursed for such Green Assets. Nor can there be any assurance that such Green Assets will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the Issuer. Any such event or failure by the Issuer will not (i) give rise to any claim of a Noteholder against the Issuer, (ii) be an event of default under the Notes (see "*Noteholders have very limited rights in relation to the enforcement of payments on the Notes*"), or (iii) lead to a Special Event Redemption right.

Any such event or failure to apply invest an amount equal to the net proceeds of the Notes into Green Assets as aforesaid and/or withdrawal of the Second Opinion attesting that the Issuer is not complying in whole or in part with any matters for which the Second Opinion is opining or certifying on and/or the Notes no longer being listed or admitted to trading on any stock exchange or securities market as aforesaid may have a material adverse effect on the value of the Notes and also potentially the value of any other securities of the Issuer which are intended to finance Green Assets and/or result in adverse consequences for certain

investors with portfolio mandates to invest in securities to be used for a particular purpose.

None of the Joint Bookrunners will verify or monitor the proposed use of proceeds of the Notes.

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.
Legal Entity Identifier (LEI):	213800OJ67K27RCO2J56
Global Coordinators	Goldman Sachs International and HSBC Continental Europe
Joint Bookrunners:	Citigroup Global Markets Limited, Deutsche Bank Aktiengesellschaft, Goldman Sachs International, HSBC Continental Europe, ING Bank N.V. and Raiffeisen Bank International AG
Trustee:	Citibank, N.A., London Branch
The Notes:	EUR 350,000,000 3.625 per cent. Subordinated Fixed to Reset Rate Undated Notes.
Issue Price:	98.197 per cent. of the principal amount of the Notes.
Issue Date and Closing Date:	Expected to be on or around 4 May 2021.
Use of Proceeds:	An amount equal to the net proceeds from the issuance of the Notes will be used for the financing or refinancing, in part or in full, of new and/or existing assets, developments or projects (the “ Green Assets ”) that meet the requirements of the Green Financing Framework.
Interest:	<p>The Notes will bear interest on their principal amount at the applicable Interest Rate from (and including) 4 May 2021. Subject as described in Condition 5 (<i>Optional Interest Deferral</i>), interest shall be payable on the Notes annually in arrear on the Interest Payment Date in each year, except that the first payment of interest, to be made on 4 November 2021, will be in respect of the period from (and including) 4 May 2021 to 4 November 2021 and will amount to EUR 18.17 per EUR 1,000 in principal amount of the Notes.</p> <p>The Notes will bear interest:</p> <ul style="list-style-type: none">(i) from (and including) 4 May 2021 to (but excluding) the First Reset Rate at a rate of 3.625 per cent. per annum, payable annually in arrear on 4 November in each year;(ii) thereafter, unless previously redeemed, the Notes from (and including) the First Reset Date to (but excluding) the Second Reset Date, will bear interest at a rate per annum which shall be the

aggregate of 3.625 per cent. and the applicable 5 Year EUR Mid-Swap Rate for such Reset Period; and

- (iii) thereafter, unless previously redeemed, the Notes from (and including) the Second Reset Date to (but excluding) the date on which they are redeemed, will bear interest at a rate per annum which shall be the aggregate of 4.625 per cent. and the applicable 5 Year EUR Mid-Swap Rate for such Reset Period,

all as determined by the Calculation Agent, as more particularly described in Condition 4 (*Interest*).

Status: The Notes constitute direct, unsecured and subordinated obligations of Atrium as described in Condition 2 (*Status*).

Subordination: In the event of an Issuer Winding-up, the rights and claims of the Noteholders will rank:

- (i) in priority to all present or future claims in respect of (A) any Ordinary Shares and (B) any other obligation of the Issuer which ranks or is expressed by its terms to rank junior to the Notes or any Parity Obligation;
- (ii) *pari passu* without any preference among themselves and with any present or future claims in respect of obligations of the Issuer in respect of Parity Obligations; and
- (iii) junior to any present or future claims in respect of (A) all unsubordinated obligations of the Issuer and (B) all Subordinated Indebtedness, as more particularly described in Condition 3(a) (*Rights on an Issuer Winding-up*).

Optional Interest Deferral: The Issuer may, at any time and at its sole discretion, elect to defer any Interest Payment, in whole but not in part, which is otherwise scheduled to be paid on an Interest Payment Date (except on any Interest Payment Date on which the Notes are to be redeemed) by giving notice (a “**Deferral Notice**”) of such election to the Noteholders.

Any Interest Payment so deferred shall itself bear interest at the Interest Rate prevailing from time to time (which interest shall compound on each subsequent Interest Payment Date) and, for so long as the same remains unpaid, such deferred interest (together with the interest accrued thereon) shall constitute “**Deferred Interest**”.

Non-payment of Deferred Interest shall not constitute a default by the Issuer under the Notes or the Trust Deed or for any other purpose, unless such payment is required in accordance with Condition 5(b)(ii) (*Settlement of Deferred Interest – Mandatory Settlement*).

**Optional Settlement
Deferred Interest:**

of Deferred Interest may be paid (in whole or in part) at any time at the option of the Issuer following delivery of a notice to such effect not less than seven Business Days prior to the date (to be specified in such notice) on which the Issuer will pay such Deferred Interest.

**Mandatory Settlement
Deferred Interest:**

of The Issuer shall pay any Deferred Interest, in whole but not in part, on the first to occur of the following dates:

- (A) the 10th Business Day following the date on which a Deferred Interest Payment Event occurs;
- (B) any Interest Payment Date in respect of which the Issuer does not elect to defer the interest accrued in respect of the relevant Interest Period; and
- (C) the date on which the Notes are redeemed or repaid in accordance with Condition 6 (*Redemption*) or Condition 12 (*Default and Enforcement*).

Notice of shall be given by the Issuer within three Business Days of such event.

Form and Denomination:

The Notes will be issued in bearer form in the denomination of EUR 100,000 and integral multiples of EUR 1,000 in excess thereof up to and including EUR 199,000. The Notes will initially be in the form of a Temporary Global Note, without interest coupons and talons, which will be deposited on or around the Closing Date with a common depository for Euroclear and Clearstream, Luxembourg. The Temporary Global Note will be exchangeable, in whole or in part, for interests in the Permanent Global Note, without interest coupons and talons, 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 EUR 100,000 and integral multiples of EUR 1,000 in excess thereof up to and including EUR 199,000 each and with interest coupons and talons attached.

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

No fixed maturity:

The Notes are perpetual securities in respect of which there is no fixed redemption date.

Issuer's Call Option:	The Issuer may redeem all, but not some only, of the Notes on (a) any date from (and including) the 4 August 2026 (the " First Optional Redemption Date ") up to (and including) the First Reset Date or (b) any Interest Payment Date thereafter, at their principal amount together with any Deferred Interest and any other accrued and unpaid interest up to (but excluding) the redemption date, as described in Condition 6(b) (<i>Issuer's Call Option</i>).
Make-whole Redemption by the Issuer:	The Issuer may redeem all, but not some only, of the Notes on any date prior to the First Optional Redemption Date at the Make-whole Redemption Amount, as described in Condition 6(c) (<i>Make-whole redemption by the Issuer</i>).
Tax Deductibility Event, a Capital Event or an Accounting Event:	<p>If a Tax Deductibility Event, a Capital Event or an Accounting Event has occurred and is continuing, the Issuer may, subject to Condition 8 (<i>Preconditions to Special Event Redemption, Change of Control Event Redemption, Substitution or Variation</i>), redeem all, but not some only, of the Notes at any time at an amount equal to:</p> <ul style="list-style-type: none"> (i) 101 per cent. of their principal amount, where such redemption occurs before the First Optional Redemption Date; or (ii) 100 per cent. of their principal amount, where such redemption occurs on or after the First Optional Redemption Date, <p>together, in each case, with any Deferred Interest and any other accrued and unpaid interest up to (but excluding) the redemption date, as more particularly described in Condition 6(d) (<i>Redemption upon a Tax Deductibility Event, a Capital Event or an Accounting Event</i>).</p>
Withholding Tax Event or a Substantial Repurchase Event:	If a Withholding Tax Event has occurred and is continuing, or if a Substantial Repurchase Event has occurred, the Issuer may, subject to Condition 8 (<i>Preconditions to Special Event Redemption, Change of Control Event Redemption, Substitution or Variation</i>), redeem all, but not some only, of the Notes at any time at their principal amount together with any Deferred Interest and any other accrued and unpaid interest up to (but excluding) the redemption date, all as more particularly described in Condition 6(e) (<i>Redemption upon a Withholding Tax Event or a Substantial Repurchase Event</i>).
Change of Control Event:	If on or after the Issue Date a Change of Control Event occurs, the Issuer may, at the earliest on the date following the expiry of the Exercise Period, redeem all, but not some only, of the Notes at an amount equal to 100 per cent. of their principal amount together with any Deferred Interest and any other accrued and unpaid interest up to (but excluding) the redemption date, as more particularly described in Condition 6(f) (<i>Redemption for Change of Control Event</i>).

Substitution or Variation

If at any time a Tax Deductibility Event, a Capital Event, a Withholding Tax Event or an Accounting Event has occurred and is continuing, then the Issuer may, subject to Condition 8 (*Preconditions to Special Event Redemption, Change of Control Event Redemption, Substitution or Variation*) (without any requirement for the consent or approval of the Noteholders or Couponholders) and subject to its having satisfied the Trustee, either:

- (i) substitute all, but not some only, of the Notes for Qualifying Notes; or
- (i) vary the terms of the Notes with the effect that they remain or become, as the case may be, Qualifying Notes,

all as more particularly described in Condition 7 (*Substitution or Variation*).

Rating:

The Notes are expected to be rated Ba2 by Moody's and BB+ by Fitch.

In accordance with Moody's ratings definitions available as at the date of this Prospectus on <https://www.moody.com/ratings-process/Ratings-Definitions/002002>, obligations rated 'Ba2' are judged to be speculative and are subject to substantial credit risk. In accordance with Fitch's ratings definitions available as at the date of this Prospectus on https://www.fitchratings.com/site/definitions?rd_file=ltr#str, an obligation rated 'BB+' indicates an elevated vulnerability to default risk, particularly in the event of adverse changes in business or economic conditions over time; however, business or financial flexibility exists that supports the servicing of financial commitments.

Withholding Tax:

All payments in respect of the Notes will be made free and clear of withholding taxes imposed by the Relevant Jurisdiction as provided in Condition 11 (*Taxation*) unless the withholding is required by law. In that event, the Issuer will (subject as provided in Condition 11 (*Taxation*)) 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 11 (*Taxation*).

Governing Law:

The Notes, the Trust Deed, the Agency Agreement and the Subscription Agreement are governed by English law, other than the provisions of Conditions 2 and 3 and Clause 3.7 (*Subordination*) of the Trust Deed which are governed by the laws of Jersey.

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 the Programme Prospectus under " <i>Documents Incorporated by Reference</i> " 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.
International Securities Identification Number (ISIN):	XS2338530467.
Common Code:	233853046.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Prospectus shall be incorporated in, and form part of, this Prospectus:

- (a) auditors' report and audited consolidated annual financial statements for the financial year ended 31 December 2020 of the Issuer (the "**2020 Annual Financial Statement**", prepared in accordance with the IFRS as adopted by the European Union ("EU"), available at https://aere.com/wp-content/uploads/2021/03/20210304_ATRIUM_ANNUAL_FINANCIAL_REPORT_2020_ENG.pdf) including the information set out at the following pages in particular:
- | | |
|---|-----------|
| Consolidated Statement of Financial Position..... | Page 64 |
| Consolidated Statement of Profit or Loss..... | Page 65 |
| Consolidated Statement of Other Comprehensive Income..... | Page 65 |
| Consolidated Cash Flow Statement..... | Page 66 |
| Consolidated Statement of Changes in Equity | Page 67 |
| Notes to the Financial Statements..... | Pages 68 |
| Independent Auditors' Report..... | Pages 130 |
- (b) auditors' report and audited consolidated annual financial statements for the financial year ended 31 December 2019 of the Issuer (the "**2019 Annual Financial Statements**", prepared in accordance with the IFRS as adopted by the EU, available at https://www.aere.com/Files/FinancialReports/20200226_ATRIUM_ANNUAL_FINANCIAL_REPORT_2019.pdf) including the information set out at the following pages in particular:
- | | |
|---|-----------|
| Consolidated Statement of Financial Position..... | Page 57 |
| Consolidated Statement of Profit or Loss..... | Page 58 |
| Consolidated Statement of Other Comprehensive Income..... | Page 58 |
| Consolidated Cash Flow Statement..... | Page 59 |
| Consolidated Statement of Changes in Equity | Pages 60 |
| Notes to the Financial Statements..... | Pages 61 |
| Independent Auditor's Report..... | Pages 124 |
- (c) all pages of the green financing framework requirements adopted by Atrium (the "**Green Financing Framework**"), available at <https://aere.com/Files/OtherDocuments/AEREGreenFinancingFramework.pdf> as set out as follows:
- | | |
|---|--------|
| Introduction | Page 2 |
| Green Financing Framework..... | Page 5 |
| Use of Proceeds | Page 6 |
| Project Evaluation and Selection Process..... | Page 8 |
| Management of Proceeds..... | Page 8 |
| Reporting | Page 9 |

- (d) all pages of the Memorandum and Articles of Atrium dated 15 June 2020 (available at https://aere.com/wp-content/uploads/2021/01/Atrium_Memorandum_and_articles.pdf);
- (e) all pages of the sections referred to in the table below included in the Base Prospectus dated 24 September 2020 (the “**Base Prospectus**”) available at <https://aere.com/wp-content/uploads/2020/10/BASE-PROSPECTUS.pdf> and all pages of the supplements dated 25 January 2021 and 19 April 2021 (the “**Supplements**” and together with the Base Prospectus, the “**Programme Prospectus**”) available at https://aere.com/wp-content/uploads/2021/04/EUO2-Atrium-Supplement-2_2021-2001016180-v8.pdf and https://aere.com/wp-content/uploads/2021/01/20210126_Supplement-to-the-Prospectus.pdf respectively.

Section of the Programme Prospectus Incorporated by Reference	Pages of the Programme Prospectus
Forward-Looking Statements	(v)
Overview of Financial Information	94 – 99
Description of Atrium and the Group	
<i>Information about the Issuer</i>	100 – 117
Legal and commercial name	6, 100
Place of registration	100 (<i>General</i>)
Registration number	100 (<i>General</i>)
Date of incorporation	100 (<i>General</i>)
Length of life	100 (<i>General</i>)
Domicile and legal form	100 (<i>General</i>)
Legislation/country of incorporation	100 (<i>General</i>)
Address, telephone number of registered office	100 (<i>General</i>)
Recent events which are to a material extent relevant to an evaluation of the Issuer’s solvency	101-103 (<i>COVID-19</i>)
Credit ratings assigned to the Issuer	
<i>Business Overview</i>	6 (<i>Overview</i>)

Description of principal activities	103-105
<i>Organisational Structure</i>	103-105 (<i>Description of the Group's Operational Activities</i>)
Description of the Group	103
Description of the Issuer's position within the Group	103 (<i>Corporate Structure</i>)
	103 (<i>Corporate Structure</i>)
<i>Administrative, Management and Supervisory Bodies</i>	113-116
Name, business addresses, functions and principal activities performed by members of the administrative, management and supervisory bodies	113-116 (<i>Directors of Atrium and Group Executive Management</i>)
Potential conflicts of interests	
<i>Major shareholders</i>	116 (<i>Conflict of Interest</i>)
	117
Index of Defined Terms	138 – 140

Any documents themselves incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus. Any information contained in or incorporated by reference in any of the documents referred to in this Prospectus which is not incorporated by reference are either not relevant for an investor or are covered elsewhere in this Prospectus and for the avoidance of doubt, unless specifically incorporated by reference into this Prospectus, information contained on the website does not form part of the Prospectus.

The Independent Auditor's Reports mentioned above contain references to "other information" (including the annual report) and to the standalone financial statements of the Issuer. Such other information and standalone financial statements of the Issuer do not form part of this Prospectus.

Copies of documents incorporated by reference in, and forming part of, this Prospectus may be obtained (without charge) from the registered offices of Atrium, the website of Atrium (www.aere.com) and the website of the Luxembourg Stock Exchange (www.bourse.lu).

USE OF PROCEEDS

An amount equal to the net proceeds from the issuance of the Notes, which is expected to be approximately €341,677,000, will be used for the financing or refinancing, in part or in full, of new and/or existing assets, developments or projects (the "**Green Assets**") that meet the requirements of the Green Financing Framework. Investors would be able to obtain information on the same from Atrium's Green Financing Framework, which is incorporated in and forms part of this Prospectus.

In connection with the issuance of the Notes, Atrium has appointed Sustainalytics to provide a second opinion (the "**Second Opinion**") of the Atrium's Green Financing Framework. Sustainalytics is an independent Environmental, Social, and Corporate Governance (ESG) and corporate governance research, ratings and analytics firm that supports investors around the world with the development and implementation of responsible investment strategies. Sustainalytics has been certified by the Climate Bonds Standard Board as a verifier organisation. According to the Second Opinion, Atrium's Green Financing Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2018 as reflected in the Green Financing Framework. The Second Opinion by Sustainalytics is available on Atrium's website (www.aere.com).

DESCRIPTION OF THE ISSUER

A description of the Issuer is incorporated by reference in this Prospectus. Please refer to the table included in paragraph (c) in the section Documents Incorporated by Reference.

TERMS AND CONDITIONS OF THE NOTES

The following, except for paragraphs in italics, is the text of the terms and conditions of the Notes which, subject to modification, will be endorsed on each Note in definitive form (if issued):

The EUR 350,000,000 3.625 per cent. Subordinated Fixed to Reset Rate Undated Notes (the "**Notes**", which expression includes any Further Notes issued pursuant to Condition 18 (*Further Issues*)) of Atrium European Real Estate Limited (the "**Issuer**") have been authorised by the Board of the Issuer on 19 April 2021.

The Notes are issued as Tranche 1 of Series 3 under the Issuer's €1,500,000,000 Euro Medium Term Note Programme (the "**Programme**"). The Notes are constituted by, are subject to, and have the benefit of, a trust deed dated 24 September 2020 as supplemented by the supplemental trust deed dated 4 May 2021 (as further amended or supplemented from time to time, the "**Trust Deed**") between, amongst others, the Issuer and Citibank, N.A., London Branch as trustee (the "**Trustee**", which expression includes all persons for the time being trustee or trustees appointed under the Trust Deed) as trustee for the holders of the Notes (the "**Noteholders**") and the holders of the related interest coupons (the "**Couponholders**" and the "**Coupons**", respectively, which expression shall, unless the context otherwise requires, include the talons for further coupons ("**Talons**").

The Notes are the subject of an issue and paying agency agreement dated 24 September 2020 (as amended or supplemented from time to time, the "**Agency Agreement**") between, amongst others, the Issuer, Citibank, N.A., 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), 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. In these Conditions references to the "**Agents**" are to the Paying Agents and the Transfer Agents and any reference to an "**Agent**" is to any one of them.

Certain provisions of these Conditions are summaries of the Trust Deed and the Agency Agreement and are subject to their detailed provisions. Noteholders, Couponholders and the holders of the related Talons 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 at the offices of the Issuer.

Any capitalised terms not defined herein shall be given the meaning attributed in the Trust Deed.

1. **Form, Denomination and Title**

(a) ***Form and Denomination***

The Notes are serially numbered and in bearer form in denominations of EUR 100,000 and integral multiples of EUR 1,000 in excess thereof up to and including EUR 199,000, each with Coupons and a Talon attached at the time of issue. No definitive Notes will be issued with a denomination above EUR 199,000. Notes of one denomination may not be exchanged for Notes of any other denomination.

(b) ***Title***

Title to the Notes, Coupons and Talons will pass by delivery. The Issuer, the Trustee and any Paying Agent will (except as ordered by a court of competent jurisdiction or as otherwise required by law) deem and treat the bearer of any Note, Coupon or Talon as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it,

any writing on it, or its theft or loss) and shall not be required to obtain any proof thereof or as to the identity of such bearer.

2. **Status**

The Notes and the Coupons constitute direct, unsecured and subordinated obligations of the Issuer. The rights and claims of the Noteholders in respect of the Notes and the Couponholders in respect of the Coupons, in each case against the Issuer, are subordinated as described in Condition 3(a) (*Rights on an Issuer Winding-up*).

3. **Subordination and Rights on an Issuer Winding-up**

(a) ***Rights on an Issuer Winding-up***

In the event of the winding-up, dissolution or liquidation in whatever manner of the Issuer including, without limiting the generality of the foregoing, bankruptcy a compromise or arrangement of the type referred to in Article 125 of the Companies (Jersey) Law 1991 ("**Jersey Companies Law**"), any procedure or process referred to in Part 21 of the Jersey Companies Law, or any other similar proceedings affecting the rights of creditors generally under Jersey law (each an "**Issuer Winding-up**"), the Trustee on behalf of the Noteholders and the Couponholders or, in the limited circumstances described in Condition 12(d), the Noteholders, shall, in respect of their Notes, have a claim (in lieu of any other amount) for the principal amount of the Notes and any accrued and unpaid interest (including any Deferred Interest) thereon and such claims will rank:

- (i) in priority to all present or future claims in respect of (A) any Ordinary Shares and (B) any other obligation of the Issuer which ranks or is expressed by its terms to rank junior to the Notes or any Parity Obligation;
- (ii) *pari passu* without any preference among themselves and with any present or future claims in respect of obligations of the Issuer in respect of Parity Obligations; and
- (iii) junior to any present or future claims in respect of (A) all unsubordinated obligations of the Issuer and (B) all Subordinated Indebtedness.

Nothing in this Condition 3(a) shall affect or prejudice the payment of the costs, charges, expenses, liabilities or remuneration of the Trustee, the Calculation Agent or Agents or the rights and remedies of the Trustee, the Calculation Agent or the Agents in respect thereof.

(b) ***Set-Off***

Subject to applicable law, no Noteholder or Couponholder may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Notes, the Coupons or the Trust Deed and each Noteholder and Couponholder shall, by virtue of its holding of any Note or Coupon, be deemed to have waived all such rights of set-off, compensation or retention.

4. **Interest**

(a) ***Interest Accrual***

The Notes bear interest on their principal amount at the applicable Interest Rate from (and including) 4 May 2021 (the "**Issue Date**") in accordance with the provisions of this Condition 4 (*Interest*).

The Notes (and any unpaid amounts thereon) will cease to bear interest from (and including) the date of redemption thereof pursuant to the relevant paragraph of Condition 6 (*Redemption*) or the date of substitution thereof pursuant to Condition 7 (*Substitution or Variation*), as the case may be, unless, upon due presentation, payment of all unpaid amounts in respect of the Notes is not made, in which event interest shall continue to accrue in respect of the principal amount of, and any other unpaid amounts on, the Notes, both before and after judgment, and shall be payable as provided in these Conditions up to (but excluding) the Relevant Date.

When interest is required to be calculated in respect of a period of less than a full year, such interest shall be calculated on the basis of the actual number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Issue Date) to (but excluding) the relevant payment date divided by the actual number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Issue Date) to (but excluding) the next (or, as the case may be, the first) scheduled Interest Payment Date (the "**day-count fraction**"). Where it is necessary to compute an amount of interest in respect of any Note for a period of more than an Interest Period, such interest shall be the aggregate of the interest computed in respect of a full year plus the interest computed in respect of the period exceeding the full year calculated in the manner as aforesaid.

Interest in respect of any Note shall be calculated per EUR 1,000 in principal amount thereof (the "**Calculation Amount**"). The amount of interest calculated per Calculation Amount for any period shall be equal to the product of the relevant Interest Rate, the Calculation Amount and the day-count fraction for the relevant period and rounding the resulting figure to the nearest cent (half a cent being rounded upwards). The amount of interest payable in respect of a Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the denomination of such Note without any further rounding.

(b) ***Interest Payment Dates***

Subject to Condition 5 (*Optional Interest Deferral*), interest shall be payable on the Notes annually in arrear on 4 November in each year (each an "**Interest Payment Date**") from (and including) 4 November 2021 (the "**First Interest Payment Date**").

(c) ***Initial Interest Rate***

The Interest Rate in respect of each Interest Period commencing prior to the First Reset Date is 3.625 per cent. per annum (the "**Initial Interest Rate**").

The first payment of interest, to be made on the First Interest Payment Date, will be in respect of the short first period from (and including) the Issue Date to (but excluding) the First Interest Payment Date and will amount to EUR 18.17 per Calculation Amount. The Interest Payment in respect of each Interest Period commencing on or after the First Interest Payment Date and before the First Reset Date will amount to EUR 36.25 per Calculation Amount. Any such Interest Payment may be deferred in accordance with Condition 5 (*Optional Interest Deferral*).

(d) ***Reset Interest Rates***

The Interest Rate in respect of each Interest Period falling in a Reset Period shall be the aggregate of the applicable Margin and the applicable 5 Year EUR Mid-Swap Rate for such Reset Period, all as determined by the Calculation Agent (each a "**Reset Interest Rate**").

(e) ***Determination of Reset Interest Rates and Calculation of Interest Amounts***

The Calculation Agent shall, at or as soon as practicable after 11.00 a.m. (Central European Time) on each Reset Interest Determination Date, determine the Reset Interest Rate in respect of the Reset Period commencing immediately following such Reset Interest Determination Date and shall calculate the amount of interest which will (subject to deferral in accordance with Condition 5 (*Optional Interest Deferral*)) be payable per Calculation Amount in respect of each such Interest Period (the "**Interest Amount**").

(f) ***Publication of Reset Interest Rates and Interest Amounts***

Unless the Notes are to be redeemed, the Issuer shall cause notice of each Reset Interest Rate and each related Interest Amount to be given to the Trustee, the Paying Agents, any stock exchange on which the Notes are for the time being listed or admitted to trading and, in accordance with Condition 19 (*Notices*), the Noteholders, in each case as soon as practicable after its determination but in any event not later than the first Business Day of the relevant Reset Period.

(g) ***Calculation Agent***

The Issuer may (with prior notification to the Trustee), from time to time replace the Calculation Agent with another reputable independent financial institution of good standing in accordance with the terms of the Agency Agreement. If the Calculation Agent is unable or unwilling to continue to act as the Calculation Agent or fails to determine a Reset Interest Rate or calculate the related Interest Amount or effect the required publication thereof (in each case as required pursuant to these Conditions), the Issuer shall forthwith appoint another reputable independent financial institution of good standing engaged in the inter-bank market that is closely connected with the calculation or determination to be made by the Calculation Agent to act as such in its place. The Calculation Agent may not resign its duties or be removed without a successor having been appointed as aforesaid. If the Issuer fails to appoint a successor Calculation Agent in a timely manner, then the Calculation Agent shall be entitled to appoint as its successor a reputable independent financial institution of good standing which the Issuer shall approve in accordance with the terms of the Agency Agreement.

(h) ***Determinations of Calculation Agent Binding***

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 4 (*Interest*) by the Calculation Agent shall (in the absence of manifest error) be binding on the Issuer, the Calculation Agent, the Trustee, the Paying Agents and all Noteholders and Couponholders and (in the absence of wilful default, gross negligence and fraud) no liability to the Noteholders, the Couponholders or the Issuer shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of any of its powers, duties and discretions.

(i) ***Step-Up after Change of Control Event***

Notwithstanding any other provision of this Condition 4 (*Interest*), if the Issuer does not elect to redeem the Notes in accordance with Condition 6(f) (*Redemption for Change of Control Event*) following the occurrence of the first Change of Control Event to occur on or after the Issue Date, the then prevailing Interest Rate, and each subsequent Interest Rate otherwise determined in accordance with the provisions of this Condition 4 (*Interest*), in respect of the Notes shall be increased by an additional five percentage points per annum with effect from (and including) the day immediately following the Change of Control Step-up Date.

(j) **Benchmark Event**

(i) Notwithstanding the provisions above in this Condition 4 (*Interest*), if, (on or after the First Reset Date), the Issuer determines that a Benchmark Event has occurred in relation to the Original Reference Rate (whether such occurrence is before, on or after the First Reset Date) when any Reset Interest Rate (or any component part thereof) remains to be determined by reference to the Original Reference Rate, then the following provisions shall apply:

(A) The Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, with a view to the Independent Adviser determining, no later than three Business Days prior to the relevant Reset Interest Determination Date, a Successor Rate, failing which an Alternative Rate (in accordance with Condition 4(j)(i)(B) below) and, in either case, an Adjustment Spread if any (in accordance with Condition 4(j)(i)(C) below) and any Benchmark Amendments (in accordance with Condition 4(j)(i)(D) below).

An Independent Adviser appointed pursuant to this Condition shall act in good faith as an expert and (in the absence of bad faith or fraud) shall have no liability whatsoever to the Issuer, the Calculation Agent, any Paying Agent, the Trustee or the Noteholders, or the Couponholders for any determination made by it or for any advice given to the Issuer in connection with to the operation of this Condition 4(j).

(B) If:

(1) the Independent Adviser determines that there is a Successor Rate, then such Successor Rate (as adjusted by the applicable Adjustment Spread as provided in Condition 4(j)(i)(C) below) shall subsequently be used in place of the Original Reference Rate as a component part of determining the relevant Reset Interest Rate(s) for all future payments of interest on the Notes (subject to the subsequent further operation of this Condition 4(j)); or

(2) the Independent Adviser determines that there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate (as adjusted by the applicable Adjustment Spread as provided in Condition 4(j)(i)(B)(3) below) shall subsequently be used in place of the Original Reference Rate as a component part of determining the relevant Reset Interest Rate(s) for all future payments of interest on the Notes (subject to the subsequent further operation of this Condition (j)); or

(3) either (I) the Issuer is unable to appoint an Independent Adviser or (II) the Independent Adviser does not determine a Successor Rate or an Alternative Rate or, in either case, no applicable Adjustment Spread is determined pursuant to Condition 4(j)(i)(C) below, three Business Days prior to the Reset Interest Determination Date relating to any applicable Reset Period, the fallback provisions set out in the definitions of 5 Year EUR Mid-Swap Rate and Reset Reference Bank Rate in Condition 23 (*Definitions*) will continue to apply. For the avoidance of doubt, this Condition 4(j)(i)(C) shall apply to the determination of the Reset Interest Rate on the relevant Reset Interest Determination Date only, and the Reset Interest Rate applicable to any subsequent Reset Period(s) is subject to the subsequent operation of, and to adjustment as provided in, this Condition 4(j).

- (C) If a Successor Rate or Alternative Rate is determined in accordance with Condition 4(j)(i)(B), the Independent Adviser acting in good faith and in a commercially reasonable manner shall determine an Adjustment Spread (which may be expressed as a specified quantum or a formula or methodology for determining the applicable Adjustment Spread (and, for the avoidance of doubt, an Adjustment Spread may be positive, negative or zero)) which shall be applied to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a relevant Reset Interest Rate by reference to such Successor Rate or Alternative Rate (as applicable), subject to the subsequent further operation and adjustment as provided in this Condition 4(j).
- (D) If any Successor Rate, Alternative Rate and (in either case) the applicable Adjustment Spread is determined in accordance with this Condition 4(j) and the Independent Adviser determines: (I) that amendments to these Conditions, the Agency Agreement and/or the Trust Deed are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or (in either case) Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (II) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 4(j)(i)(E) below, without any requirement for the consent or approval of the Noteholders, vary these Conditions, the Agency Agreement and/or the Trust Deed to give effect to such Benchmark Amendments with effect from the date specified in such notice.

In connection with any such variation in accordance with this Condition 4(j)(i)(D), the Issuer shall comply with the rules of any stock exchange or other relevant authority on or by which the Notes are for the time being listed or admitted to trading.

- (E) The Issuer shall, no later than ten Business Days prior to the relevant Interest Payment Date, notify the Trustee, the Calculation Agent, the Paying Agents and, in accordance with Condition 19 (*Notices*), the Noteholders of any Successor Rate, Alternative Rate, the applicable Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 4(j). Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Trustee of the same, the Issuer shall deliver to the Trustee a certificate signed by two directors of the Issuer:

- (1) confirming (x) that a Benchmark Event has occurred; (y) the Successor Rate or, as the case may be, the Alternative Rate; and (z) the applicable Adjustment Spread and/or the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 4(j);
- (2) certifying that the Benchmark Amendments are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or (in either case) Adjustment Spread; and
- (3) certifying that the Issuer has duly consulted with an Independent Adviser with respect to each of the matters above.

The Trustee shall be entitled to rely on such certificate (without enquiry or liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate

and (in either case) the Adjustment Spread, the Benchmark Amendments (if any) and any such other relevant changes pursuant to this Condition 4(j) specified in such certificate will (in the absence of manifest error in the determination of the Successor Rate or Alternative Rate and (in either case) the Adjustment Spread and the Benchmark Amendments (if any) and without prejudice to the Trustee's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Noteholders and the Couponholders.

At the request of the Issuer, but subject to receipt by the Trustee of a certificate signed by two directors of the Issuer pursuant to this Condition 4(j)(i)(E), the Trustee shall, (at the Issuer's expense and direction), without any requirement for the consent or approval of the Noteholders or Couponholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments required to the Trust Deed (including, *inter alia*, by the execution of a deed supplemental to or amending the Trust Deed), the Agency Agreement and these Conditions regardless of whether or not giving effect to such Benchmark Amendments would constitute a Reserved Matter (as defined in the Trust Deed) or one or more provisions under Condition 16 (*Meetings of Noteholders; Modification and Waiver*), **provided that** neither the Trustee, the Calculation Agent nor the Agents (as applicable) shall be obliged so to concur if in the opinion of the Trustee and/or the Calculation Agent and/or the Agents doing so would (i) exposing the Trustee and/or the Calculation Agent and/or the Agents (as applicable) to any liabilities against which it has not been indemnified and/or secured and/or prefunded to its satisfaction or (ii) impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the rights or protective provisions afforded to the Trustee and/or the Calculation Agent and/or the Agents in these Conditions, the Agency Agreement or the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed) in any way.

- (F) Without prejudice to the obligations of the Issuer under this Condition 4(j)(i), the Original Reference Rate and the fallback provisions provided for in the definitions of 5 Year EUR Mid-Swap Rate and Reset Reference Bank Rate in Condition 23 (*Definitions*) will continue to apply unless and until the Calculation Agent has been notified of the Successor Rate or the Alternative Rate (as the case may be), the applicable Adjustment Spread and Benchmark Amendments, in accordance with this Condition 4(j)(i)(E), or, in the event that an effective date of any Benchmark Amendments has been specified in accordance with Condition 4(j)(i)(E), until such effective date.
- (G) If, in the case of any Benchmark Event, any Successor Rate, Alternative Rate and/or Adjustment Spread is notified to the Calculation Agent and the Paying Agents pursuant to Condition 4(j)(i)(E), and the Calculation Agent or the Paying Agents, as applicable, is in any way uncertain as to the application of such Successor Rate, Alternative Rate and/or Adjustment Spread in the calculation or determination of any Reset Interest Rate, it shall promptly notify the Issuer thereof and the Issuer shall direct the Calculation Agent or the Paying Agents, as applicable, in writing (which direction may be by way of a written determination of an Independent Adviser) as to which course of action to adopt in the application of such Successor Rate, Alternative Rate and/or Adjustment Spread in the determination of such Reset Interest Rate. If the Calculation Agent or Paying Agents, as applicable, is not promptly provided with such direction, or is otherwise unable to make such calculation or determination for any reason, it shall notify the Issuer thereof and the

Calculation Agent or Paying Agents, as applicable shall be under no obligation to make such calculation or determination and shall not incur any liability for not doing so. For the avoidance of doubt, for the period that the Calculation Agent or the Paying Agents, as applicable remains uncertain of the application of the Successor Rate, Alternative Rate and/or Adjustment Spread in the calculation or determination of any Reset Interest Rate, the Original Reference Rate and, notwithstanding any other provision to the contrary, the fallback provisions provided for in the definitions of 5 Year EUR Mid-Swap Rate and Reset Reference Bank Rate in Condition 23 (*Definitions*) shall continue to apply.

(ii) As used in this Condition 4(j):

"Adjustment Spread" means either a spread (which may be positive or negative or zero), or the formula or methodology for calculating a spread, in either case, which is to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (A) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (B) in the case of an Alternative Rate, or (where (A) above does not apply) in the case of a Successor Rate, is in customary market usage in the international debt capital markets for transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or
- (C) (if the Independent Adviser determines that neither (A) nor (B) above applies) the Independent Adviser determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or
- (D) (if the Independent Adviser determines that neither (A), (B) nor (C) above applies) the Independent Adviser determines to be appropriate to reduce or eliminate, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be);

"Alternative Rate" means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with this Condition 4(j) has replaced the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for resetting five year periods in euro or, if the Independent Adviser determines there is no such rate, such other rate as the Independent Adviser acting in good faith and in a commercially reasonable manner determines is most comparable to the Original Reference Rate;

"Benchmark Amendments" has the meaning specified in Condition 4(j)(i)(D);

"Benchmark Event" means:

- (A) the Original Reference Rate ceasing to be published for at least five Business Days or ceasing to exist or be administered;

- (B) the later of (I) the making of a public statement by the administrator of the Original Reference Rate that it will, on or before a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate) and (II) the date falling six months prior to the specified date referred to in (B)(I) above;
- (C) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been permanently or indefinitely discontinued;
- (D) the later of (I) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will, on or before a specified date, be permanently or indefinitely discontinued and (II) the date falling six months prior to the specified date referred to in (D)(I) above;
- (E) the later of (I) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case on or before a specified date and (II) the date falling six months prior to the specified date referred to in (E)(I) above;
- (F) it has, or will prior to the next Reset Interest Determination Date, become unlawful for the Issuer, the Calculation Agent, any Paying Agent or any other party to calculate any payments due to be made to any Noteholder using the Original Reference Rate; and/or
- (G) the making of a public statement by the supervisor of the administrator of the Original Reference Rate announcing that such Original Reference Rate is no longer representative or may no longer be used;

"Independent Adviser" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 4(j)(i) at its own expense and with prior notification to the Trustee;

"Original Reference Rate" means the rate described in the first paragraph of the definition of 5 Year EUR Mid-Swap Rate in Condition 23 (*Definitions*) (provided that if, following one or more Benchmark Events, such 5 Year EUR Mid-Swap Rate (or any Successor Rate or Alternative Rate which has replaced it) has been replaced by a (or a further) Successor Rate or Alternative Rate, the term "Original Reference Rate" shall include any such Successor Rate or Alternative Rate);

"Relevant Nominating Body" means, in respect of the Original Reference Rate:

- (A) the central bank, reserve bank, monetary authority or any similar institution for the currency to which the Original Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Original Reference Rate; or
- (B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (I) the central bank, reserve bank, monetary authority or any similar institution for the currency to which the Original Reference Rate relates, (II) any central bank or other supervisory authority which is responsible for supervising the administrator of the Original Reference Rate, (III) a group of the

aforementioned central banks or other supervisory authorities, or (IV) the Financial Stability Board or any part thereof; and

"**Successor Rate**" means a successor to or replacement of the Original Reference Rate which is provided by law or regulation applicable to indebtedness denominated in the currency to which the Original Reference Rate relates and/or formally recommended by any Relevant Nominating Body.

5. **Optional Interest Deferral**

(a) ***Deferral of Interest Payments***

The Issuer may, at any time and at its sole discretion, elect to defer any Interest Payment, in whole but not in part, which is otherwise scheduled to be paid on an Interest Payment Date (except on any Interest Payment Date on which the Notes are to be redeemed) by giving notice (a "**Deferral Notice**") of such election to the Noteholders in accordance with Condition 19 (*Notices*), the Trustee and to the Principal Paying Agent not less than seven Business Days prior to the relevant Interest Payment Date.

Any Interest Payment so deferred pursuant to this Condition 5(a) (*Deferral of Interest Payments*) shall, from (and including) the Interest Payment Date on which such Interest Payment would (but for its deferral) have been payable to (but excluding) the date on which it is paid in full, itself bear interest at the Interest Rate prevailing from time to time (which interest shall compound on each subsequent Interest Payment Date) and, for so long as the same remains unpaid, such deferred interest (together with the interest accrued thereon) shall constitute "**Deferred Interest**".

The deferral of an Interest Payment in accordance with this Condition 5(a) (*Deferral of Interest Payments*) shall not constitute a default by the Issuer under the Notes or the Trust Deed or for any other purpose.

(b) ***Settlement of Deferred Interest***

(i) *Optional Settlement*

Deferred Interest may be paid (in whole or in part) at any time at the option of the Issuer following delivery of a notice to such effect given by the Issuer to the Noteholders in accordance with Condition 19 (*Notices*), the Trustee and the Principal Paying Agent not less than seven Business Days prior to the date (to be specified in such notice) on which the Issuer will pay such Deferred Interest.

(ii) *Mandatory Settlement*

The Issuer shall pay any Deferred Interest, in whole but not in part, on the first to occur of the following dates:

- (A) the 10th Business Day following the date on which a Deferred Interest Payment Event occurs;
- (B) any Interest Payment Date in respect of which the Issuer does not elect to defer the interest accrued in respect of the relevant Interest Period; and
- (C) the date on which the Notes are redeemed or repaid in accordance with Condition 6 (*Redemption*) or Condition 12 (*Default and Enforcement*).

Notice of any Deferred Interest Payment Event shall be given by the Issuer to the Noteholders in accordance with Condition 19 (*Notices*), the Trustee and to the Principal Paying Agent within three Business Days of such event.

6. **Redemption**

(a) ***No Final Redemption Date***

The Notes are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall (subject to the provisions of Condition 3(a) (*Rights on an Issuer Winding-up*)) only have the right to repay them in accordance with the following provisions of this Condition 6 (*Redemption*).

(b) ***Issuer's Call Option***

The Issuer may, by giving not less than 10 nor more than 60 days' notice to the Trustee and the Principal Paying Agent and, in accordance with Condition 19 (*Notices*), the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all, but not some only, of the Notes on (a) any date from (and including) 4 August 2026 (the "**First Optional Redemption Date**") up to (and including) the First Reset Date or (b) on any Interest Payment Date thereafter at their principal amount together with any Deferred Interest and any other accrued and unpaid interest up to (but excluding) the redemption date.

Upon the expiry of such notice, the Issuer shall redeem the Notes.

(c) ***Make-whole Redemption by the Issuer***

The Issuer may, having given not less than 10 nor more than 60 days' notice to the Trustee and the Principal Paying Agent and, in accordance with Condition 19 (*Notices*), the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption (such date, the **Make-whole Redemption Date**)), redeem all, but not some only, of the Notes on any date prior to the First Optional Redemption Date at the Make-whole Redemption Amount. No later than the Business Day immediately following the Calculation Date, the Make-whole Calculation Agent shall notify the Issuer, the Trustee, the Principal Paying Agent and, in accordance with Condition 19 (*Notices*), the Noteholders of the Make-whole Redemption Amount.

Any such notice of the redemption of the Notes may, at the Issuer's discretion, be subject to one or more conditions precedent, in which case such notice shall state that, in the Issuer's discretion, the Make-whole Redemption Date may be delayed until such time as any or all such conditions shall be satisfied (or waived by the Issuer in its sole discretion), or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied (or waived by the Issuer in its sole discretion) by the Make-whole Redemption Date, or by the Make-whole Redemption Date so delayed. The Issuer shall notify the Trustee, the Principal Paying Agent and, in accordance with Condition 19 (*Notices*), the Noteholders of any delay to the Make-whole Redemption Date or rescindment of the notice of the redemption of the Notes (as applicable).

For the purposes of this Condition, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"Benchmark Rate" means the mid-market annual yield to maturity of the Reference Bond as displayed on the Reference Screen Page at 11.00 a.m. (CET) on the Calculation Date (or, if the Reference Screen Page is not available at such time, the average of the four quotations given by Reference Dealers of the mid-market annual yield to maturity of the Reference Bond on the

Calculation Date at or around 11.00 a.m. (CET). The Benchmark Rate (and the reference of the Similar Security, if applicable) will be published by the Issuer in accordance with Condition 19 (*Notices*).

"Calculation Date" means the third Business Day prior to the Make-whole Redemption Date.

"Make-whole Calculation Agent" means an investment bank of international standing to be appointed by the Issuer.

"Make-whole Margin" means 0.50 per cent. per annum;

"Make-whole Redemption Amount" means, in respect of each Note, an amount in Euro, determined by the Make-whole Calculation Agent, equal to the sum of:

- (i) the greater of (x) 100 per cent. of the principal amount outstanding of such Note to be redeemed and (y) the sum of the present values as at the Make-whole Redemption Date of the principal amount outstanding of such Note plus the remaining scheduled payments of interest on such Note (exclusive of any Deferred Interest and any interest accruing on such Note from, and including, the last Interest Payment Date or, as the case may be, the Issue Date, immediately preceding such Make-whole Redemption Date to, but excluding, the Make-whole Redemption Date) up to the First Optional Redemption Date and discounted to such Make-whole Redemption Date, on the basis of the day-count fraction at a rate equal to the Make-whole Redemption Rate; and
- (ii) any interest accrued but not paid, and any unpaid Deferred Interest, on such Note to, but excluding, the Make-whole Redemption Date.

"Make-whole Redemption Rate" means the sum, as calculated by the Make-whole Calculation Agent, of the Benchmark Rate and the Make-whole Margin.

"Reference Bond" means DBR 0% due August 2026 (with ISIN DE0001102408), or if such security is no longer outstanding, a Similar Security chosen by the Make-whole Calculation Agent and notified to the Issuer.

"Reference Dealers" means four banks selected from time to time by the Make-whole Calculation Agent, at its sole discretion, which are primary European government securities dealers, and their respective successors, or market makers in pricing corporate bond issues.

"Reference Screen Page" means Bloomberg screen page "HP" for the Reference Bond (using the settings "Mid YTM" and "Daily") (or any successor or replacement page, section or other part of the information service), or such other page, section or other part as may replace it on the information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying the mid-market yield to maturity for the Reference Bond.

"Similar Security" means a German *Bundesobligationen* having an actual or interpolated maturity comparable with the remaining term of the Notes to be redeemed, assuming for this purpose only that the Notes mature on the First Optional Redemption Date, that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities comparable with the Notes.

(d) ***Redemption upon a Tax Deductibility Event, a Capital Event or an Accounting Event***

If a Tax Deductibility Event, a Capital Event or an Accounting Event has occurred and is continuing, the Issuer may, by giving not less than 10 nor more than 60 days' notice to the Trustee and the Principal Paying Agent and, in accordance with Condition 19 (*Notices*), the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption) and subject to Condition 8 (*Preconditions to Special Event Redemption, Change of Control Event Redemption, Substitution or Variation*), redeem all, but not some only, of the Notes at any time at an amount equal to:

- (i) 101 per cent. of their principal amount, where such redemption occurs before the First Optional Redemption Date; or
- (ii) 100 per cent. of their principal amount, where such redemption occurs on or after the First Optional Redemption Date,

together, in each case, with any Deferred Interest and any other accrued and unpaid interest up to (but excluding) the redemption date.

Upon the expiry of such notice, the Issuer shall redeem the Notes.

(e) ***Redemption upon a Withholding Tax Event or a Substantial Repurchase Event***

If a Withholding Tax Event has occurred and is continuing, or if a Substantial Repurchase Event has occurred, the Issuer may, by giving not less than 10 nor more than 60 days' notice to the Trustee and the Principal Paying Agent and, in accordance with Condition 19 (*Notices*), the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption) and subject to Condition 8 (*Preconditions to Special Event Redemption, Change of Control Event Redemption, Substitution or Variation*), redeem all, but not some only, of the Notes at any time at 100 per cent. of their principal amount together with any Deferred Interest and any other accrued and unpaid interest up to (but excluding) the redemption date.

Upon the expiry of such notice, the Issuer shall redeem the Notes.

(f) ***Redemption for Change of Control Event***

If on or after the Issue Date a Change of Control Event occurs, the Issuer may, at the earliest on the date following the expiry of the Exercise Period, by giving not less than 10 nor more than 60 days' notice to the Trustee and the Principal Paying Agent and, in accordance with Condition 19 (*Notices*), to the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all, but not some only, of the Notes at an amount equal to 100 per cent. of their principal amount together with any Deferred Interest and any other accrued and unpaid interest up to (but excluding) the redemption date.

Upon the expiry of such notice, the Issuer shall redeem the Notes.

Promptly upon but in any case no later than five Business Days after the Issuer becoming aware that a Change of Control Event has occurred, the Issuer shall give notice (a "**Change of Control Notice**") to the Trustee and the Noteholders in accordance with Condition 19 (*Notices*) specifying the nature of the Change of Control Event.

The Trustee is under no obligation to ascertain whether a Change of Control Event or any event which could lead to the occurrence of or could constitute a Change of Control Event has occurred

and, until it shall have actual knowledge or express notice in writing pursuant to the Trust Deed to the contrary, the Trustee may assume that no Change of Control or other such event has occurred.

If the rating designations employed by any of the Rating Agencies are changed from those which are described in paragraph (b) of the definition of "Change of Control Event", or if a rating is procured from a Substitute Rating Agency, the Issuer shall determine the rating designations of Fitch or Moody's or such Substitute Rating Agency (as appropriate) as are most equivalent to the prior rating designations of Rating Agencies and this Condition 6(f) shall be construed accordingly.

Where in this Condition 6(f), or in the defined terms used in this Condition 6(f), 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.

(g) ***Issuer discretion to waive rights***

The Issuer is at all times and at its own discretion entitled to irrevocably waive any of its redemption rights described in Condition 6(b) (*Issuer's Call Option*), Condition 6(c) (*Make-whole Redemption by the Issuer*), Condition 6(d) (*Redemption upon a Tax Deductibility Event, a Capital Event or an Accounting Event*), Condition 6(e) (*Redemption upon a Withholding Tax Event or a Substantial Repurchase Event*) and Condition 6(f) (*Redemption for Change of Control Event*), subject to the Issuer giving notice of such waiver to the Trustee and, in accordance with Condition 19 (*Notices*), the Noteholders.

7. **Substitution or Variation**

If at any time a Tax Deductibility Event, a Capital Event, a Withholding Tax Event or an Accounting Event has occurred and is continuing, then the Issuer may, subject to Condition 8 (*Preconditions to Special Event Redemption, Change of Control Event Redemption, Substitution or Variation*) (without any requirement for the consent or approval of the Noteholders or Couponholders) and subject to its having satisfied the Trustee immediately prior to the giving of any notice referred to herein that the provisions of this Condition 7 (*Substitution or Variation*) have been complied with, and having given not less than 30 nor more than 60 days' notice to the Trustee, the Principal Paying Agent and, in accordance with Condition 19 (*Notices*), to the Noteholders (which notice shall be irrevocable), either:

- (i) substitute all, but not some only, of the Notes for Qualifying Notes; or
- (ii) vary the terms of the Notes with the effect that they remain or become, as the case may be, Qualifying Notes,

so that the Notes become securities in respect of which the relevant Tax Deductibility Event, Capital Event, Withholding Tax Event or Accounting Event, as applicable, no longer applies. The Trustee shall (subject to the following provisions of this Condition 7 (*Substitution or Variation*) and subject to the receipt by it of the certificate by two directors of the Issuer referred to in Condition 8 (*Preconditions to Special Event Redemption, Change of Control Event Redemption, Substitution or Variation*)) agree to such substitution or variation.

Upon expiry of such notice, the Issuer shall either vary the terms of or, as the case may be, substitute the Notes in accordance with this Condition 7 (*Substitution or Variation*).

The Trustee shall (at the expense of the Issuer) use reasonable endeavours to concur with the Issuer in effecting the substitution of the Notes for, or the variation of the terms of the Notes (by the execution of a deed supplemental to or amending the Trust Deed or the Agency agreement (as

applicable)) so that they remain or, as the case may be, become, Qualifying Notes, provided that the Trustee shall not be obliged to participate in, or assist with, any such substitution or variation unless indemnified and/or prefunded and/or secured to its satisfaction and if the terms of the proposed Qualifying Notes, or the participation in or assistance with such substitution or variation, would expose the Trustee to any liability or impose, in the Trustee's opinion, more onerous obligations upon it, or reduce the Trustee's rights or protections. If the Trustee does not participate or assist as provided above, the Issuer may redeem the Notes as provided in Condition 6 (*Redemption*).

In connection with any substitution or variation in accordance with this Condition 7 (*Substitution or Variation*), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

8. Preconditions to Special Event Redemption, Change of Control Event Redemption, Substitution or Variation

Prior to the publication of any notice of redemption pursuant to Condition 6 (*Redemption*) (other than redemption pursuant to Condition 6(b) (*Issuer's Call Option*)) or any notice of substitution or variation pursuant to Condition 7 (*Substitution or Variation*), the Issuer shall deliver to the Trustee a certificate signed by two directors of the Issuer stating:

- (i) that the relevant requirement or circumstance giving rise to the right to redeem, substitute or vary (as the case may be) the Notes is satisfied;
- (ii) in the case of a Withholding Tax Event, that the Issuer is unable to avoid paying additional amounts by taking measures reasonably available to it;
- (iii) in the case of an Accounting Event only, a copy of a letter or report from a recognised international accounting firm confirming that an Accounting Event has occurred; and
- (iv) in the case of a substitution or variation pursuant to Condition 7 (*Substitution or Variation*), that:
 - (A) the Issuer has determined that the terms of the Qualifying Notes are not materially less favourable to Noteholders than the terms of the Notes and that determination was reasonably reached by the Issuer in consultation with an independent investment bank, independent financial adviser or legal counsel of international standing;
 - (B) the criteria specified in paragraphs (a) to (i) of the definition of Qualifying Notes will be satisfied by the Qualifying Notes upon issue; and
 - (C) the relevant substitution or variation (as the case may be) itself will not result in the Issuer having the right to redeem the Notes due to the occurrence of a Special Event.

In addition, in the case of a Tax Deductibility Event or a Withholding Tax Event, the Issuer shall deliver to the Trustee an opinion of independent legal or other tax advisers to the effect that the relevant requirement or circumstance giving rise to the right to redeem, substitute or vary is satisfied (save, in the case of a Withholding Tax Event, as to whether reasonable measures to avoid paying additional amounts are available to the Issuer).

The Trustee may rely absolutely upon and shall be entitled to accept such letter, report or certificate and any such opinion without any liability to any person for so doing and without any further inquiry

as sufficient evidence of the satisfaction of the criteria set out in such paragraphs, in which event it shall be conclusive and binding on the Noteholders and the Couponholders.

Any redemption of the Notes in accordance with Condition 6 (*Redemption*) shall be conditional on all Deferred Interest being paid in full in accordance with the provisions of Condition 5(b)(ii) (*Mandatory Settlement*) on or prior to the date of such redemption.

The Trustee is under no obligation to ascertain whether any Special Event, Change of Control Event or any event which could lead to the occurrence of, or could constitute, any such Special Event or Change of Control Event has occurred and, until it shall have actual knowledge or express notice pursuant to the Trust Deed to the contrary, the Trustee may assume that no such Special Event or Change of Control Event or such other event has occurred.

9. **Purchases and Cancellation**

(a) ***Purchase***

Each of the Issuer and any of its Subsidiaries may at any time purchase or procure others to purchase beneficially for its account any or all Notes in the open market or otherwise and at any price. The Notes so purchased may be held or resold (**provided that** such resale is outside the United States and is otherwise in compliance with all applicable laws) or surrendered for cancellation at the option of the Issuer or otherwise, as the case may be in compliance with Condition (b) (*Cancellation of Notes*) below. Any purchases of Notes will be made together with all unmatured Coupons and Talons appertaining thereto.

The Notes so purchased, while held by or on behalf of the Issuer or any such Subsidiary shall not entitle the Noteholder to vote at any meeting of the Noteholders and shall not be deemed to be outstanding for the purposes of, *inter alia*, calculating quorums at meetings of the Noteholders or for the purposes of Condition 16 (*Meetings of Noteholders; Modification and Waiver; Issuer Substitution*).

(b) ***Cancellation of Notes***

All Notes which are redeemed pursuant to Condition 6 (*Redemption*) or substituted pursuant to Condition 7 (*Substitution or Variation*) and all Notes purchased and surrendered for cancellation pursuant to Condition (a) (*Purchase*) (in each case, together with all unmatured Coupons and unexchanged Talons relating thereto) will be cancelled and may not be reissued or resold. For so long as the Notes are listed on Luxembourg Stock Exchange and admitted to trading on its regulated market and the rules of such exchange so require, the Issuer shall promptly inform the Luxembourg Stock Exchange of the cancellation of any Notes under this Condition 9(b) (*Cancellation of Notes*).

10. **Payments**

(a) ***Method of Payment***

(i) *Principal, Premium and Interest*

Payments of principal, premium and interest will be made against presentation and surrender of Notes or the appropriate Coupons (as the case may be) at the specified office of any of the Paying Agents except that payments of interest in respect of any period not ending on an Interest Payment Date will only be made against presentation and either surrender or endorsement (as appropriate) of the relevant Notes. Such payments will be made 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.

(ii) *Unmatured Coupons*

Upon the due date for redemption of any Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them. Where any Note is presented for redemption without all unmatured Coupons relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

(iii) *Talons*

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Notes, the Talon forming part of such Coupon sheet may be surrendered at the specified office of any of the Paying Agents in exchange for a further Coupon sheet (to include another Talon for a further Coupon sheet, if appropriate) (but excluding any Coupons that may have become void pursuant to Condition 13 (*Prescription*)).

(b) *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, is a day on which the TARGET System is operating.

(c) *Payments subject to Fiscal Laws*

All payments in respect of the Notes are subject in all cases to any (i) applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 11 (*Taxation*) and (ii) withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 11 (*Taxation*)) any law implementing an intergovernmental approach thereto ("**FATCA Withholding**").

(d) *Interpretation of Principal, Premium and Interest*

References in these Conditions to principal, premium, Interest Payments, Deferred Interest and/or any other amount in respect of interest shall be deemed to include any additional amounts which may become payable pursuant to Condition 11 (*Taxation*).

11. **Taxation**

All payments of principal, premium and interest (including Deferred 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 ("**Taxes**") of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Relevant Jurisdiction or any political subdivision thereof, unless the withholding or deduction of such Taxes 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:

- (a) held by or on behalf of, a Noteholder who is liable for the Taxes in respect of such Note or Coupon by reason of having some connection with the Relevant Jurisdiction other than the mere holding of such Note or Coupon; or
- (b) presented for payment more than 30 days after the Relevant Date except to the extent that the Noteholder or Couponholder would have been entitled to additional amounts on presenting the same for payment on the last day of such period of 30 days assuming that day to have been a business day (as defined in Condition 10(b) (*Payments on business days*)).

Notwithstanding any other provision of the Conditions, any amounts to be paid on the Notes by or on behalf of the Issuer, will be paid net of any deduction or withholding imposed or required pursuant to any FATCA Withholding. Neither the Issuer nor any other person will be required to pay any additional amounts in respect of FATCA Withholding.

Any reference in these Conditions to principal or interest (including Deferred 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 11 (*Taxation*) or any undertaking given in addition to or in substitution of this Condition 11 (*Taxation*).

12. **Default and Enforcement**

(a) ***Proceedings***

Without prejudice to the Issuer's right to defer the payment of interest under Condition 5(a) (*Deferral of Interest Payments*), if a default is made by the Issuer for a period of 30 days or more in relation to the payment of any interest, principal or premium in respect of the Notes which is due and payable, then the Issuer shall, without notice from the Trustee, be deemed to be in default under the Trust Deed, the Notes and the Coupons and the Trustee at its discretion may, and if so requested in writing by the Noteholders of at least one-fifth in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject to Condition 12(c) (*Entitlement of the Trustee*)), institute proceedings for an Issuer Winding-up.

In the event of an Issuer Winding-up, (whether instituted by the Trustee as aforesaid or otherwise), the Trustee may, and if so requested in writing by the holders of at least one-fifth in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject to Condition 12(c) (*Entitlement of the Trustee*)) prove and/or claim in such Issuer Winding-up in respect of the Notes, such claim being for such amount, and being subordinated in such manner, as is provided under Condition 3(a) (*Rights on an Issuer Winding-up*).

(b) ***Enforcement***

The Trustee may at its discretion and without further notice institute such proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Trust Deed, the Notes or the Coupons but in no event shall the Issuer, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

(c) ***Entitlement of the Trustee***

The Trustee shall not be bound to take any of the actions referred to in Condition 12(a) (*Proceedings*) or Condition 12(b) (*Enforcement*) above to enforce the terms of the Trust Deed, the Notes or the Coupons or any other action, step or proceeding under or pursuant to the Trust Deed or the Notes or the Coupons unless (i) it shall have been so requested by an Extraordinary Resolution of the Noteholders or in writing by the holders of at least one-fifth in principal amount of the Notes then outstanding and (ii) it shall have been indemnified and/or secured and/or prefunded to its satisfaction.

(d) ***Right of Noteholders***

No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer or to institute proceedings for an Issuer Winding-up and/or prove and/or claim in an Issuer Winding-up unless the Trustee, having become so bound to proceed or prove and/or claim in such Issuer Winding-up, fails or is unable to do so within a reasonable period and such failure or inability shall be continuing. In that case, each Noteholder and Couponholder shall have only such rights against the Issuer in respect of such Noteholder's or Couponholder's Notes or Coupons (as the case may be) as those which the Trustee is entitled to exercise on behalf of such Noteholder or Couponholder, as set out in this Condition 12 (*Default and Enforcement*).

(e) ***Extent of Noteholders' Remedy***

No remedy against the Issuer, other than as referred to in this Condition 12 (*Default and Enforcement*), shall be available to the Trustee or the Noteholders or Couponholders, whether for the recovery of amounts owing in respect of the Notes, the Coupons or under the Trust Deed or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Notes, the Coupons or the Trust Deed.

13. **Prescription**

Claims for principal and premium 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 (which for this purpose shall not include Talons) are presented for payment within five years of the appropriate Relevant Date. There shall be no prescription period for Talons but there shall not be included in any Coupon sheet issued in exchange for a Talon any Coupon the claim in respect of which would be void pursuant to this Condition 13 (*Prescription*) or Condition 10(a)(iii) (*Talons*).

14. **Replacement of Notes, Coupons and Talons**

If any Note, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Paying Agent, subject to all applicable laws, regulations 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, Coupons or Talons must be surrendered before replacements will be issued.

15. **Agents**

The initial Paying Agent and its initial specified office is listed in the Agency Agreement. The Issuer reserves the right, subject to the prior written approval of the Trustee, at any time to vary or terminate the appointment of any Paying Agent and to appoint additional or other Paying Agents; **provided, however, that**

- (a) the Issuer shall at all times maintain a paying agent; and
- (b) so long as the Notes are listed on any stock exchange, there will at all times be a Paying Agent having a specified office outside Jersey in such place as may be required by the rules and regulations of the relevant stock exchange (or any other relevant authority).

Notice of any such termination or appointment and of any change in the specified offices of the Paying Agents shall promptly be given to the Noteholders in accordance with Condition 19 (*Notices*).

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and, in certain circumstances specified therein, of the Trustee and do not assume any obligation to, or relationship of agency or trust with, any Noteholder or Couponholder. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

If the Calculation Agent or the Principal Paying Agent is unable or unwilling to act as such or if it fails to make a determination or calculation or otherwise fails to perform its duties under these Conditions or the Agency Agreement (as the case may be), the Issuer shall in accordance with the Agency Agreement appoint, on terms acceptable to the Trustee, an independent financial institution acceptable to the Trustee to act as such in its place.

16. **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. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer or by the Trustee and shall be convened by the Trustee (subject to its being indemnified and/or secured and/or prefunded to its satisfaction) upon the request in writing of Noteholders holding not less than 10 per cent. 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 more than 50 per cent. 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** Reserved Matters (including, *inter alia*, the provisions regarding subordination referred to in Condition 3 (*Subordination and Rights on an Issuer Winding-up*), modifying the date of maturity of the Notes or any date for payment of interest thereon (including Deferred Interest), reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes or the Coupons in certain respects), 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 75 per cent. or, at any adjourned meeting, not less than 25 per cent. 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 holders of not less than 75 per cent. in principal amount of the Notes outstanding 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.

The consent or approval of the Noteholders shall not be required in the case of amendments to the Conditions pursuant to Condition 4(j) to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes or for any other variation of these Conditions, the Trust Deed and/or the Agency Agreement required to be made in the circumstances described in Condition 7(e), where the Issuer has delivered to the Trustee a certificate pursuant to Condition 4(j)(i)(E) or with respect to any Benchmark Amendments.

(b) ***Modification and Waiver***

The Trustee may, without the consent of the Noteholders or Couponholders, agree to (i) any modification of these Conditions, the Agency Agreement, the Trust Deed or the Notes (other than in respect of a Reserved Matter) which, in the opinion of the Trustee, will not be materially prejudicial to the interests of Noteholders and to (ii) any modification of these Conditions, the Agency Agreement, the Notes or the Trust Deed which, in the opinion of the Trustee, is of a formal, minor or technical nature or is to correct a manifest error.

In addition, the Trustee may (other than in respect of a Reserved Matter), subject to and in accordance with the Trust Deed, without the consent of the Noteholders or Couponholders, authorise or waive any proposed breach or breach of these Conditions, the Agency Agreement, the Notes or the Trust Deed if, in the opinion of the Trustee, the interests of the Noteholders will not be materially prejudiced thereby (which will not include, for the avoidance of doubt, any provision entitling the Noteholders to institute proceedings for an Issuer Winding-up in circumstances which are more extensive than those set out in Condition 12 (*Default and Enforcement*)).

In addition, the Issuer may, subject to Condition 4(j) (*Benchmark Event*), vary or amend these Conditions, the Notes, the Trust Deed and/or the Agency Agreement to give effect to certain amendments to the interest calculation provisions of the Notes without any requirement for the consent or approval of the Noteholders as described in Condition 4(j)(i)(E) and the Trustee shall agree to such variations or amendments on the basis set out in Condition 4(j)(i)(E).

The agreement or approval of the Noteholders shall not be required in the case of any variation of these Conditions required to be made in the circumstances described in Condition 7 (*Substitution or Variation*) in connection with the substitution or variation of the terms of the Notes so that they remain or become Qualifying Notes.

Any such authorisation, determination, waiver or modification shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 19 (*Notices*).

17. **Reorganisation and Substitution**

The Trust Deed contains provisions under which:

- (a) a legal entity formed by any consolidation or merger of 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 any Subsidiary 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 an issuer and principal debtor under the Trust Deed or the Notes, as applicable, provided that certain conditions specified in the Trust Deed are fulfilled, including but not limited to the following:

- (A) in the 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;
- (B) that the Substituted Obligor is a legal entity incorporated in a Member State of the European Economic Area, Jersey, the United Kingdom or Israel; and
- (C) in the case of (d) above, that Atrium European Real Estate Limited or any New Holding Company, as the case may be, unconditionally and irrevocably guarantees (on a subordinated basis equivalent to that referred to in Conditions 2 (*Status*) and 3 (*Subordination and Rights on an Issuer Winding-up*)) amounts payable under the Notes,

and in any such case provided that the substitution itself will not result in the Substituted Obligor (in its capacity as the new Issuer) having the right to redeem the Notes due to the occurrence of a Special Event.

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 11 (*Taxation*) (or any undertaking given in addition to or substitution for it pursuant to the provisions of the Trust Deed).

18. **Further Issues**

The Issuer may from time to time, without the consent of the Noteholders or the Couponholders, create and issue further 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 that the same shall be consolidated and form a single series with the Notes ("**Further Notes**").

19. **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. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Notes are for the time being listed. 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.

20. **Indemnification of the Trustee**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility in certain circumstances including provisions relieving it from instituting proceedings or taking any other steps or actions to enforce repayment unless indemnified and/or secured and/or prefunded to its satisfaction.

21. **Governing Law and Jurisdiction**

(a) ***Governing Law***

The Trust Deed, the Notes, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with any of them, are governed by, and shall be construed in accordance with, English law, other than the provisions of Conditions 2 and 3, Clause 3.7 of the Trust Deed and any non-contractual obligations arising out of or in connection with them which are governed by, and shall be construed in accordance with, the laws of Jersey.

(b) ***Jurisdiction***

The Issuer has, in the Trust Deed, agreed for the benefit of the Trustee, the Noteholders and the Couponholders, that the courts of England are to have exclusive jurisdiction to settle any disputes (a “**Dispute**”) which may arise out of or in connection with the Trust Deed, the Notes, the Coupons or the Talons, or any non-contractual obligation arising out of or in connection with them, and accordingly submits to the exclusive jurisdiction of the English courts.

The Issuer has, in the Trust Deed, waived any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum.

To the extent allowed by law, the Trustee, the Noteholders and the Couponholders may in respect of any Dispute or Disputes take any suit, action or proceedings (together referred to as “**Proceedings**”) against the Issuer in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

(c) ***Appointment of Process Agent***

The Issuer has in the Trust Deed appointed Law Debenture Corporate Services Limited at 8th Floor, 100 Bishopsgate, London, EC2N 4AG, United Kingdom, as its agent for service of process, and has agreed that, in the event of the same being unable or unwilling for any reason so to act, it will immediately appoint another person with an address in England or Wales as the Issuer may specify by notice in writing to the Trustee and the Noteholders. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

22. **Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

23. **Definitions**

In these Conditions:

"5 Year EUR Mid-Swap Rate" means, with respect to a Reset Period, the mid swap rate for euro swap transactions with a maturity of five years (the **"5 Year EUR Mid-Swap"**), as published on Reuters screen **ICESWAP2** under **FIXED VS. 6M EURIBOR** (or such other page or service as may replace it for the purposes of displaying European swap rates of leading reference banks for swaps in Euro) (in each case, the **"Reset Screen Page"**), as at approximately 11.00 a.m. (Central European time) on the Reset Interest Determination Date applicable to such Reset Period.

In the event that the relevant 5 Year EUR Mid-Swap Rate does not appear on the Reset Screen Page on the relevant Reset Interest Determination Date, the 5 Year EUR Mid-Swap Rate will be the Reset Reference Bank Rate on such Reset Interest Determination Date. If (a) at least three quotations are provided, the 5 Year EUR Mid-Swap Rate will be calculated by the Calculation Agent on the basis of the arithmetic mean (or, if only three quotations are provided, the median) of the quotations provided, eliminating the highest quotation (or, in the event of equality one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest); (b) only two quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean of the quotations provided; (c) only one quotation is provided, the Reset Reference Bank Rate will be the quotation provided; and (d) no quotations are provided, the Reset Reference Bank Rate for the relevant period will be: (i) in the case of each Reset Period other than the Reset Period commencing on the First Reset Date, the Reset Reference Bank Rate in respect of the immediately preceding Reset Period, or (ii) in the case of the Reset Period commencing on the First Reset Date, -0.288 per cent. which represents the 5 Year EUR Mid-Swap Rate at pricing;

The **"5 Year Swap Rate Quotations"** means, in relation to any Reset Period, the arithmetic mean of the bid and offered rates for the annual fixed leg (calculated on a 30/360 Day Count Basis) of a fixed-for-floating euro interest rate swap which (i) has a term of five years commencing on the relevant Reset Date, (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market, and (iii) has a floating leg based on the 6-month EURIBOR rate (calculated on the basis of the actual number of days elapsed and a year of 360 days);

an **"Accounting Event"** shall be deemed to occur if, as a result of a change in accounting principles or methodology (or the application thereof) which becomes effective on or after the Issue Date, but not otherwise, the obligations of the Issuer under the Notes must not or may no longer be recorded as "equity" in the next following audited annual consolidated financial statements of the Issuer prepared in accordance with IFRS or any other accounting standards that the Issuer may adopt in the future for the preparation of its audited annual consolidated financial statements in accordance with applicable company law;

"Agency Agreement" has the meaning given in the preamble of the Conditions;

"Business Day" means a day, other than a Saturday, Sunday or public holiday, on which commercial banks and foreign exchange markets are open for general business in London and Stockholm and on which the TARGET System is open;

"Calculation Agent" means Citibank, N.A., London Branch, or any successor appointed in accordance with the Agency Agreement;

"Calculation Amount" has the meaning given to it in Condition 4(a) (*Interest accrual*);

a **"Capital Event"** shall be deemed to occur if the Issuer has received confirmation from the Capital Rating Agency, providing a solicited rating at the invitation of the Issuer, either directly or via a publication by such Capital Rating Agency, that an amendment, clarification or change in

interpretation has occurred in the equity credit criteria of such Capital Rating Agency effective after the Issue Date (or effective after the date when the equity credit is assigned for the first time, as applicable) and this has resulted in lower equity credit (or such other nomenclature that the Capital Rating Agency may then use to describe the degree to which an instrument exhibits the characteristics of an ordinary share) for the Notes, in whole or in part, than the equity credit assigned on the Issue Date (or if equity credit is not assigned on the Issue Date, at the date when the equity credit is assigned for the first time) (or if the Notes have been partially re-financed since the Issue Date and are no longer eligible for equity credit in part or in full as a result, the Notes would have received lower equity credit as a result of such amendment, clarification, change in methodology or change in the interpretation had they not been re-financed);

"Capital Rating Agency" means Fitch and Moody's or any of their respective subsidiaries and/or successors;

"Change of Control" occurs when 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);

a "Change of Control Event" will be deemed to occur if:

- (a) a Change of Control occurs; and
- (b) on the date (the **"Relevant Announcement Date"**) that is the earlier of 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), the Issuer's long-term senior unsecured debt obligations carry:
 - (i) an investment grade credit rating (BBB-, or its equivalent, or higher) (an **"Investment Grade Rating"**) from any Rating Agency, 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
 - (ii) no 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 long-term senior unsecured debt obligations carry a credit rating from more than one Rating Agency, at least one of which is an Investment Grade Rating, then only sub-paragraph (i) shall be relevant for this purpose;

- (c) in making any decision to downgrade or withdraw a credit rating pursuant to paragraph (b) 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.

"**Change of Control Notice**" has the meaning given to it in Condition 6(f) (*Redemption for Change of Control Event*);

"**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);

"**Change of Control Step-up Date**" shall be date which is 30 days after the date following the expiry of the Exercise Period;

"**Code**" has the meaning given to it in Condition 10(c) (*Payments subject to fiscal laws*);

"**Conditions**" means these terms and conditions of the Notes, as amended from time to time;

"**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;

"**Coupon**" has the meaning given in the preamble to the Conditions;

"**Couponholders**" has the meaning given in the preamble to the Conditions;

"**continuing**" is an event or failure that has not been waived or remedied;

"**Deferral Notice**" has the meaning given in Condition 5(a) (*Optional Interest Deferral - Deferral of Interest Payments*);

"**Deferred Interest**" has the meaning given in Condition 5(a) (*Optional Interest Deferral - Deferral of Interest Payments*);

A "**Deferred Interest Payment Event**" means any one or more of the following events:

- (a) declaration or payment of any distribution or dividend or any other payment (other than a dividend made exclusively in the form of Ordinary Shares) made by the Issuer on its Ordinary Shares or any other obligation of the Issuer which ranks or is expressed by its terms to rank junior to the Notes or any Parity Obligations;
- (b) declaration or payment of any distribution or dividend or any other payment made by the Issuer or any Subsidiary of the Issuer, as the case may be, on any Parity Obligations or the Notes;
- (c) redemption, repurchase, repayment, cancellation, reduction or other acquisition by the Issuer or any Subsidiary of the Issuer of its Ordinary Shares or any other obligation of the Issuer which ranks or is expressed by its terms to rank junior to the Notes or any Parity Obligations; and/or
- (d) redemption, repurchase, repayment, cancellation, reduction or other acquisition by the Issuer or any Subsidiary of the Issuer of any Parity Obligations or any Notes,

save for:

- (i) in each case, any compulsory distribution, dividend, other payment, redemption, repurchase, repayment, cancellation, reduction or other acquisition required by the terms of such securities or obligations or by mandatory operation of applicable law;
- (ii) in the case of (c) above only, any redemption, repurchase, repayment, cancellation, reduction or other acquisition that is executed in connection with, or for the purpose of (1) any reduction of the quota value of the Ordinary Shares of the Issuer without a corresponding return of cash, capital or assets to shareholders of the Issuer or (2) any share buyback programme then in force and duly approved by the shareholders' general meeting of the Issuer or the relevant Subsidiary of the Issuer (as applicable) or any existing or future stock option plan or free share allocation plan or other incentive plan, in all cases of this (ii)(2), reserved for directors, officers and/or employees of the Issuer or the relevant Subsidiary of the Issuer or any associated hedging transaction; and
- (iii) in the case of (d) above only, any redemption, repurchase, repayment, cancellation, reduction or other acquisition executed in whole or in part in the form of a public tender offer or public exchange offer at a consideration per Note or Parity Obligation below its par value;

"**EUR**" and/or "**euro**" means the lawful currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty on the Functioning of the European Union, as amended;

"**EURIBOR**" means the month Euro Interbank Offered Rate;

"**Exercise Period**" means the period from the date on which the Change of Control Event occurred to the day which is the earlier of (a) 90 days after such date and (b) the last day on which holders of senior indebtedness of the Issuer, which have a right to put (a "**Put Option**") such senior indebtedness for redemption exercisable upon the occurrence of a Change of Control Event, and to the extent they have exercised such Put Option within any applicable put option redemption period (howsoever described), have received the redemption proceeds;

"**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;

"**FATCA Withholding**" has the meaning given in Condition 10(c) (*Payments subject to fiscal laws*);

"**First Interest Payment Date**" has the meaning given to it in Condition 4(b) (*Interest Payment Dates*);

"**First Reset Date**" means 4 November 2026;

"**Fitch**" means Fitch Ratings Ireland;

"**Further Notes**" has the meaning given to it in Condition 18 (*Further Issues*);

"Group" means the Issuer and its Subsidiaries;

"IFRS" means International Financial Reporting Standards, including International Accounting Standards and Interpretations, issued by the International Accounting Standards Board (as amended, supplemented or re-issued from time to time) as adopted by the European Union;

"Initial Interest Rate" has the meaning given in Condition 4(c) (*Interest – Initial Interest Rate*);

"Interest Amount" has the meaning given in Condition 4(e) (*Interest - Determination of Reset Interest Rates and Calculation of Interest Amounts*);

"Interest Payment" means, in respect of the payment of interest on an Interest Payment Date, the amount of interest payable on the presentation and surrender of the Coupon for the relevant Interest Period in accordance with Condition 4 (*Interest*);

"Interest Payment Date" has the meaning given in Condition 4(b) (*Interest Payment Dates*);

"Interest Period" means the period from (and including) the Issue Date to (but excluding) the First Interest Payment Date and each successive period from (and including) an Interest Payment Date to (but excluding) the next succeeding Interest Payment Date;

"Interest Rate" means the Initial Interest Rate or the relevant Reset Interest Rate, as the case may be;

"Issue Date" has the meaning given in Condition 4(a) (*Interest Accrual*);

"Issuer" has the meaning given in the preamble to these Conditions;

"Issuer Winding-up" has the meaning given in Condition 3(a) (*Rights on an Issuer Winding-up*);

"Margin" means:

- (i) in respect of the period from (and including) the First Reset Date to (but excluding) the Second Reset Date, 4.247 per cent. per annum (no step-up);
- (ii) in respect of the period from (and including) the Second Reset Date and thereafter, 5.247 per cent. per annum (inclusive of a 100 basis points step-up);

"Moody's" means Moody's Deutschland GmbH or any of its affiliates;

"Noteholders" has the meaning given in the preamble to these Conditions;

"Notes" has the meaning given in the preamble to the Conditions;

As at the date of this Prospectus, the Issuer has no Preference Shares in issue.

"Ordinary Shares" means ordinary shares in the capital of the Issuer;

"Parity Obligations" or **"Parity Obligation"** means any obligations of:

- (i) the Issuer, issued directly or indirectly by it, which rank, or are expressed to rank, *pari passu* with the Notes, including any Preference Shares (for so long that any are in issue); and
- (ii) any Subsidiary of the Issuer having the benefit of a guarantee or support agreement from the Issuer which ranks or is expressed to rank *pari passu* with the Notes;

"**Paying Agent**" has the meaning given in the preamble to these Conditions;

"**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;

"**Preference Shares**" means the most senior ranking preference shares in the capital of the Issuer other than, for the avoidance of doubt, any preference share which ranks or is expressed by its terms to rank junior to the Preference Shares, the Notes or any Parity Obligation;

"**Qualifying Notes**" means securities that contain terms not materially less favourable to Noteholders than the terms of the Notes (as reasonably determined by the Issuer in consultation with an independent investment bank, independent financial adviser or legal counsel of international standing) and **provided that** a certification to such effect shall have been delivered to the Trustee prior to the substitution or variation of the Notes, **provided that**:

- (a) they shall be issued by the Issuer or by any wholly-owned direct or indirect finance Subsidiary of the Issuer with a guarantee of the Issuer; and
- (b) they (and/or, as appropriate, the guarantee as aforesaid) shall rank *pari passu* on an Issuer Winding-up with the ranking of the Notes immediately prior to the substitution or variation; and
- (c) they shall contain terms which provide for the same (or more favourable) interest rate from time to time applying to the Notes and preserve the same Interest Payment Dates; and
- (d) they shall preserve the obligations (including the obligations arising from the exercise of any right) of the Issuer as to redemption of the Notes, including (without limitation) as to timing of, and amounts payable upon, such redemption; and
- (e) they shall preserve any existing rights under the Notes to any accrued interest, any Deferred Interest and any other amounts payable under the Notes which, in each case, has accrued to Noteholders and not been paid; and
- (f) they shall not contain terms providing for the mandatory deferral or cancellation of interest and shall not contain terms providing for loss absorption through principal write-down or conversion to ordinary shares; and
- (g) they shall, immediately after such exchange or variation, be assigned at least the same credit rating(s) by the same Credit Rating Agencies (at the invitation of the Issuer) as may have been assigned to the Notes immediately prior to such exchange or variation (if any); and
- (h) they shall otherwise contain substantially identical terms (as reasonably determined by the Issuer) to the Notes, save where any modifications to such terms are required to be made to avoid the occurrence or effect of, a Tax Deductibility Event, a Capital Event, an Accounting Event or, as the case may be, a Withholding Tax Event; and
- (i) they shall be (A) listed on Luxembourg Stock Exchange and admitted to trading on its regulated market or (B) admitted to trading on any other regulated market or multilateral trading facility for the purposes of Directive 2014/65/EU (as amended) as selected by the Issuer on, or as soon as reasonably practicable after issue and approved by the Trustee,

and **provided further** that the terms of such securities shall not be deemed to be materially less favourable to Noteholders than the terms of the Notes solely for the reason of its jurisdiction of incorporation or tax residence;

"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, in each case as appointed by, or with the consent of, the Issuer;

"Relevant Date" means:

- (i) in respect of any payment other than a sum to be paid by the Issuer in an Issuer Winding-up, the date on which such payment first becomes due and payable but, if the full amount of the moneys payable on such date has not been duly received by the Principal Paying Agent or the Trustee on or prior to such date, the Relevant Date means the date on which such moneys shall have been so received and notice to that effect shall have been given to the Noteholders by or on behalf of the Issuer or the Trustee in accordance with Condition 19 (*Notices*); and
- (ii) in respect of any sum to be paid by or on behalf of the Issuer in an Issuer Winding-up, the date which is one day prior to the date on which an order is made or a resolution is passed for such Issuer Winding-up;

"Relevant Jurisdiction" means Jersey, and any taxing jurisdiction to which the Issuer becomes subject at any time as a result of the operation of the substitution provisions in Condition 7 (*Substitution or Variation*) or Condition 17 (*Reorganisation and Substitution*);

"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;

"Reset Date" means the First Reset Date and each fifth anniversary thereof;

"Reset Interest Determination Date" means, with respect to a Reset Period, the day falling two Business Days prior to the Reset Date on which such Reset Period commences;

"Reset Interest Rate" has the meaning given in Condition 4(d) (*Interest – Reset Interest Rates*);

"Reset Period" means each period from (and including) a Reset Date to (but excluding) the next succeeding Reset Date thereafter;

"Reset Reference Bank Rate" means the percentage rate calculated by the Calculation Agent in accordance with these Conditions on the basis of the 5 Year Swap Rate Quotations provided by the Reset Reference Banks to the Issuer and the Calculation Agent at approximately 11:00 a.m. (Central European Time) on the relevant Reset Interest Determination Date;

"Reset Reference Banks" means five major banks in the European Interbank market selected by the Issuer;

"Second Reset Date" means 4 November 2031;

"Special Event" means any of a Tax Deductibility Event, a Substantial Repurchase Event, a Capital Event, a Withholding Tax Event, an Accounting Event or any combination of the foregoing;

"Subordinated Indebtedness" means any obligation of the Issuer, whether or not having a fixed maturity, which by its terms is, or is expressed to be, subordinated in the event of an Issuer Winding-up to the claims of all unsubordinated creditors of the Issuer but senior to the Notes or to the obligations of the Issuer in respect of any Parity Obligations;

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

- (i) 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
- (ii) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person;

a **"Substantial Repurchase Event"** shall be deemed to occur if the Issuer and/or any of its Subsidiaries repurchases and cancels or has at any time repurchased and cancelled, a principal amount of Notes equal to or greater than 75 per cent. of the aggregate principal amount of the Notes initially issued (which shall include, for these purposes, any Further Notes);

"TARGET System" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as **"TARGET2"**) payment system which utilises a single shared platform and which was launched on 19 November 2007 or any successor thereto;

"Talons" has the meaning given in the preamble to these Conditions;

"Tax Deductibility Event" means at any time the receipt by the Issuer of an opinion of counsel in the Relevant Jurisdiction (experienced in such matters) to the effect that, as a result of a Tax Law Change, the Issuer is not able to claim a deduction in respect of payments relating to the Notes in computing its taxation liabilities for the Relevant Jurisdiction tax purposes (a **"Tax Deduction"**) or the amount of any Tax Deduction that the Issuer would previously have been able to claim is materially reduced;

"Tax Law Change" means (a) any amendment to, clarification of, or change in, the laws or treaties (or any regulations thereunder) of the Relevant Jurisdiction, or any political subdivision or any authority thereof or therein having the power to tax, affecting taxation, (b) any governmental action (c) or any amendment to, clarification of, or change in the application, official position or the official published interpretation of such law, treaty (or regulations thereunder) or governmental action or any official published interpretation, decision or pronouncement that provides for a position with respect to such law, treaty (or regulations thereunder) or governmental action that differs from the theretofore generally accepted position, in each case, by any legislative body, court, governmental authority or regulatory body in the Relevant Jurisdiction, irrespective of the manner in which such amendment, clarification, change, action, pronouncement, interpretation or decision is made known, which amendment, clarification or change is effective or such governmental action, pronouncement, interpretation or decision is announced on or after the Issue Date;

"Taxes" has the meaning given in Condition 11 (*Taxation*); and

a **"Withholding Tax Event"** shall be deemed to occur if, as a result of any Tax Law Change, in making any payments on the Notes, the Issuer has paid or will or would on the next Interest Payment Date be required to pay additional amounts on the Notes pursuant to Condition 11 (*Taxation*) and the Issuer cannot avoid the foregoing by taking reasonable measures available to it.

The following text in italics does not form part of the Conditions:

The Issuer intends (but is not obliged to ensure) that until 4 November 2031, to the extent that the Notes provide the Issuer with "equity credit" for rating purposes by Fitch, to redeem or repurchase the Notes only to the extent they are replaced with instruments that provide equivalent Fitch equity credit (or such other nomenclature that Fitch may then use to describe the degree to which an instrument exhibits the characteristics of an ordinary share). The intention above does not provide for any claim for Noteholder nor does it create any legal obligation for the Issuer.

Customary exceptions apply as to the Issuer's replacement intention including that the Issuer does not intend to replace the Notes:

- (i) if the Notes are not required to support the credit profile of the Issuer compared to the credit profile as of the issue date of the Notes; or*
- (ii) if the Notes are redeemed pursuant to a Tax Deductibility Event, a Substantial Repurchase Event, a Capital Event, a Withholding Tax Event, an Accounting Event or a Change of Control Event having occurred and some or all of the Notes left outstanding are redeemed or purchased.*

FORMS OF THE NOTES

Global Notes and Definitive Global Notes

The Notes will initially be represented by a temporary global note in bearer form (the "**Temporary Global Note**") which will be deposited on or around the Issue Date of the Notes with a common depository for Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**").

Temporary Global Note exchangeable for Permanent Global Note

The Temporary Global Note will be exchangeable, in whole or in part, for interests in a permanent global note (the "**Permanent Global Note**" and, together with the Temporary Global Note, the "**Global Note**") not earlier than 40 days after the Issue 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 while they are represented by the Temporary Global Note cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in the Permanent Global Note, the Issuer shall procure (in the case of first exchange) the delivery of the Permanent Global Note, duly authenticated, to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

- (i) presentation and (in the case of final exchange) presentation and surrender of the Temporary Global Note to or to the order of the Principal Paying Agent; and
- (ii) receipt by the Principal Paying Agent of a certificate or certificates of non-U.S. beneficial ownership,

within 7 days of the bearer requesting such exchange.

Permanent Global Note exchangeable for Definitive Notes

The Permanent Global Note will be exchangeable in whole, but not in part, for Notes in definitive form ("**Definitive Notes**") at the request of the bearer of the Permanent Global Note against presentation and surrender of the Permanent Global Note to the Principal Paying Agent if either of the following events occurs:

- (i) 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
- (ii) any of the circumstances described in Condition 12 (*Default and enforcement*) occurs.

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 and Talons attached, in an aggregate principal amount equal to the principal amount of Notes represented by 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.

So long as the Notes are represented by a Temporary Global Notes 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 EUR 100,000 and higher integral multiples of EUR 1,000, notwithstanding that no Definitive Note will be issued with a denomination above EUR 199,000.

Terms and Conditions applicable to the Notes

The terms and conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the terms and conditions set out under "*Terms and Conditions of the Notes*" above.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "*Summary of Provisions Relating to the Notes while in Global Form*" below.

Summary of Provisions relating to the Notes while in Global Form

Clearing System Accountholders

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg as being entitled to an interest in a Global Note (each an "**Accountholder**") must look solely to Euroclear and/or Clearstream, Luxembourg for such Accountholder's share of each payment made by the Issuer to the holder of such Global Note and in relation to all other rights arising under the Global Note. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Note will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg from time to time. For so long as the relevant Notes are represented by a Global Note, Accountholders shall have no claim directly against the Issuer in respect of payments due under the Notes and such obligations of the Issuer will be discharged by payment to the holder of such Global Note.

Conditions applicable to Global Notes

Each Global Note will contain provisions which modify the terms and conditions of the Notes as they apply to the Global Note. The following is a summary of certain of those provisions:

Payments: All payments in respect of each Global Note which, according to the terms and conditions of the Notes, require presentation and/or surrender of a Note or Coupon will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the relevant 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 relevant Global Note, the Issuer shall procure that payment is noted in a schedule thereto in the records of Euroclear and Clearstream, Luxembourg.

Payment Business Day: in the case of a Global Note shall be any day on which TARGET2 (being 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) is open for the settlement of payments in euro.

Notices: Notwithstanding Condition 19 (*Notices*), while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are), deposited with a depository or a common depository for Euroclear and/or Clearstream, Luxembourg, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 19 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg.

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 approximately 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 UK (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 UK 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.

US FATCA

Notwithstanding that the Notes 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, Jersey has signed a separate inter-governmental agreement with the United States of America (“**USA-Jersey IGA**”) for automatic exchange of information which was ratified and implemented into Jersey law by regulations on 18 June 2014. Under the USA-Jersey IGA, information in respect of certain US investors will be reported direct to the Comptroller of Taxes in Jersey.

Economic substance

With effect from 1 January 2019, Jersey implemented legislation to meet EU demands for companies to demonstrate economic substance in certain circumstances (the “**Substance Law**”). Historically, the Substance Law did not apply to regulated collective investment funds, including the Issuer, who were exempt from its requirements.

On 19 February 2021, the Government of Jersey issued guidance confirming that self-managed collective investment funds will be within the scope of the Substance Law for all financial periods starting on or after 1 January 2021 and amendments to the Substance Law bringing this into effect have been passed by the Government of Jersey. As such, the Issuer is now within the scope of the Substance Law.

The Substance Law requires that self-managed collective investment funds, such as the Issuer, must satisfy the economic substance requirements set out in that law. The Substance Law provides progressive sanctions for non-compliance including financial penalties, disclosure and striking off from the register.

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

Goldman Sachs International and HSBC Continental Europe (the “**Global Coordinators**”) and Citigroup Global Markets Limited, Deutsche Bank Aktiengesellschaft, ING Bank N.V. and Raiffeisen Bank International AG (together with the Global Coordinators, the “**Joint Bookrunners**”) have, in a subscription agreement dated 29 April 2021 (as may be amended or supplemented from time to time, the “**Subscription Agreement**”) and made between Atrium and the Joint Bookrunners upon the terms and subject to the conditions contained therein, agreed to subscribe or procure subscribers for the Notes at their issue price of 98.197 per cent. of their principal amount. Atrium has also agreed to reimburse the Joint Bookrunners for certain of their expenses incurred in connection with the management of the issue of the Notes. The Joint Bookrunners 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.

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 Joint Bookrunners 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.

Prohibition of Sales to EEA Retail Investors

Each of the Joint Bookrunners 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 MiFID II; or

- (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the “**Insurance Distribution 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

Prohibition of sales to UK Retail Investors

Each Joint Bookrunner has represented, warranted 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 United Kingdom. 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 (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); or
- (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "FSMA") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

Other regulatory restrictions

Each of the Joint Bookrunners 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 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.

Jersey

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

General

Each of the Joint Bookrunners 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 Joint Bookrunners 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

Responsibility

1. Atrium accepts responsibility for the information contained in this Prospectus and declares that, to the best of the knowledge of the Issuer, the information contained in this Prospectus is in accordance with the facts and this Prospectus makes no omission likely to affect its import.

Authorisation

2. Atrium has obtained all necessary consents, approvals, confirmations and authorisations in Jersey in connection with the issue and performance of the Notes. 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 19 April 2021.

Principal amount of the Notes

3. The aggregate principal amount of the Notes to be issued on or around 4 May 2021 shall be EUR 350,000,000.

Legal and Arbitration Proceedings

4. There are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which Atrium is aware), which may have, or have had during the 12 months prior to the date of this Prospectus, a significant effect on the financial position or profitability of Atrium or the Group.

Significant/Material Change

5. Save as disclosed in the section of the Base Prospectus entitled “*Description of Atrium European Real Estate Limited and the Group – COVID-19*”, as incorporated by reference herein, there has been no significant change in the financial position or the financial performance of Atrium or of the Group since 31 December 2020. Save as disclosed in the section of the Base Prospectus entitled “*Description of Atrium European Real Estate Limited and the Group – COVID-19*”, as incorporated by reference herein, there has been no material adverse change in the prospects of Atrium since 31 December 2020.

Material Contracts

6. 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.

Clearing of the Notes

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, until the exchange of the Temporary Global Note for the Permanent Global Note, the temporary International Securities Identification Number (“**ISIN**”) is XS2338530467 and the temporary Common Code is 233853046. The Financial Instrument Short Name (FISN) and Classification of Financial Instruments Code (CFI Code) (where applicable) will be available on the website of the

Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN. 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.

Legal Entity Identifier

8. The Legal Entity Identifier (“LEI”) code of the Issuer is 213800OJ67K27RCO2J56.

Documents on Display

9. 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:

- a copy of this Prospectus (and any documents incorporated herein by reference);
- the Memorandum and Articles of Atrium;
- Atrium 2019 Financial Statements and Atrium 2020 Financial Statements;
- Atrium's Green Financing Framework;
- the Second Opinion;
- the Trust Deed; and
- the Agency Agreement;

This Prospectus and the Articles of Atrium will be published on the website of Atrium (www.aere.com) and the website of the Luxembourg Stock Exchange (www.bourse.lu). Unless specifically incorporated in this Prospectus, information contained on the Issuer’s website does not form part of this Prospectus.

Auditors

10. At the Annual General Meeting on 24 July 2019 and 23 April 2020 PricewaterhouseCoopers CI LLP were appointed as auditor of Atrium for the years ended 31 December 2019 and 31 December 2020 and at the Annual General Meeting on 26 March 2021 PricewaterhouseCoopers CI LLP were appointed as auditor of Atrium for the year ending 31 December 2021. PricewaterhouseCoopers CI LLP has audited, and rendered unqualified audit reports on the accounts of Atrium for the two years ended 31 December 2020 and 2019. The audit reports have been included in this Prospectus through incorporation by reference.

PricewaterhouseCoopers CI LLP is registered with the Jersey Financial Services Commission as Recognized Auditors under Article 110 of the Companies (Jersey) Law, 1991.

Listing

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 MiFID II. The total expenses related to the listing and admission to trading of the Notes are estimated by the Group to be EUR 800.

Issue Price and Yield

12. On the basis of the issue price of the Notes of 98.197 per cent. of their principal amount, the yield of the Notes is 4.000 per cent. on an annual basis up to the First Reset Date.

United States income tax laws

13. 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”.

Joint Bookrunners' Activities

14. Certain of the Joint Bookrunners and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and their affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Joint Bookrunners and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Joint Bookrunners or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Joint Bookrunners and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the Issuer's securities, including potentially the notes offered hereby. Any such short positions could adversely affect future trading prices of notes offered hereby. The Joint Bookrunners and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

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