Altarea absorbs the shock of the health crisis
Stable revenue and sharp decrease in debt

Urban transformation: a vast and growing market
A multi-product and multi-brand model with unimpaired potential

Residential: market share gains and growth in results
- New orders: €3,353 m (+2%)
- Revenue[1]: €2,407 m (+5%)
- Operating income: €177.0 m (+4%)
- Customer Service of the Year award for the fourth year running

Retail: strong involvement of asset management teams
- Rent collection[2]: 77% of invoicing in 2020
- Economic cost: €-29.3 m[3]
- Net rental income: -12.4% on a like-for-like basis
- Value of assets: -11.1% Group share

Business property: numerous deliveries in 2020
- Head offices: Altarea (Paris) and Danone (Rueil Malmaison)
- Logistics: 46,000 m² platform for Lidl (Nantes)
- Campus: Orange Lumière (Lyon)
- Operating income: €50.3 m

Financial results: stable revenue, FFO in line with guidance, sharp decrease in debt
- Consolidated revenue: €3,056 m (-1.7%)
- Funds from operations (FFO[4]:): €230.3 m (-21.4%), impacted by the health crisis and tax increase
- Consolidated debt[5]: €2,193 m (€-282 m), LTV[6] down to 33.0% (vs. 33.2% in 2019)
- Liquidity: €3,378 m, no RCF[7] drawn

Proposed dividend up 5.6% to €9.50/share[8], with an option to take part-payment in shares[9]
The major shareholders represented altogether 79% of the capital, already announced their intention to opt for the part-payment in shares.

Guidance:
FFO is expected to resume its growth path in 2021, if the health situation does not significantly worsen. The extent of this growth will nevertheless depend on changes in the health situation. The first half of the year will still be heavily affected by the COVID restrictions, but the second half should benefit from on the deferred deliveries of Business Property projects.

Paris, 25 February 2021, 5:45 p.m. Following review by the Supervisory Board, the Management has approved the consolidated financial statements for 2020. The audit procedures on the consolidated and parent company (Altarea SCA) financial statements have been carried out, and the audit reports relating to their certification are being issued.

1 Revenue by % of completion basis (excluding external services).
2 Rents and expenses collected (€214 m) compared to rent invoicing (€278 m).
3 Group share figure, of which €-17.3 m recognised in 2020 and €-12.1 m spread over an average of four years, in accordance with IFRS.
4 Funds from operations (FFO): net profit excluding changes in value, calculated expenses, transaction fees and changes in differed tax. Group share.
5 Consolidated net bank and bond debt.
6 Loan-to-value ratio. Consolidated net (bank and bond) debt/Restated value of assets including transfer duties.
7 Revolving credit facilities (confirmed credit authorisations).
8 As proposed to the General Meeting of shareholders of 30 June 2021, called to approve the 2020 financial statements.
9 Shareholders will be free to choose between a full payment in cash or a payment 50% in shares and 50% in cash.

“Altarea has successfully coped with the shock of the health crisis, as shown by the strength of its financial position, and is now more confident than ever in its long-term outlooks.

Faced with a crisis of unprecedented magnitude, our teams found the right solution for each situation. In Residential, their commitment made it possible to redirect our offer towards institutional investors and to maintain our growth path. In Retail, we supported our tenants in a partnership approach to preserve and reinforce the future. Lastly, in Business property, activity remained buoyant, although there was no way to avoid the postponement of several major deliveries to 2021. FFO remains in line with the guidance given last July, but nonetheless fell for the first time in more than ten years due in particular to delays in Business property projects and the increase in taxes.

At the same time, Altarea succeeded in strengthening its financial structure. Our Group’s liquidity, already high before the crisis, reached €3.4 billion. Our financial leverage is preserved with a Loan to Value ratio of 33.0%, as the sharp drop in debt, particularly in Property Development, offsets a significant correction in the value of Retail assets without deteriorating this ratio.

Altarea is confident in its short- and long-term prospects.

In the short term, FFO is expected to resume its growth path in 2021, if the health situation does not significantly worsen. The extent of this growth will nevertheless depend on changes in the health situation. The first half of the year will still be heavily affected by the COVID restrictions, but the second half should benefit from on the deferred deliveries of Business Property projects. This confidence is reflected in the proposal for a dividend increase of +5.6% to €9.50 per share at the next General Shareholders' Meeting. This proposal will be accompanied by an option to take part-payment in shares, as we have offered seven times in the last ten years. The main shareholders of the Group as well as the senior executives of Altarea, together representing nearly 80% of the share capital, have already announced their intention to subscribe to this option.

Beyond 2021, Altarea intends to resume its forward movement. As a leader in the urban transformation market, our long-term prospects are stronger than ever. The health crisis has accelerated the obsolescence of urban real estate infrastructure and accentuated the urgency of their reconversion. All the Group's projects offer exemplary solutions in terms of sustainability and the fight against climate change. In Residential, Altarea intends to continue building market share and is targeting annual sales of 18,000 units across its brand portfolio. Sales to individuals should increase while maintaining a high level of sales to institutional customers. In Retail and Business property, we will continue to make targeted investments that create value, such as the Paris Austerlitz station. Lastly, Altarea has the financial and managerial capacity to consider all kinds of opportunities which will enable it to further expand its range of skills.

We look to the future with confidence because our market is vast and growing."

Alain Taravella, Chairman and Founder of Altarea

ALTAREA: a unique property expertise platform to support urban transformation

Urban transformation: a vast and growing market

In particular, 2020 highlighted the need for an in-depth rethink of the urban planning of large gateway cities. The health crisis has accelerated the obsolescence of a numerous real estate infrastructures, which must be transformed to become more resilient (energy performance, reversibility, mixed use, new consumption, etc.). Urban transformation is more than ever a vast and growing market.

Altarea's expertise lies in developing real estate products that integrate all these challenges into a complex economic equation. The complementary nature of the Group's operating brands[10] offer all the real estate portfolio solutions that enable cities to play a key role in their transformation, either at the level of a building or on the scale of entire neighbourhoods.

Altarea, the leading property developer in France

With more than 550 projects at the end of 2020, Altarea manages the largest portfolio of property projects in France, representing a potential value[11] of nearly €19 bn[12] in all categories of product.

Secured pipeline (by product)	*Surface area (m²)*	*Potential value (€bn)*
Residential	2,772,800	12.8
Business Property	1,385,900	5.1
Retail	181,300	1.1
Total	4,340,000	19.0

These projects are carried mostly in a "developer" business model (development for sale). At the end of 2020, commitments[13] across this pipeline amounted to €1.257 m (Group share), of which €846 m already paid out and €411 m yet to be paid.

Altarea, leader in large mixed-use projects in France

These new urban centres, which are veritable condensed version of the city in all its components, avoid the artificialisation of the soil by densification and reconversion of brownfield sites. In 2020, Altarea won two projects, "L'Echo du Bois" in Tours and "Ecoquartier du Canal" in Nancy, and launched the "EuroNantes" project. These three projects together represent 150,000 m², all asset classes combined. In total, Altarea manages 13 large mixed-use projects representing a value of around €3.7 bn for nearly 910,000 m².

A financial model combining property development and asset management

In combination with its Property development activity, Altarea acts as an asset manager for targeted Retail formats with a portfolio under management of €5.0 bn, for an economic holding of €2.8 billion in Group share. Altarea also acts as a developer-investor on certain outstanding office and logistics sites.

Altarea is accordingly both the most financially powerful property developer thanks to its balance sheet, and the property investor with the greatest capacity for asset creation. This unique model proved its relevance in 2020 with a financial structure that remained solid (LTV down to 33.0%) despite the health crisis.

10 Cogedim, Pitch Promotion, Histoire & Patrimoine, Severini, Woodeum, Altarea Commerce, Altarea Entreprise, Cogedim Club, Altarea Solutions et Services.
11 Potential value = market value on delivery date. Retail: potential market value including transfer duties of projects on delivery (net rents capitalised at a market rate) at 100%, and revenue excluding VAT for development projects. Residential: offer for sale + portfolio incl. VAT. Business property: potential market value excl. transfer duties on the date of disposal for investment projects (at 100%), amount excl. VAT of off-plan sales/PDCs for the other development programmes (at 100%, or Group share for jointly owned projects), and capitalised DPM fees, near stable year-on-year.
12 Pipeline excluding the Group's backlog exceeding €4.4 bn.
13 Commitments relate only to the secured pipeline. These correspond to costs already paid out or yet to be paid under the contract and not covered by sales.

RESIDENTIAL: market share gains and growth in results

Exemplary crisis management, reflecting the agility of Altarea teams

In early 2020, Altarea pursued a strategy of winning market share in a context already characterised by a shortage of supply and resurgent interest from institutional investors. When the health crisis arose, Altarea quickly took into account the new market conditions and redirected most of its offering to institutional investors[14], to replace individuals.

The strategy was made possible by the exceptional mobilisation of the teams, which managed to close[15] the bulk of these sales in 2020 with a peak reached in May and June at the end of the first lockdown (+14% in notarised sales to €3.7 bn over the year).

New orders[16] (+2.3% in value): reversal of the individual-institutional sales mix

New orders	31/12/2020	*Change*	*Breakdown*	31/12/2019	*Breakdown*
Individuals - Residential	€609 m		*18%*	€1,011 m	*31%*
Individuals - Investment	€724 m		*22%*	€1,174 m	*36%*
Institutional investors - Block sales	€2,019 m		*60%*	€1,093 m	*33%*
Total in value (incl. VAT)	**€3,353 m**	***+2.3%***	***100%***	**€3,278 m**	***100%***
Individuals - Residential	1,622 units		*14%*	2,865 units	*24%*
Individuals - Investment	2,605 units		*22%*	4,671 units	*38%*
Institutional investors - Block sales	7,702 units		*64%*	4,592 units	*38%*
Total in units	**11,929 units**	***-1.6%***	***100%***	**12,128 units**	***100%***

The average price by units sold increased by 3%, despite the increase in sales to institutional investors.

This reorientation of the commercial strategy had the following consequences:

- reduction in the level of commitment and risk on ongoing projects;
- acceleration of commercial completion rate, which made it possible to maintain the growth of Residential revenue despite delays on building sites;
- reduction in working capital requirement[17] and debt;
- decline in margins was offset by the reduction in marketing and operating costs ;
- a rise in operating income.

A new year of growth in revenue and results

Revenue on a percentage-of-completion basis for the year 2020 was up by +5.4% to €2,407 m, operating income rose by +4.3% to €177 m and operating margin remained stable at 7.4% of revenue, helped by rigorous management of overheads. At the same time, the net financial debt of the Property Development division fell by €-314 m[18] and is now close to zero.

Residential	31/12/2020	31/12/2019	*Change*
Revenue by % of completion	**€2,407 m**	**€2,283 m**	***+5.4%***
Residential margin (before marketing costs)	€230.4 m	€248.6 m	*-7.3%*
As % of revenue	*9.6%*	*10.9%*	*-130 bps*
Net property income (after marketing costs)	**€202.3 m**	**€208.1 m**	***-2.8%***
As % of revenue	*8.4%*	*9.1%*	*-70 bps*
Residential operating income	**€177.0 m**	**€169.7 m**	***+4.3%***
As % of revenue	*7.4%*	*7.4%*	*+0 bps*

14 In particular, the Group signed three agreements with CDC Habitat for the sale of approximately 5,170 units for over €1.2 bn excluding VAT. At the end of 2020, the first agreement (3,500 units, €825 m excl. VAT) had been 89% notarised, while the other two baskets will mainly be regularised in 2021.
15 A client's definitive commitment is legally materialised upon the notarial signature, which regularises a reservation contract.
16 New orders net of withdrawals, in euros, including VAT when expressed in value. New orders at 100%, with the exception of projects under joint control (including Woodeum).
17 The Property development working capital requirement fell by €139 m in 2020.
18 Change in net banking and bond debt of Altareit, a listed subsidiary that includes all of Altarea's property development activities.

Backlog[19], pipeline and outlook

The backlog grew by +5% to €3,962 m, driven by "notarised revenue not yet recognised". This secures revenues for 2021. The Residential pipeline remained stable at €12.8 bn (49,515 units) and half of the units concerned programmes that could be launched over the next twelve months. In this way, Altarea maintains its future revenue potential. The Group intends to pursue its strategy of market share gains and reaffirms its desire to reach a target of 18,000 units sold per year.

Residential	31/12/2020	31/12/2019	*Change*
Backlog (excl. VAT)	**€3,962 m**	**€3,778 m**	***+5%***
	20 months of revenue	*20 months of revenue*	
of which notarised revenue not recognised	*€2,252 m*	*€1,722 m*	*+31%*
Pipeline (incl. VAT)[20]	**€12,798 m**	**€12,764 m**	***+0%***
	46 months of revenue	*47 months of revenue*	
	49,515 units	*48,885 units*	*+1%*
of which properties for sale	*€1,563 m*	*€2,104 m*	*-26%*
of which future offering	*€11,235 m*	*€10,659 m*	*+5%*

For 2021, Altarea anticipates continued strong Institutional investors demand and an upturn in sales to Individuals.

RETAIL: strong involvement of asset management teams

Operations disrupted by the health crisis

The year 2020 was marked by a succession of administrative measures intended to fight the pandemic which severely disrupted the activity of retailers. The performance of the centres was significantly impacted:

- footfall[21]: -26% (on average);
- tenants' revenue[22]: -18% (on average);
- rent collection rate: 77%[23];
- value of assets: -11.1% (Group share).

However, the professionalism and commitment of Altarea's asset management teams have made it possible to reduce the impact of the health crisis, notably thanks to:

- keeping the centres open, whenever possible, in a secure health environment;
- the implementation of additional services for customers and tenants;
- limiting vacancies;
- ongoing discussions with local and national authorities;
- and the renegotiation of leases with retailers in a long-term partnership approach.

Rent collection: an economic cost of €-29.3 m in Group share

The rent collection rate fot the full year 2020 is 77%[24]. Uncollected receivables (€-42.1 m) can be classified into four categories:

- non-recoverable bad debts, generally corresponding to defaults (€-10.0 m);
- reductions granted without consideration (mainly for VSEs and travel retail tenant's[25]) which were fully recognised as an expense for the period (€-8.1 m);
- reductions granted in exchange for contractual amendments to the lease[26] (€-14.0 m[27]). These contractual changes represent on average:

19 The backlog is a leading indicator of potential revenue, which includes revenue notarised not yet recognised (sold units pending notarisation to be booked in revenue according to technical progress) and units sold subject to completion (revenues reserved but not notarised).
20 Potential revenue in €m including VAT (future offering and properties for sale).
21 Change in the number of visitors, measured by Quantaflow at shopping centres equipped with this technology, or by counting cars at retail parks (excluding travel retail), in France.
22 Change in retailers' revenue incl. VAT at a constant surface area basis, 12-month rolling figure at end December 2020, in France.
23 Rents and charges collected compared to invoices. Figures expressed excluding taxes.
24 €214 m in rents and charges collected compared to €278 m invoiced (figures at 100%).
25 Waiver of one and a half months' rent and charges in accordance with the system set up by the concession-granting authority (Gare et Connexions).
26 To date, the renegotiation rate is 91% of the brands (81% completed and 10% in advanced state of negotiations).
27 Including €1.9 m recorded in the 2020 financial statements and €12.1 m spread over the residual term of the leases, in accordance with IFRS.

- an extension of the lease term by 2.6 years,
- an increase in rental value of +2.0%,
- in return for support representing 2.1 months of rent;

- receivables relating to creditworthy retailers whose leases have not been modified are legally due and will be subject to recovery measures (€-10.0 m).

Impacts of the health crisis on rents (in €m - excl. VAT)	At 100%	Group share
Provisioned bad debts	(18.7)	(10.0)
Reductions recognised directly as expenses	(11.0)	(8.1)
Reductions streamlined over time[28], recorded in 2020	(3.2)	(1.9)
Tax credit[29] recorded in 2020	3.7	2.7
Impacts recognised in 2020	**(29.2)**	**(17.3)**
Reductions streamlined over time[27], recorded after	(19.6)	(12.1)
Total economic cost	**(48.8)**	**(29.3)**

The economic cost of unrecovered rents amounted to €-48.8 m at 100%, reduced to €-29.3 m in Group share (of which €-17.3 m impacting the financial statements for 2020 and €12.1 m being spread over four years on average).

Value of assets: -11.1% Group share
At 31 December 2020, Altarea managed a portfolio of 42 assets with a total value of €5.0 bn, of which the Group owns a €2.8 m share (36 assets).

In €m	At 100%		Group share	
At 31 December 2019	**4,898**		**3,173**	
Alta Commerces Europe partnership	-		(184)	
Deliveries/Capex	408		166	
Sub-total/scope effects	**5,306**		**3,155**	
Impairment loss of assets	(689)	*-13.0%*	(351)	*-11.1%*
Total portfolio assets	**4,617**		**2,804**	
Third-party management	363			
Total assets under management	**4,980**			

Scope effects consist of the sale of two Italian assets to the Alta Commerces Europe fund[30] (in which Altarea holds a 25% stake) and deliveries of the last phase of shops at the Paris-Montparnasse station and the "Corso" mall at Cap3000.

Impairment loss of assets was €-689 m at 100% (-13.0%), reduced to €-351 m in Group share (-11.1%). This loss is mainly linked to the drop in appraisal values (66% rate effect and 34% rental effect) and, within a targeted scope, to an additional decrease in the view of liquidity for certain assets over the medium term.

As of 31 December 2020, the Retail pipeline includes 13 projects, with a potential value of €1.1 billion, broken down into two types of projects:

- the development or expansion of assets under a fully-owned "investor" model or in partnership (4 projects for a €771 million value);
- the development of Retail assets in the context of large mixed-use projects intended to be sold under a "developer" model (9 projects for a €356 million value).

In 2020, Altarea made decisive progress in its two main investment projects with the granting of the building permits for Ferney-Voltaire[31] (near the Swiss border) and for the future retail spaces of the Paris-Austerlitz

28 Over four years on average, in accordance with IFRS.
29 As part of the support measures put in place by the government, the Group offered all its eligible tenants support consisting of the waiver of all or part of the rent for November, in exchange for a tax credit related to the size of the brand in question, which for Altarea represented a total of €3.7 m at 100% (€2.7 m in Group share).
30 Transaction contracted in 2019 and finalised in 2020.
31 Not fully approved yet.

railway station. Given the context of the health crisis, Altarea will remain cautious before definitively committing to all projects in its pipeline.

In light of the health crisis, Altarea only plans to launch the Paris-Austerlitz station operation in the short term and will be cautious before committing the other projects in its pipeline.

On 8 February, Carrefour and Altarea announced a partnership on the transformation and redevelopment of 25 hectares on 3 retail assets in Nantes, Sartrouville and Flins/Aubergenville currently operated by carrefour.

BUSINESS PROPERTY: numerous deliveries in 2020

A model combining development and investment in the Paris Region and other French Regions

Altarea is the leading Business property developer in France[32] thanks to its wide range of products (multi-occupant offices, head offices, logistics platforms, hotels, universities, etc.) and its presence in the most dynamic regions (Paris Region and regional gateway cities).

At 31 December 2020, the Group managed a pipeline of €5.0 bn potential value for a limited risk in Group share (the Group's commitments on unlet or unsold projects amounted to less than €60 m in Group share).

As of 31/12/2020	No.	Surface area (m²) at 100%	Potential value at 100% (€m excl. VAT)
Investment	6	231,000	2642
Property developer	53	1,118,500	2,281
DPM	3	36,400	122
Total	**62**	**1,385,900**	**5,045**
of which Offices	*55*	*794,000*	*4,521*
of which Logistics	*7*	*591,900*	*524*
of which Paris Region	*18*	*466,700*	*3,289*
of which Regions	*44*	*916,200*	*1,756*

In 2020, Altarea accelerated its development in the Regions, with six new property development projects in major regional cities (Nantes, Lyon, Aix-en-Provence and Marseille), which should contribute to the Group's operating income from 2021.

The contribution of Logistics (XXL platforms and urban logistics) should also increase in the coming years; the Group manages a large pipeline of projects developed under a "developer-investor" model.

Iconic deliveries in 2020 and catch up with delays due to the health crisis in early 2021

In 2020, Altarea Entreprise teams delivered several iconic projects, including Altarea's head office at 87 rue de Richelieu (Paris), Convergence the new global head office of Danone (Rueil-Malmaison), a 46,000 m² logistics platform for Lidl (Nantes) and "Orange Lumière" in Lyon Part-Dieu.

Several deliveries and disposals initially planned for the end of 2020 have been postponed to 2021 due to the delays in building sites, including "Bridge", Orange's future headquarters in Issy-les-Moulineaux, as well as the "Eria" project in La Défense, which will house the future Cybersecurity agency ordered by the French President. These postponements explain the entire decline in the contribution of Business Property to the Group's operating income in 2020.

32 Every year, the Developer Rankings published by Innovapresse analyses and compares business volumes, the number of residential units or square metres of offices produced, and the financial results of the principal private property developers. The 31st edition included 60 of the main players in the sector.

ALTAREA: a more committed company than ever

Part of its business model and sustainable and responsible growth strategy[33], the ESG approach "Tous Engagés!" ("All committed together!"), proved particularly relevant during the pandemic.

Employee engagement
Throughout the year, all Altarea's employees have shown exemplary motivation to sustain the activity and performance of the Group.

Altarea has striven to ensure the safety of its employees and provide healthy working conditions. Its new head office in rue de Richelieu, Paris, remained open throughout, including its catering services. The Group also intensified its training programme: 98% of employees received at least one training session in 2020 (4,300 hours of training given). Also, Altarea strongly supported employment, for young people by strengthening its work-study programme (287 work-study students hosted) and for its partners across France (each Altarea employee generates 22 direct and indirect jobs in the community). In recognition of its long-standing human resources policy, particularly in 2020, Altarea was named a "Top Employer France"[34] at the start of 2021.

Over many years, Altarea has successfully cultivated a strong image as an employer and conveyed to its 1 983 employees, its working values, commitment and pride in belonging. Joining Altarea means choosing a Group with strong values, delivering innovative projects where achievements are recognised and the value created is shared.

Customer engagement
In the midst of a health crisis where maintaining contact with customers proved essential, Altarea is not content merely to maintain links but has intensified its efforts to build ever closer relations. The Group rolled out a whole series of digital tools to support its Customers, without letting online tools replace human contact. As a sign of the teams' commitment, the Group was voted "Customer Service of the Year" for the fourth consecutive year in the developer category and ranked second in the "Customer Service Top 10" (all sectors included) created by HCG for Les Echos[35], moving up one place.

Environmental commitment
Altarea is at the front line of the environmental struggle and has policies in place to combat climate change every day: a reduction of -87.5% in CO_2 emissions across its Retail assets (compared to 2010), prioritising renovations for Office projects in the Paris Region (42% of projects) and the circular economy (short supply chains and reuse of materials), carbon-free building practices, countering the artificialisation of land and urban sprawl, reintroducing nature to the city, energy efficiency and use of renewable energies[36].

As a symbol of this renewed commitment, the Group confirmed its "Green Star 5*" status at GRESB this year, attesting to its long-term performance. Altarea has also obtained an A rating for transparency, a token of the quality of its institutional publications and the reliability and exhaustive scope of its ESG reporting.

33 Altarea is committed to respecting as a priority eight of the UN Sustainable Development Goals: good health and well-being; Decent work and economic growth; Sustainable cities and communities; Measures relating to the fight against climate change; Clean and affordable energy; Industry, Innovation and Infrastructure; Responsible consumption and production; Life on land; Gender equality; Reduced inequalities.
34 The HR Best Practices survey is run by the Top Employers Institute, which for more than 25 years has been rating companies' HR and management practice. The survey covered 6 major areas of HR broken down into 20 themes, such as talent management strategy, working environment, Talent Acquisition, training and skills development, well-being at work and diversity and inclusion.
35 Produced by the consulting firm The Human Consulting Group for Les Echos, this ranking distinguishes the 200 best-performing French companies in terms of customer relations.
36 79% of Altarea's Business property projects used renewable energy in 2020 and 27% plan to generate renewable energy on site. m

Financial results: stable revenue, FFO in line with guidance, sharp decrease in debt

Funds from operations (FFO) Group share amounted to €230.3 m in 2020 (€-62.8 m, i.e. -21%). The change in FFO breaks down as follows:

- decrease in Retail operating income (€-31.6 m, including €-28.6 COVID-19 impact on net rental income);
- increase in Residential operating income[37] (+€7.3 m);
- decrease in Business property operating income (€-22.3 m), mainly due to delivery and disposals delays in 2021;
- increase in income tax payable (€-19.5 m);
- other results (financial expenses, minority interests, etc.) for €+3.3 m.

FFO in Group share amounted to €13.48 per share (-24.6%), after taking into account the capital increase resulting from the FCPE and the payment of the 2019 dividend in securities[38].

in €m	Retail	Residential	Business Property	Other (Corporate)	Funds from operations (FFO)	Changes in value, estimated expenses and transaction costs	TOTAL
Revenue	**216.4**	**2416.9**	**422.7**	**0.1**	**3,056.2**	**-**	**3056.2**
Change vs. 31/12/2019	*(4.8)%*	*+5.3%*	*(28.1)%*	*n.a.*	*(1.7)%*		
Net rental income	159.3	-	-	-	159.3	-	1,509.3
Net property income	0.1	202.3	22.0	(0.1)	224.3	(0.6)	223.8
External services	17.9	10.1	6.2	0.1	34.3	-	34.3
Net revenue	**177.3**	**212.4**	**28.2**	**0.0**	**417.9**	**(0.6)**	**417.4**
Change vs. 31/12/2019	*(15.5)%*	*(3.2)%*	*23.6%*	*n.a.*	*(7.4)%*		
Own work capitalised and production held in inventory	5.6	163.0	13.9	-	182.5	-	182.5
Operating expenses	(38.0)	(209.1)	(29.4)	(4.1)	(280.6)	(15.8)	(296.5)
Net overhead expenses	**(32.5)**	**(46.2)**	**(15.4)**	**(4.1)**	**(98.2)**	**(15.8)**	**(114.0)**
Share of equity-method affiliates	3.4	10.8	37.6	*n.a.*	51.8	(1.3)	50.5
Income/loss on sale of assets Retail						(4.6)	(4.6)
Change in value, estimated expenses and transaction costs – Retail						(649.6)	(649.6)
Calculated expenses and transaction costs - Residential						(19.0)	(19.0)
Calculated expenses and transaction costs - Business Property						2.0	2.0
Other provisions Corporate						(9.0)	(9.0)
Operating income	**148.2**	**177.0**	**50.3**	**(4.0)**	**371.6**	**(698.0)**	**(326.4)**
Change vs. 31/12/2019	*(17.6)%*	*4.3%*	*(30.7)%*	*n.a.*	*(10.0)%*		
Net borrowing costs	(30.0)	(11.6)	(9.0)	-	(50.6)	(18.2)	(68.8)
Other financial results	(2.4)	(3.8)	(1.5)	-	(7.7)	(9.5)	(17.1)
Gains/losses in the value of financial instruments	-	-	-	-	-	(56.5)	(56.5)
Proceeds from the disposal of investments	-	-	-	-	-	(0.0)	(0.0)
Corporate income tax	(6.0)	(12.5)	(8.1)	-	(26.6)	(28.4)	(54.9)
Net income	**109.8**	**149.2**	**31.8**	**(4.0)**	**286.8**	**(810.5)**	**(523.8)**
Non-controlling interests	(35.3)	(21.3)	0.2	-	(56.5)	272.5	216.0
Net income, Group share	**74.5**	**127.8**	**32.0**	**(4.0)**	**230.3**	**(538.1)**	**(307.7)**
Change vs. 31/12/2019	*(25.1)%*	*(7.1)%*	*(51.1)%*	*n.a.*	*(21.4)%*		
Diluted average number of shares					*17,081,054*		
Net income, Group share per share					**13.48**		
Change vs. 31/12/2019					*(24.6)%*		

37 In order to best reflect the economic contribution of its managed residences business, Altarea decided to restate the positive impact of IFRS 16 on its contribution to the FFO, for an amount of €-7.5 million euros (vs. €-5.7 million in 2019) in exchange for the increase in Changes in value, estimated expenses and transaction costs, thus reducing FFO operating income accordingly.
38 The 2019 dividend in shares (ex-dividend in July 2020) led to the creation of 599,267 new shares and the capital increase reserved for the employee mutual fund FCPE, which amounted to 40,166 shares.

Going concern net asset value (NAV): €156.4/share (-11.5%)

The decrease in going concern NAV (€-20.4/share, i.e. -11.5%) is entirely attributable to the impairment loss on Retail (€-21.3/share).

	31/12/2020	*Var.*	31/12/2019	*Change*
NNNAV (NAV liquidation)	€2,631 m	*€-241 m*	€2,872 m	*-8.4%*
per share	*€152.3*	*€-19.7*	*€172.0*	*-11.4%*
Going concern NAV (fully diluted)[39]	**€2,703 m**	***€-250 m***	**€2,953 m**	***-8.5%***
per share	***€156.4***	***€-20.4***	***€176.8***	***-11.5%***

Every year, Altarea has its Property Development division appraised as part of its NAV. At 31 December 2020, the appraisal value of this division grew sharply, driven by both good results and a structural decline in capital employed. Out of prudence, Altarea decided to keep the enterprise value of the Property development division stable[40] at 31 December 2020 in order to maintain its ability to maintain positive momentum in NAV in the future.

High liquidity: €3.4 bn

During 2020, the Group arranged new long-term financing of €1.1 bn for an average of five years and five months. Available liquidity as of 31 December 2020 was €3.4 bn (€2.7 bn as of 31 December 2019) broken down as follows.

Available (in €m)	Cash	Unused credit facilities	Total
At Corporate level	774	1,202	1,976
At project level	691	711	1,402
Total	**1,465**	**1,913**	**3,378**

Unused credit lines consist of RCFs for an amount of €1,165 m[41] undrawn as of 31 December 2020, and which the Group does not intend to drawn on for several months. The liquidity available at Corporate level to date covers all bank and bond maturities up to 2025.

Loan ratios bolstered by the drop in net debt: LTV down to 33.0%

	31/12/2020	31/12/2019	*Change*
Net debt	€2,193 m	€2,475 m	*€-282 m*
LTV[42]	33.0%	33.2%	*-0.2 pt*
Net debt to EBITDA ratio[43]	5.9x	5.9x	-
ICR[44]	7.3x	7.3x	-
Debt maturity	5 years and 1 mth	4 yrs 9 mths	*+ 4 mths*
Cost of debt[45]	1.94%	2.21%	*-0.27 pts*

At 31 December 2020, the Group posted solid credit ratios, with a decrease in LTV, as the decrease in net debt (€-282 m) more than offset impairment booked for Retail assets.

39 Equity market value assuming a continuation in business, taking into account the potential dilution related to the SCA status.
40 This value is well below the average of the low scenario appraisal values.
41 Revolving credit facilities (confirmed credit authorisations).
42 Loan-to-Value (LTV): indebtedness ratio. Consolidated net bond and bank debt/Consolidated market value of Group assets.
43 FFO Operating income over net bond and bank debt.
44 Interest coverage ratio (ICR): operating income/net borrowing costs.
45 Average total cost including related fees (commitment fees, CNU, etc.).

OUTLOOK

Dividend for the 2020 financial year

A dividend of €9.50/share will be proposed to the General Shareholders' Meeting of 30 June 2021, for the financial year 2020, up 5.9% compared to 2019. Shareholders will also be offered the option to take part-payment in shares. They will be free to choose between:

- full payment in cash;
- 50% in share, and 50% in cash.

Guidance

FFO is expected to resume its growth path in 2021, if the health situation does not significantly worsen. The extent of this growth will nevertheless depend on changes in the health situation. The first half of the year will still be heavily affected by the COVID restrictions, but the second half should benefit from on the deferred deliveries of Business Property projects.

Financial calendar 2021

First quarter 2021 revenue:	11 May 2021 (after trading)
Combined Shareholders' Meeting:	30 June 2021 (10 a.m.)

A presentation will be available for download on the Finance page of Altarea's website, in both French and English tomorrow morning.

ABOUT ALTAREA – FR0000033219 - ALTA

Altarea is the leading property developer in France. As both a developer and an investor, the Group operates in the three main property markets (Retail, Residential and Business property), leading major mixed-use urban renewal projects in France. The Group has the required expertise in each sector to design, develop, market and manage made-to-measure property products. In Retail, Altarea managed assets of €5.0 billion (€2.0 billion in Group share) as of 31 December 2020. Listed in Compartment A of Euronext Paris.

FINANCE CONTACTS

Eric Dumas, Chief Financial Officer
edumas@altarea.com, tel : + 33 1 44 95 51 42

Paul Richardier, Investor Relations
prichardier@altarea.com, tel: +33 7 87 29 60 35

Agnès Villeret - KOMODO
agnes.villeret@agence-komodo.com, tel: +33 6 83 28 04 15

BUSINESS REVIEW

31 DECEMBER 2020

CONTENTS

1.1 Business

1.1.1 Retail

Intense activity in asset management

In 2020, Altarea had to deal with the difficulties that affected all retail players faced with the pandemic:

• decrease in footfall and revenue following major operational disruptions;

• difficulties in collecting rent invoicing;

• decline in values.

However, the professionalism and commitment of Altarea's asset management teams have made it possible to reduce the impact of the health crisis, notably thanks to:

• maintaining the operation of the centres in a secure environment whenever possible;

• the introduction of additional services for customers and tenants[46];

• keeping vacancies down;

• ongoing discussions with local and national authorities;

• and finally, the renegotiation of leases with retailers in a long-term partnership approach.

Rigorous management has also made it possible to lower rental expenses and thus reduce the costs weighing on retailers.

A strategy that helped to absorb the financial impacts of the health crisis

Altarea's strategy, which consists in fully exploiting the operational know-how of its teams whilst reducing its capital exposure to a small number of formats (€5.0 billion in assets under management, of which €2.8 billion in assets in Group share at the end of 2020) proved its value during the health crisis. The economic cost of unrecovered rents (€48.8 million[47] at 100%) was brought down to €29.3 million in Group share. Similarly, the impairment loss on assets under management (€689 million at 100%) was €351 million in Group share.

1.1.1.1 PORTFOLIO

Impact of the pandemic on the centres' businesses

The activity of shopping centre brands was badly disrupted in 2020:

• total lockdown from mid-March to mid-May: the centres remained open to allow "essential" retail to continue to trade. The public reception facilities have been resized to limit operating costs, whilst maintaining the safety and the comfort of the customer's experience;

• gradual relaxation of restrictions with the reopening of "non-essential" retail (mid-May), then cafes and restaurants (June) and finally cinemas (end of June);

• near "normal" trading from 22 June to the end of October:

• new lockdowns in November and the introduction of curfews (8:00 p.m. and 6:00 p.m. depending on the region) repressed activity in the last quarter.

Since the beginning of January 2021, all sites have been subject to a curfew at 6:00 p.m. and since January 31, "non-essential" stores in French centres of more than 20,000 m² (i.e., 32% of the Group share rental base) had to stop trading for a still unknown period.

Government support measures

As part of the support measures put in place by the Government, the Group offered all its eligible tenants support consisting of the waiver of all or part of the rent for November, in exchange for a tax credit related to the size of the brand in question, which for Altarea represented of €3.7 million at 100% (€2.7 million in Group share).

For the most severely affected retailers[48] due to their prolonged closure, public support schemes have been strengthened to help traders pay their main charges:

• extension of the Government's exceptional provisions for partial unemployment;

• postponement of the first repayments of EMPs to 2022 and possibility of obtaining additional moratoria on current loans;

• payment of part of the fixed costs by the Government[49] (including rent and rental expenses) and compensation for a portion of lost revenue[50].

Impacts of the pandemic on the performance indicators of the centres

Tenants' revenue[51] and footfall[52]

	Tenant's revenue (incl. VAT)	Footfall
French portfolio	(18)%	(26)%
Benchmark France (CNCC)	*(26)%*	*(28)%*

[46] In compliance with strict health protocols, the Group has made available to retailers a dedicated Click & Collect service, monitoring at the entrance to shopping centres and publishing information on the visitor numbers of each site online.

[47] Including €29.2 million taken into account in 2020 and €19.6 million spread over subsequent years.

[48] Restaurants in particular and entertainment.

[49] Cap of 70% for retailers with a monthly turnover of more than €1 million up to a limit of €3 million for the first half of 2021.

[50] Support from the solidarity fund: €10,000 per month or, in the event of a fall in revenue of more than 70%, compensation of 20% of monthly revenue for N-1 up to a limit of €200,000.

[51] Change in tenants' revenue incl. VAT for constant surface area basis, 12-month rolling figure on the indicated date in France.

[52] Change in footfall, measured by Quantaflow in equipped shopping centres, and by counting cars for the retail parks (excluding travel retail outlets) and CNCC data (12-month rolling on the indicated date).

Footfall in the French portfolio was down by 26%, whilst revenue fell by 18%, the drop in footfall being partially offset by an increase in the average shopping basket and conversion rates.

Revenue from retailers that remained open for all of the Group's sites increased by +4.3% at the end of December 2020.

The retail parks, thanks to their open-air configuration and their offer focused on household equipment, recorded growth in performance.

Conversely, station retail was the most heavily impacted due to the decline in passenger traffic, even though this format was the most successful before the health crisis.

Vacancy rate

At 100%	31/12/2020	31/12/2019	31/12/2018
Financial vacancy	4.1%	1.6%	1.3%

The COVID-19 pandemic has led to an overall slowdown in marketing, directly impacting financial vacancies.

Rent collection

Collection rate

The health crisis had a direct impact on the collection of rent invoicing, particularly for the second quarter. In total, the collection rate for 2020 in France was 77% (€214 million in rent and charges collected compared to €278 million invoiced)[53].

Recognition of unrecovered receivables (€64 m excl. tax credit)

The table below breaks down the total economic cost of uncollected receivables according to their category and accounting treatment:

Impacts of the health crisis on rents (in €m)	At 100%	Group share
Bad debt provisions	(18.7)	(10.0)
Reductions recognised directly as expenses	(11.0)	(8.1)
Reductions streamlined over time [(a)] (recorded in 2020)	(3.2)	(1.9)
Tax credit recognised in 2020	3.7	2.7
Impact recognised in 2020	(29.2)	(17.3)
Reductions streamlined over time [(a)] (recorded after 2020)	(19.6)	(12.1)
Total economic cost	**(48.8)**	**(29.3)**

(a) On average over four years.

Uncollected receivables are classified into four categories:

• bad debts provisioned as irrecoverable, generally corresponding to defaults for which the cost amounted to €18.7 million at 100% (€10.0 million in Group share);

• reductions granted without consideration (mainly for VSEs and retail in railway stations[54]) which were fully recognised as an expense for the period for an amount of €11.0 million at 100% (€8.1 million in Group share);

• reductions granted in exchange for contractual modifications to the lease[55]. The changes negotiated represent on average:

- an extension of the lease term by 2.6 years,
- an increase in rental value of +2.0%,
- in return for support equivalent to 2.1 months of rent (taken mainly from unrecovered second-quarter invoicing).

These reductions represent a total amount of €22.8 million at 100% (€14.0 million in Group share) and in accordance with IFRS, they will be spread over the residual term of the lease. In 2020, €3.2 million in reductions have already been recorded (€1.9 million in Group share).

• uncollected receivables concerning creditworthy brands whose leases have not been modified and for which the corresponding amounts are legally due, will be subject to recovery measures. They represent an amount of €11.9 million at 100% (€10.0 million in Group share).

Consolidated net rental income[56]

In 2020, net rental income was down by 12.4% on a like-for-like basis.

France and International	in €m	*Change.*
Net rental income at 31 December 2019	**190.7**	
Disposals/partnerships	(18.5)	
Deliveries	9.7	
Net rental income on a like-for-like basis	**181.9**	
Indexing, asset management, relocations	6.0	*+3.3%*
COVID-19 impact [(a)]	(28.6)	*(15.7)%*
Net rental income at 31 December 2020	**159.3**	***(12.4)%***

(a) Consolidated figure excluding tax credit (€28.0m at 100% after tax credit, €16.4 m in Group share).

Deliveries (expansion of Cap 3000, Paris-Montparnasse) had an impact of €+9.7 million in 2020 which partially offset the disposals and partnerships finalised in 2019 (full year effect) and in 2020.

Lease expiry schedule

Lease end date	In €m, at 100%	% of total	3-year termination option	% of total
Expired	15.2	*6.0%*	21.5	*8.4%*
2021	15.0	*5.9%*	15.0	*5.9%*
2022	12.9	*5.9%*	12.9	*5.1%*
2023	10.8	*5.1%*	10.8	*4.2%*
2024	21.6	*4.2%*	21.6	*8.5%*
2025	26.2	*8.5%*	26.2	*10.3%*
2026	28.4	*10.3%*	28.4	*11.1%*
2027	23.7	*11.1%*	30.2	*11.8%*
2028	28.2	*9.3%*	34.8	*13.6%*
2029	29.1	*11.0%*	29.1	*11.4%*
2030	7.5	*11.4%*	7.5	*2.9%*
> 2030	36.8	*14.4%*	17.4	*6.8%*
Total	**255.4**	**100%**	**255.4**	**100%**

[53] Total amount excluding tax. The recovery rate is identical (Group share).
[54] Waiver of one and a half months' rent and charges in accordance with the system set up by the concession-granting authority (Gare et Connexions).
[55] To date, the renegotiation rate is 91% of the concerned brands (80% completed and 10% in advanced state of negotiations). These are mainly medium-sized brands.

[56] The Group reports net rental income including the contribution to the marketing fund, the re-billing of work and investments as lessor, that are not included in the EPRA definition of net rental income.

Portfolio valuation

Figures at 100%	No.	GLA (in m²)	Current gross rental income (€m) [d]	Appraisal value (€m) [e]
Controlled assets [a]	30	665,500	217.0	3,982
Equity assets [b]	6	161,600	38.5	635
Total portfolio assets	**36**	**827,100**	**255.5**	**4,617**
o/w Group share	*n/a*		*137.3*	2,804
Management for third parties [c]	6	118,900	23.0	363
Total assets under management	**42**	**946,000**	**278.5**	**4,980**

[a] Assets in which Altarea holds shares and over which the Group exercises operational control. Fully consolidated in the consolidated financial statements.

[b] Assets in which Altarea is not the majority shareholder, but for which Altarea exercises joint operational control or a significant influence. Consolidated using the equity method in the consolidated financial statements.

[c] Assets held entirely by third parties who entrusted Altarea with a management mandate for an initial period of three to five years, renewable.

[d] Rental values on signed leases at 1 January 2021.

[e] Appraisal value including transfer duties.

Breakdown of the portfolio by asset type

At the end of 2020, Altarea managed assets of €5.0 billion (at 100%) with a Group share value of €2.8 billion, concentrated in four formats:

Regional shopping centres

In addition to their traditional benefits (wide product range, frequent changes in brands, events at all times) and their extensive offer of leisure activities, large shopping centres have become particularly efficient at meeting clients' service quality expectations notably through their mastery of the digital tools which allow customers to prepare for their visits and customise their experience in the long-term. As genuine destinations in their own right, their scale allows them to offer the most complete customer experience of the entire retail universe.

Major retail parks

Large retail parks are based on promising fundamentals: rigorous control of costs at all stages (construction, rent and charges, maintenance) allowing brands to offer a particularly effective price/product mix.

The growth in legislation preventing urban sprawl is imposing drastic limits on the creation of new retail parks, which is making rentals in this format increasing hard to come by, even though sought after by international brands looking for larger flagship stores at competitive prices.

Travel retail

Retail spaces in railway stations have to deal with intensive footfall and a wide range of customer profiles (international, national or local travellers, and users from the area surrounding the railway station).

The challenge associated with this type of retail is to calibrate the offer in terms of products and services with the various customer pathways. Thanks to the exceptional volume of natural footfall, those railway stations which have managed to optimise this offer are seeing the highest returns recorded across all retail formats.

Convenience stores

Customer loyalty to convenience stores is very strong as this format provides simple solutions for the new way of life and of consuming in towns and cities:

- cars being abandoned in favour of other forms of mobility;
- increased density of housing and reduction in storage space;
- high demand for food outlets and local sourcing;
- development of restaurant offers and services.

At 100% (€m)	31/12/2020		31/12/2019	
Regional shopping centres	2,880	*62%*	3,033	*63%*
Travel retail	471	*10%*	478	*10%*
Retail parks	869	*19%*	950	*20%*
Convenience stores	397	*9%*	341	*7%*
Total	**4,617**	*100%*	**4,801**	*100%*

Group share (€m)	31/12/2020		31/12/2019	
Regional shopping centres	1,439	*52%*	1,531	*53%*
Travel retail	424	*15%*	429	*15%*
Retail parks	747	*26%*	817	*28%*
Convenience stores	194	*7%*	116	*4%*
Total	**2,804**	*100%*	**2,893**	*100%*

Portfolio valuation

As of 31 December 2020, Altarea manages a portfolio of shopping centres valued at €5.0 billion at 100%, of which the Group holds a share of €2.8 billion (i.e. 56%).

in €m	At 100%		Group share	
As of 31 December 2019 [a]	4,898		3,173	
Alta Commerces Europe Partnership			(184)	
Deliveries/Capex	408		166	
Sub-total/scope effects	**5,306**		**3,155**	
Loss in the value of assets	**(689)**	***(13.0)%***	**(351)**	***(11.1)%***
Total portfolio assets	**4,617**		**2,804**	
Third-party management	363			
Total assets under management	**4,980**			

(a) Including assets held for sale at the end of 2019 and Italian assets intended for the partnership.

In early 2020, Altarea sold to the Alta Commerces Europe fund[57] its last two Italian shopping centres, which it continues to manage (Alta Commerces Europe is a fund in which Altarea holds a 25% stake and Crédit Agricole Assurances 75%).

During the year, Altarea delivered the last phase of the Paris-Montparnasse station, and completed the expansion-renovation of Cap 3000 with the delivery of the "Corso" mall. These deliveries (as well as various smaller investments) represented a value including duties of €408 million at 100% (€166 million in Group share).

Overall, the impairment loss on Retail assets represented a decrease of 13.0%[58]. This loss is related to the decline in appraised values and, on a targeted basis, to an additional decrease in the view of liquidity for certain assets over the medium term.

The decrease in appraisal values breaks down into:

• a rate effect of 66%:

- increase in property exit rates[59] used by appraisers (+28 bps);

- increase in discount rates (+34 bps);

• a market rental value effect[60] (ERV) of 34%.

The two tables below show property exit rates by asset type.

At 100%	31/12/2020	31/12/2019
Regional shopping centres	4.93%	4.65%
Retail parks	5.70%	5.39%
Convenience stores	6.10%	5.72%
Weighted average	**5.18%**	**4.90%**

Group share	31/12/2020	31/12/2019
Regional shopping centres	5.07%	4.79%
Retail parks	5.73%	5.41%
Convenience stores	7.06%	6.78%
Weighted average	**5.38%**	**5.09%**

NB: since the retail outlets are operated under concession, there is no capitalisation rate. (full ownership rate equivalents are slightly below 5%).

[57] This transaction, recognized in the consolidated financial statements in accordance with IFRS 5, had already been taken into account in the portfolio value published in the business review for 2019 (proforma value of €4,801 million at 100% and €2,893 million in Group share).
[58] Figure on the portfolio at 100%. In proportionate share, the decrease was 11.1%.

[59] The exit rate (or "capitalisation rate") is used by appraisers to capitalise rents in the terminal period of their DCF models. It reflects the fundamental medium- to long-term quality of assets.
[60] Relocation assumptions taken into account in the business plans used for appraisals.

Portfolio and assets under management at 31 December 2020

Asset and type	GLA (in m²)	Gross rents (€m)	Value (€m)	Group share	Value GS (€m)
Cap 3000 (Nice)	105,600			33%	
Espace Gramont (Toulouse)	56,700			51%	
Avenue 83 (Toulon-La Valette)	53,500			51%	
Qwartz (Villeneuve-la-Garenne)	43,300			100%	
Sant Cugat (Barcelona, Spain)	43,000			100%	
Bercy Village (Paris)	23,500			51%	
Large shopping centres (6 assets)	**325,600**	**124**	**2,657**		**1,383**
Montparnasse station - Phases 1, 2 & 3 (Paris)	18,200			100%	
Gare de l'Est (Paris)	6,800			51%	
Italian railway stations (5 assets)	8,600			100%	
Oxygen (Belvédère 92)	2,900			100%	
Travel retail (8 assets)	**36,500**	**47**	**471**		**424**
Family Village (Le Mans-Ruaudin)	30,500			100%	
Family Village (Limoges)	29,000			100%	
Family Village (Nîmes)	28,800			100%	
Les Portes de Brest Guipavas (Brest)	28,600			100%	
Family Village (Aubergenville)	27,800			100%	
Espace Chanteraines (Gennevilliers)	23,700			51%	
Thiais Village (Thiais)	22,800			100%	
Les Portes d'Ambresis (Villeparisis)	20,300			100%	
La Vigie (Strasbourg)	18,200			100%	
Marques Avenue A13 (Aubergenville)	12,900			100%	
Pierrelaye	10,000			100%	
Retail parks (11 assets)	**252,600**	**37**	**722**		**673**
-X% Massy	18,400			100%	
Grand Place (Lille)	8,300			100%	
Les Essarts-Le-Roi	11,000			100%	
Miscellaneous (2 assets)	13,100			100%	
Convenience stores (5 assets)	**50,800**	**9**	**131**		**131**
Controlled assets [(a)] (30 assets)	**665,500**	**217**	**3,982**		**2,612**
Le Due Torri (Bergamo - Stezzano, Italy)	30,900			25%	
Corte Lombarda (Bellinzago, Italy)	21,200			25%	
Carré de Soie (Lyon)	51,000			50%	
Le Parks (Paris)	33,300			25%	
Reflets Compans (Toulouse)	14,000			25%	
Jas de Bouffan (Aix-en-Provence)	9,800			18%	
Miscellaneous	1,400			49%	
Equity-method assets [(b)] (6 assets)	**161,600**	**39**	**635**		**192**
Total portfolio assets (36 assets)	**827,100**	**256**	**4,617**		**2,804**
Third-party asset management [(c)] (6 assets)	**118,900**	**23**	**363**		
Total assets under management (42 assets)	**946,000**	**279**	**4,980**		

[(a)] Assets in which Altarea holds shares and over which the Group exercises operational control. Fully consolidated in the consolidated financial statements.
[(b)] Assets in which Altarea is not the majority shareholder, but for which Altarea exercises joint operational control or a significant influence. Consolidated using the equity method in the consolidated financial statements.
[(c)] Assets held entirely by third parties who entrusted Altarea with a management mandate for an initial period of three to five years, renewable.

1.1.1.3 PIPELINE AT 31 DECEMBER 2020

As of 31 December 2020, the Retail pipeline includes thirteen projects, with a potential value of €1.1 billion.

Pipeline Retail	GLA (in m²)	Potential value (€m) [(a)]
Creations/expansions (4 projects)	85,100	771
Large mixed-use projects (9 projects) [(b)]	96,200	356
Total	**181,300**	**1,127**

[(a)] Retail - Creations/expansions: potential market value including duties on projects on delivery, at 100%. Retail component – Large Mixed-use projects: revenue excl. VAT or potential value including transfer duties.
[(b)] Of which six projects have already been sold, for a total amount of €275 m.

In 2020, the Group:

• delivered the last phase of the expansion of Cap 3000 (Corso), already sold at more than 70% and whose full opening is planned in 2021, as well as the last phase of the renovation of the retail spaces of the Paris-Montparnasse railway station;

• delivered the expansion of Sant Cugat to accommodate Decathlon and Primark over a surface area of 5,000 m²;

• sold the convenience stores of the large mixed-use Bobigny-La Place project to an institutional investor for €42 million including VAT.

The Group's pipeline is broken down into two types of projects:

• the development or expansion of assets under a fully-owned "investor" model or in partnership;

• the development of Retail assets in the context of large mixed-use projects intended to be sold under a "developer" model.

In 2020, Altarea made decisive progress in its two main investment projects, with the granting of the building permits for Ferney-Voltaire[61] (near the Swiss border) and for the future retail spaces of the Paris-Austerlitz railway station.

In light of the health crisis, Altarea only plans to launch the Paris-Austerlitz station operation in the short term and will be cautious before committing the other projects in its pipeline.

On 8 February, Carrefour and Altarea announced a partnership on the transformation and redevelopment of property assets.

Sharing the same desire to be a player in the city of tomorrow, Carrefour and Altarea have decided to partner on the implementation of three urban development projects in Nantes, Sartrouville and Flins/Aubergenville. In total, around 25 hectares will become living spaces, in addition to their initial commercial purpose, thanks to a complete overhaul.

These projects will be linked by common ambitions:

• designing the neighbourhoods of tomorrow in collaboration with local authorities and elected representatives;

• developing and equipping neighbourhoods adapted to their environment, offering their inhabitants new green living spaces and a mix of uses;

• promote the development of eco-responsible mobility through nearby services.

"Retail – Creation/Expansion" pipeline		Group share	GLA (in m²) [(a)]	Rents gross (€m)	Invest. net (€m) [(b)]	Yield	Potential value (€m) [(c)]	Progress
La Vigie (Strasbourg)	Expansion	100%	10,300					Secured
Aubergenville 2	Expansion	100%	1,500					Secured
Expansion (2)			**11,800**					
Paris-Austerlitz railway station	Creation	100%	25,200					Secured
Ferney-Voltaire (Geneva area)	Creation	100%	48,100					Secured
Creations (2)			**73,300**					
Total at 31 December 2020 (4 projects)			**85,100**	**50**	**589**	**8.4%**	**771**	

(a) Total GLA created (in m²). For renovation/expansion projects, figures represent additional GLA created.
(b) Total budget including financing expenses and internal costs.
(c) Potential market value inclusive of duties of the projects on delivery (net rental income capitalised at market rates).

61 Not fully approved yet.

1.1.2 Residential

1.1.2.1 STRATEGY

The Group's development strategy aims to establish strong positions in and around France's most dynamic gateway cities and in mid-sized towns, where the need for residential units is the highest.

The entire offer for sale and the land portfolio are therefore located in "high-demand" areas, consist of multi-family buildings and have high quality and/or environmental certifications.

Altarea is now the second-biggest Residential developer in France[62]. The Group is structured to be able to reach a potential of 18,000 units sold per year depending on market conditions.

A multi-brand and multi-product strategy

The various Group brands (Cogedim, Pitch Promotion, Histoire & Patrimoine, Woodeum, Severini and Cogedim Club) enjoy operational autonomy whilst benefiting from the power of the Group embodied by the Altarea umbrella brand (strategy, finance, support, etc.).

The Group thus provides a well-judged response in all market segments for all customer types:

• High-end: products defined by demanding requirements in terms of location, architecture and quality;

• Entry-level and mid-range: programmes specifically designed to address: the need for affordable housing both for first-time buyers (secured prices), private investment and institution; the challenges facing social landlords;

• Serviced Residences: Altarea is currently developing this type of offering, particularly under the Cogedim Club brand for active senior citizens, combining city-centre locations with a range of a la carte services;

• Renovation of historical sites: under the Histoire & Patrimoine brand, the Group has a range of products for Historical Monuments, Malraux Law properties and Real Estate Tax schemes;

• Sales in dismemberment of ownership: the Group is developing programmes under a French Government policy known as social rental usufruct. This additional offering, whilst meeting the need for low-cost housing in high-demand areas and thereby helping out local communities, provides an alternative investment product for private investors;

• Timber housing development under the brand Woodeum, leader in carbon-free development in France and a 50%-owned subsidiary of the Group.

The Group has also developed Altarea Solutions & Services, an in-house value-added service platform to support its customers and partners throughout their project: dismembered ownership, financing brokerage, rental management in particular.

1.1.2.2 ACTIVITY OF THE YEAR

Impact of the pandemic on business

Altarea was very responsive to the first lockdown (17 March to 11 May 2020), which severely disrupted the entire Residential development cycle:

• during the closure of the sales offices, which limited sales contacts with Individuals, the commitment of the teams made it possible to maintain sales at around 30% of normal activity through full use of digital tools, notably e-booking, which enables online sales to be contracted under secure conditions;

• the Group scheduled a campaign of notarised completions and collections before the end of the lockdown. It took place at a time when clients and notary offices were barely out of lockdown, as the latter still had a reduced capacity to record transactions;

• at the beginning of May, the 300 projects under way restarted and returned to cruising speed by June, quickly making up the impact of the stoppage on technical completion rates;

This offensive was maintained throughout the year, making it possible to maintain a high rate of activity during the second lockdown (30 October to 15 December 2020) during which construction sites were not suspended and notarised sales were much more fluid.

New orders[63]: €3.4 bn (+2%)

New orders	2020		2019		Chge
Individuals - Residential	609	€m	1,011	€m	*(40)%*
Individuals - Investment	724	€m	1,174	€m	*(38)%*
Bloc sales	2,019	€m	1,093	€m	*85%*
Total in value (incl. VAT)	**3 353**	**€m**	**3 278**	**€m**	**+2%**
o/w equity-method (Group	*179*	*€m*	*181*	*€m*	*(1)%*
Individuals - Residential	1,622	units	2,865	units	*(43)%*
Individuals - Investment	2,605	units	4,671	units	*(44)%*
Bloc sales	7,702	units	4,592	units	*68%*
Total in units	**11,929**	**units**	**12,128**	**units**	**(2)%**

In 2020, bloc sales to institutional investors replaced sales to Individuals in a market still characterised by a structural shortage of supply, made worse this year by delayed municipal elections.

[62] *Source: Ranking of Developers carried out by Innovapresse which analyses and compares the volumes of activity, the number of housing units or square meters produced, or the equity and debt of the main property developers. It provides detailed figures, developer by developer, and outlines their projects and strategies. The 32nd edition presents the results of the financial year 2019 and covers 55 of the main players in the sector.*

[63] *New orders net of withdrawals, in euros, including VAT when expressed in value. Data at 100%, with the exception of operations under joint control which are reported in Group share (including Woodeum).*

Notarised sales: €3.7 bn (+14%)

A client's definitive commitment is legally materialised upon the notarial signature, which regularises a reservation contract.

€m incl. VAT	2020	%	2019	%	Chge.
Individuals	1,965	53%	1,858	50%	+6%
Bloc sales	1,768	47%	1,421	38%	+24%
Total	**3,733**		**3,279**		**+14%**
Entry-level/mid-range	2,194	59%	1,972	53%	+11%
High-end	1,339	36%	958	26%	+40%
Serviced Residences	11	ns	182	5%	Na
Renovation/Rehabilitation	189	5%	167	4%	+13%
Total	**3 733**		**3 279**		**+14%**

In 2020, the Group conducted an active sales campaign throughout the year. Sale completions increased by +14% in value compared to 2019 and by +8% in volume (13,100 units sold, with a good balance between types of investor).

Deliveries

In 2020, the Group delivered nearly 7,800 units and more than 300 projects (27,000 units) are underway at the start of 2021.

Commercial launches

In 2020, Altarea focused on accelerating the sale of programmes already launched.

Given the context, business recovered more strongly in the second part of the year, thanks in large part to digitisation of the launch of marketing programmes. A total of 110 new projects (5,300 units) were launched this year, compared to 166 transactions in 2019 for 11,500 units.

Revenue by % of completion: €2.4 bn (+5%)

Revenue by percentage-of-completion is calculated based on both percentage of sales realised (notarised sales) and the completion of the programmes (progress of construction sites).

In €m (excl. VAT)	2020	%	2019	%	Chge
Entry-level/mid-range	1,578	66%	1,550	68%	+2%
High-end	694	29%	566	25%	+23%
Serviced Residences	42	2%	92	4%	(54)%
Renovation/Rehabilitation	92	4%	74	3%	+24%
Total	**2,406**		**2,283**		**+5%**

In 2020, the mobilisation of teams on notarised sales largely compensated for the delay in technical progress due to the shutdown of construction sites in the spring.

Backlog: €4.0 bn (+5%)

Backlog is a leading indicator of potential revenue, which includes:

- Notarised sales, not yet recognised: units that have been regularised at the notary's office, to be recognised as revenue according to technical progress,
- New orders (units sold) that are not yet regularised.

In €m (excl. VAT)	31/12/2020	31/12/2019	Chge
Notarised revenue not recognised	2,252	1,722	+31%
Revenues reserved but not notarised	1,709	2,057	(17)%
Backlog	**3,962**	**3,778**	**+5%**
o/w equity-method (Group	*324*	*258*	*Ns*
Number of months	*20*	*20*	

Properties for sale and future offering:

The pipeline of projects under development is composed of:

- properties for sale (units available for sale); and
- the land portfolio, which includes projects secured under a sale agreement (most of which are unilateral) and whose launch has not yet taken place. These become properties for sale when they are launched on the market.

In €m incl. Potential revenue	31/12/2020	No. of months	31/12/2019	Chge
Properties for sale	1,563	6	2,104	(26)%
Future offering	11,235	40	10,659	+5%
Pipeline	***12,798***	***46***	***12,764***	**+0%**
In no. of units	*49,515*		*48,885*	*+1%*
In m²	*2,772,800*		*2,737,600*	*+1%*

The decline in properties for sale at the end of 2020 is linked to the acceleration of bloc sales during the year. This decline is temporary as the Group has simultaneously reinforced its land portfolio to 45,000 units, nearly half of which are due to be launched within the next twelve months.

Risk management

At end-2020, the Group's properties for sale amounted to almost €1.6 billion incl. VAT (equi. six months of activity), with the following breakdown according to the stage of completion of the programmes:

in €m

	Project not yet started	Project under construc-tion	In stock	Total
Amounts committed excl. VAT	**245**	**549**	**13**	**806**
Of which already paid out (a)	*245*	*303*	*13*	*561*
Properties for sale incl. VAT	**895**	**639**	**29**	**1,563**
In %	*57%*	*41%*	*2%*	*100%*
o/w to be delivered	*in 2021*	*86*		
	in 2022	*328*		
	≥ 2023	*226*		

(a) Total amount already spent on operations in question, excl. VAT.
(b) In revenue including VAT.

Management of real estate commitments

57% of sales related to programmes whose construction has not yet been launched and for which the amounts committed correspond essentially to studies, advertising, and reservation fees (or guarantees) paid within the purchase agreement on land, and most recently the cost of land.

41% of the offer is currently under construction, including a limited share (€86 million or less than 6% of total properties for sale) representing units to be delivered by the end of 2021. The stock amount of finished products is not significant (2% of total offer).

This breakdown of operations by stage of completion reflects the criteria implemented by the Group:

• the choice to prioritise unilateral preliminary sale agreements rather than bilateral sale and purchase agreements;

• agreement required from the Commitments Committee at each stage of the project: signature of the purchase agreement, marketing, land acquisition and launch of construction;

• strong pre-letting required for land acquisition;

• abandonment or renegotiation of projects having generated inadequate pre-letting rates.

1.1.3 **Business property**

1.1.3.1 STRATEGY

An investor developer model

Altarea has significant operations in the Business property market with limited capital risk:

• principally as a developer[64] in off-plan sales, off-plan leases and property development contracts (PDC), with a particularly strong position on the turnkey user market, or as a service provider under DPM contracts;

• or as a co-investor, either directly or through AltaFund[65], for high-potential assets (prime location) in view of their sale once redevelopment has been completed[66];

The Group is systematically the developer of projects in which it is also co-investor and Manager[67];

Altarea can operate throughout the value chain, with a diversified revenue model: PDC margins, rent, capital gains and fees.

A dual diversification strategy

Geographic strategy

In terms of organisation, the Group is structured to address two complementary markets:

• in Grand Paris: in a context of high prices and scarcity of land, Altarea works on capital-intensive projects (generally in partnership), or alternatively as a service provider to support large investors and users;

• in gateway cities: Altarea acts in development programmes (off-plan sales or PDCs) generally sourced thanks to the local Residential network.

In just a few years, Altarea has also become the leading Business property developer in the regions. Altarea has been able to capitalise on its know-how to meet the expectations of this fall-back market for companies located in the Paris region which share the same demand for products focused on working comfort and high-quality facilities (connectivity, collaborative spaces, etc.).

Product strategy

The Group is developing a wide range of products: multiple occupancy office space, head offices, logistics hubs, hotels, universities, etc.

The Logistics investment vehicle, created at the end of 2017 by Pitch Promotion, has enabled Altarea to become a commited player in logistics in France with seven projects totalling nearly 600,000 m² under development at the end of December 2020.

Whether for new office projects or complex redevelopment operations, all of the Group's operations combine high environmental quality with modularity and multiple uses.

1.1.3.2 ACTIVITY OF THE YEAR

Impact of the pandemic on the centres' businesses

The first lockdown (March 17 to May 11, 2020) disrupted activity with the shutdown of the majority of ongoing construction sites, except for the one at Richelieu, Altarea's head office, which was delivered in the second quarter, and that of Bridge in Issy-les-Moulineaux (future Orange head office), the delivery of which had to be postponed until the beginning of 2021.

New orders

Over the full year 2020, the Group placed eight transactions for a total of €161 million, including:

• 9,700 m² of offices in the large mixed-use off-plan sales project, Bobigny-La Place, and a DPM project in the centre of Paris;

• and six off-plan sales in the Regions, including:

- "Amazing Amazones" in Nantes, as part of the EuroNantes mixed-use project, 16,200 m² of offices acquired by SCPI Accimmo Pierre (BNP REIM);
- "Gravity" in Lyon, and "La Pomone" in Aix-en-Provence, both sold to a SCPI, a subsidiary of Banque Populaire Grand Ouest;

  Gravity, to be delivered at the end of 2021, is aiming for HQE Tertiary Buildings Excellent and BREEAM® Very Good certifications. La Pomone, consisting of three buildings (over 4,900 m²), is leased to the Esaip training centre and to the Nahema agency, a NATO subsidiary specialising in the development of military helicopter programs, and constitutes the first phase of the "Vert Pomone" programme.
- and "Campus Adriana" in Marseille, a 9,600 m² building near the Gare St-Charles. This public interest project for co-working, training, catering and sports halls, will be delivered in 2022. Partially leased to EPITECH on a surface area of 2,500 m² (with Auditorium), a member of the Ionis Group, the leading private higher education group in France, this building was sold to Newton Offices.

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[64] *This development activity does not present any commercial risk: Altarea carries only a measured amount of technical risk.*
[65] *AltaFund is a discretionary investment fund, created in 2011, of which Altarea is one of the contributors alongside leading institutional investors.*
[66] *Resold rented or not.*
[67] *Through marketing, sale, asset and fund management contracts.*

Pipeline

62 projects in development

At the end of 2020, the Group's pipeline consisted of 62 projects with an estimated potential value of €5.0 billion.

It includes six co-investment transactions, shared with leading institutional investors. The cost price of these projects is €2.0 billion at 100% (€638 million excl. VAT, Group share) with a potential value of over €2.6 billion (€846 million, Group share).

At 31/12/2020	No.	Surface area (m²) at 100%	Revenue excl. VAT (€m)	Potential value at 100% (€m excl. VAT)
Investments [(a)]	6	231,000	924	2,642
Property developer (property development of off-plan sales contracts) [(b)]	53	1,118,500	2,281	2,281
Delegated project management [(c)]	3	36,400	122	122
Total	**62**	**1,385,900**	**3,327**	**5,045**
o/w Offices	55	794,000	2,803	4,521
o/w Logistics	7	591,900	524	524
o/w Paris Region	18	466,700	1,571	3,289
o/w Regions	44	916,200	1,756	1,756

(a) Potential value: market value excluding transfer duties at the date of sale, held directly or via AltaFund.
(b) Projects intended for "100% external" customers only. Potential value: revenue (excl. VAT) from signed or estimated property development or off-plan sale contracts, at 100%.
(c) Revenue excl. VAT = Potential value: capitalised fees for delegated projects.

Deliveries

Despite the constraints linked to the pandemic, this year Altarea delivered several emblematic projects illustrating its product and geographic strategy, in particular:

• "Convergence", Danone's new global head office in Rueil-Malmaison, NF HQE Bâtiment Tertiaire certified;

• a 46,000 m² logistics platform for Lidl near Nantes;

• et "Orange Lumière" in Lyon Part-Dieu, the new Orange campus bringing together its Lyon teams, previously spread over eighteen sites (linked with a project of 160 vacant, intermediate and social housing units built by the Group).

In the first half of the year, Altarea also delivered its head office at 87 rue de Richelieu in Paris, a project that has won numerous awards for its exemplary restructuring (Grand Prix SIMI 2020 in particular).

In early 2021, the Group will deliver "Bridge", Orange's future headquarters in Issy-les-Moulineaux, which has just been awarded the Wired Score "Platinum" label, the highest level of distinction in terms of digital connectivity, Eria in La Défense, which will house the future Cybersecurity agency ordered by the French President, as well as Landscape in La Defense.

Supply

In 2020, the Group signed several projects in the regions, including a building for Unedic in Marseille and a restructuring project at the Haute-Borne division in Villeneuve d'Ascq. In Paris, the Group signed two DPM contracts, for the district of La Madeleine and the Landscape project in La Défense[68].

Numerous transactions were under negotiation at the end of 2020. Several of them materialised at the beginning of the year and will feed the pipeline, including:

• the acquisition with JP Morgan Global Alternatives of a complex of seven office buildings totalling 14,000 m² in the central business district of Paris, which will be the subject of a restructuring program,

• a DPM project in the Champs-Elysées district in Paris.

Backlog

Backlog (Business Property) is composed of notarised sales, excl. VAT, not yet recorded per the percentage-of-completion method, new orders excl. VAT, not yet notarised (signed property development contracts), and fees to be received from third parties on signed contracts.

in €m	31/12/2020	31/12/2019	*Chge*
Off-plan, PDC	468	668	*(30)%*
o/w equity-method (Group	*31*	*73*	-
Fees (DPM)	11	9	-
Total	**479**	**677**	***(29)%***

[68] Recognized in the DPM pipeline for its contribution in euros, but not in terms of surface area and number of projects, as it is already included in co-investment operations.

Pipeline under development as of 31 December 2020

	Surface area (m²)	Property Development Type	Property Development Revenue excl. VAT (€m) [a]	Potential value at 100% (€m) excl. VAT [b]	Progress [c]
Bridge (Issy-les-Moulineaux)	57,900	Invest.			Under construction/leased
Landscape (La Défense)	70,100	Invest.			Under construction
Tour Eria (La Défense)	26,600	Invest.			Under construction/leased
Cocktail (La Défense)	18,100	Invest.			Secured
PRD-Montparnasse (Paris)	56,200	Invest.			Secured
Saussure (Paris)	2,100	Invest.			Secured
Investments (6 projects)	**231,000**		**924**	**2,642**	
Belvédère (Bordeaux)	50,000	Off-plan sale			Under construction
Bassins à Flot (Bordeaux)	49,500	Off-plan sale			Under construction
Coeur de Ville - Hugo Building (Issy-les-Mx)	25,700	PDC			Under construction
Balma Campus - Orange (Toulouse)	19,100	PDC			Under construction
Amazing Amazones - EuroNantes (Nantes)	19,100	Off-plan sale			Under construction
Aerospace - Phase A (Toulouse)	13,500	Off-plan sale			Under construction
Coeur de Ville - Leclerc & Vernet (Issy-les-Mx)	15,200	PDC			Under construction
Bobigny-La Place	9,800	Off-plan sale			Under construction
Gravity (Lyon)	4,800	Off-plan sale			Under construction
Cœur d'Orly (Orly)	30,700	PDC			Secured
EM Lyon Business School (Lyon)	29,400	PDC			Secured
Vert Pomone - Phase A (Aix-en-Provence)	4,900	Off-plan sale			Secured
Other Office projects (34 projects)	*254,900*	*PDC/Off-plan*			*Secured*
TCAM T2 (Seine et Marne)	5,300	PDC			Under construction
Technoparc (Collegien - Greater Paris)	11,800	Off-plan sale			Under construction
Hexahub Paris Region(Seine et Marne)	68,200	PDC			Secured
Hexahub Aquitaine (Bordeaux)	170,000	PDC			Secured
Other Logistics projects (3 projects)	*336,600*	*PDC/Off-plan*			*Secured*
"100% external" property development (53 projects)	**1,118,500**		**2,281**	**2,281**	
DPM (3 projects)	**36,400**	DPM	**122**	**122**	
Total Property Development portfolio (62 projects)	**1,385,900**		**3,327**	**5,045**	

(a) PDA/Off-plan sales: amount excl. VAT of signed or estimated contracts, at 100%. Delegated project management (DPM) contracts fees capitalised.

(b) Potential value: market value excluding project rights. Investments: potential value at disposal date for investment projects (at 100%). Projects intended for "100% external" customers (Off-plan/PDC): amount excluding VAT of contracts signed or estimated (at 100%, or in proportion for projects under joint control). DPM: contracts: fees capitalised.

(c) Secured projects: projects either fully or partly authorised, where the land has been acquired or for which contracts have been exchanged, but on which construction.

Commitments

In €m, Group share	Investment	Property Development	Total
Already paid out	177	108	285
To be paid out	166	-	166
Total commitments	**343**	**108**	**451**

For investment projects, the Group's commitments correspond to the obligations of equity contributions in operations.

As for new developments, commitments are limited to the amount of studies for projects being arranged. Regarding projects under construction, financial commitments are covered by calls for funds (except "blank" transactions). At 31 December 2020, total commitments amounted to €108 million.

At 31 June 2020, the Group's level of commitment in Business property, on projects that are not yet rented or sold is less than €60 million, Group share.

1.2 Consolidated results

1.2.1 2020 Consolidated results

In 2020, Altarea's revenue amounted to nearly €3.1 billion, a very slight decrease year-on-year (down 1.7%), driven by growth in Residential (+5.3%), which offset the drop in net rental income from Retail and a decline in Business property revenue (delays on construction sites and delays in delivery to 2021). Funds from operations (FFO) Group share amounted to €230.3 million in 2020 (-21%). The change in FFO breaks down as follows:

• decrease in Retail operating income of €31.6 million (including -28.6 COVID-19 impact on IFRS net rental income);

• increase in Residential operating income[69] (€+7.3 million);

• decrease in Business property operating income (€-22.3 million) mainly due to delivery delays in the first half of 2021 (including Bridge, the future Orange headquarters);

• increase in tax expense (€26.8 million compared to €7.3 million in 2019);

• other income and expenses (interest expenses, minority interests, etc.) for €+3.3 million.

FFO in Group share amounted to €13.48 per share (-24.6%), after taking into account the capital increase resulting from the FCPE and the payment of the 2019 dividend in securities.

in €m	Retail	Residential	Business Property	Other Corporate	Funds from operations (FFO)	Changes in value, estimated expenses and transaction costs	TOTAL
Revenue	**216.4**	**2 416.9**	**422.7**	**0.1**	**3 056.2**	**-**	**3 056.2**
Change vs. 31/12/2019	*(4.8)%*	*+5.3%*	*(28.1)%*	*n.a.*	*(1.7)%*		
Net rental income	159.3	-	-	-	159.3	-	159.3
Net property income	0.1	202.3	22.0	(0.1)	224.3	(0.6)	223.8
External services	17.9	10.1	6.2	0.1	34.3	-	34.3
Net revenue	**177.3**	**212.4**	**28.2**	**0.0**	**417.9**	**(0.6)**	**417.4**
Change vs. 31/12/2019	*(15.5)%*	*(3.2)%*	*23.6%*	*n.a.*	*(7.4)%*		
Own work capitalised and production held in inventory	5.6	163.0	13.9	-	182.5	-	182.5
Operating expenses	(38.0)	(209.1)	(29.4)	(4.1)	(280.6)	(15.8)	(296.5)
Net overhead expenses	**(32.5)**	**(46.2)**	**(15.4)**	**(4.1)**	**(98.2)**	**(15.8)**	**(114.0)**
Share of equity-method affiliates	3.4	10.8	37.6	*n.a.*	51.8	(1.3)	50.5
Income/loss on sale of assets Retail						(4.6)	(4.6)
Change in value, estimated expenses and transaction costs – Retail						(649.6)	(649.6)
Calculated expenses and transaction costs - Residential						(19.0)	(19.0)
Calculated expenses and transaction costs - Business Property						2.0	2.0
Other provisions Corporate						(9.0)	(9.0)
Operating income	**148.2**	**177.0**	**50.3**	**(4.0)**	**371.6**	**(698.0)**	**(326.4)**
Change vs. 31/12/2019	*(17.6)%*	*4.3%*	*(30.7)%*	*n.a.*	*(10.0)%*		
Net borrowing costs	(30.0)	(11.6)	(9.0)	-	(50.6)	(18.2)	(68.8)
Other financial results	(2.4)	(3.8)	(1.5)	-	(7.7)	(9.5)	(17.1)
Gains/losses in the value of financial instruments	-	-	-	-	-	(56.5)	(56.5)
Proceeds from the disposal of investments	-	-	-	-	-	(0.0)	(0.0)
Corporate income tax	(6.0)	(12.5)	(8.1)	-	(26.6)	(28.4)	(54.9)
Net income	**109.8**	**149.2**	**31.8**	**(4.0)**	**286.8**	**(810.5)**	**(523.8)**
Non-controlling interests	(35.3)	(21.3)	0.2	-	(56.5)	272.5	216.0
Net income, Group share	**74.5**	**127.8**	**32.0**	**(4.0)**	**230.3**	**(538.1)**	**(307.7)**
Change vs. 31/12/2019	*(25.1)%*	*(7.1)%*	*(51.1)%*	*n.a.*	*(21.4)%*		
Diluted average number of shares					*17 081 054*		
Net income, Group share per share					**13.48**		
Change vs. 31/12/2019					*(24.6)%*		

[69] In order to best reflect the economic contribution of its managed residences business, Altarea decided to restate the positive impact of IFRS 16 on its contribution to the FFO, for an amount of €-7.5 million euros (vs. €-5.7 million in 2019) in exchange for the increase in Changes in value, estimated expenses and transaction costs, thus reducing FFO operating income accordingly.

1.2.1.1 FFO[70]

FFO Retail

in €m	2020	2019	
Rental income	184.9	208.4	
Expenses (including bad debt)	(25.6)	(17.6)	
Net rental income	**159.3**	**190.8**	*(16.5)%*
% of rental income	*86.2%*	*91.5%*	
External services	17.9	19.0	
Own work capitalised &	5.6	6.5	
Operating expenses	(38.0)	(42.6)	
Contribution of EM associates	3.4	6.0	
Net property income	0.1	-	
Operating income – Retail	**148.2**	**179.8**	*(17.6)%*
Net borrowing costs	(30.0)	(28.4)	
Other financial results	(2.4)	(8.2)	
Corporate income taxes	(6.0)	(2.4)	
Non-controlling interests	(35.3)	(41.2)	
FFO Retail	**74.5**	**99.5**	*(25.1)%*

The decrease in FFO Retail was partly due to changes in the scope of consolidation (€-8.8 million) but above all to the impact of the health crisis on rent collection (€-28.6 million), which was only partially offset by the tax credit (€+2.7 million in Group share) and a tight grip on overheads (€+4.6 million).

The corporate income tax increase is the consequence of the transfer of Italian assets completed in the first half of 2020.

FFO Residential

in €m	2020	2019	
Revenue by % of completion	2,407	2,283	*5.4%*
Cost of sales excluding mktg costs	(2,176)	(2,035)	
Residential margin	**230.4**	**248.6**	*(7.3)%*
% of revenue	*9.6%*	*10.9%*	
Marketing costs	(28.0)	(40.4)	
Net property income	**202.3**	**208.1**	*(2.8)%*
% of revenue	*8.4%*	*9.1%*	
External services	10.1	11.2	
Production held in inventory	163.0	157.8	
Operating expenses	(209.1)	(220.0)	
Contribution of EM associates	10.8	12.6	
Operating income – Residential	**177.0**	**169.7**	*4.3%*
% of revenue	*7.4%*	*7.4%*	
Net borrowing costs	(11.6)	(7.9)	
Other financial results	(3.8)	(1.2)	
Corporate income taxes	(12.5)	(3.4)	
Non-controlling interests	(21.3)	(19.5)	
FFO Residential	**127.8**	**137.6**	*(7.1)%*

Percentage-of-completion revenue in Residential reached a new all-time high (+5.4%) despite the context, as the commercial completion rate (sales) offset delays in technical progress due to the spring lockdown.

Excluding marketing expenses, the margin decreased by 130 bps reflecting the increased proportion of bloc sales recognised on a percentage-of-completion revenue basis. This decrease in the margin was, however, partially offset by a sharp decrease in marketing expenses, mainly for Retail sales. In total, the decrease in margin after marketing expenses was restricted to -70 bps.

Helped by rigorous management of overheads (€-10.9 million), Residential operating income rose +4.3%. Compared to percentage-of-completion revenue, Residential operating margin was stable at 7.4%.

The decrease in FFO Residential is entirely attributable to the increase in tax (€12.5 million) and the increase in the cost of carrying the significant liquidity from which the Property Development division benefits (particularly the bond issues carried out in 2020).

FFO Business property

The revenue model of the Business property division is particularly diversified:

- net property income generated by development projects (PDC and Off-plan sales);
- external services: DPM, asset management, leasing and performance (promote) fees;
- and contribution from equity-method associates: profits made on partnership investment projects.

in €m	2020	2019	
Revenue by % of completion	416.5	577.0	*(27.8)%*
Cost of sales and other expenses	(394.5)	(565.1)	
Net property income Business	**22.0**	**11.9**	*84.7%*
% of revenue	*5.3%*	*2.1%*	
External services	6.2	10.9	
Production held in inventory	13.9	24.7	
Operating expenses	(29.4)	(35.1)	
Contribution of EM associates	37.6	60.2	
Operating income - Business	**50.3**	**72.6**	*(30.7)%*
% of revenue + ext. serv.	*11.9%*	*12.4%*	
Net borrowing costs	(9.0)	(10.6)	
Other financial results	(1.5)	(0.3)	
Corporate income taxes	(8.1)	(1.3)	
Non-controlling interests	0.2	4.8	
FFO Business property	**32.0**	**65.4**	*(51.1)%*

Net property income was up sharply to €22.0 million despite a decrease in revenue, thanks to a project mix with a higher average margin (particularly in the Regions).

The contribution of equity-method affiliates was down sharply due in part to the strong level of activity in 2019 (notably at 87 rue de Richelieu) but above all to delays in several projects, which will be delivered during the first half of 2021 (Bridge, the future Orange headquarters).

In addition, the rigorous management of overheads (saving €5.7 million) failed to offset a reduction in fees and increase in taxes.

[70] *Funds from operations (FFO): net profit excluding changes in value, calculated expenses, transaction fees and changes in differed tax. Group share.*

In total, FFO Business Property amounted to €32.0 million, down by €33.4 million.

FFO per share: €13.48

FFO Group share amounted to €13.48 per share, a 24.6% fall year-on-year (vs €17.88 per share on 31 December 2019).

This change takes into account the dilutive effect linked to the payment of the 2019 dividend in shares ex-dividend in July 2020) which led to the creation of 599,267 new shares, and the 40,166 shares created by the capital increase reserved for the Group employees' fund (FCPE). As of 31 December 2020, the average number of diluted shares (pro rata temporis) was 17,078,854, compared with 16,393,262 at the end of 2019.

1.2.2 Net asset value (NAV)

1.2.2.1 NET ASSET VALUE: GOING CONCERN NAV (FULLY DILUTED)[71] AT €156.4/SHARE

NAV – Group	31/12/2020				31/12/2019	
	in €m	Chge	€/share	Chge	in €m	€/share
Consolidated equity, Group share	**1,758.5**		**101.8**		**2,144.4**	**128.4**
Other unrealised capital gains	867.0				701.6	
Restatement of financial instruments	35.7				97.5	
Deferred tax on the balance sheet for non-SIIC assets (a)	20,9				40.3	
Market value of financial instruments	(35.7)				(97.5)	
Fixed-rate market value of debt	(58.6)				(63.4)	
Effective tax for unrealised capital gains on non-SIIC assets (b)	(24.8)				(21.9)	
Optimisation of transfer duties (b)	86.6				92.0	
Partners' share (c)	(18.3)				(20.6)	
NNNAV (NAV liquidation)	**2,631.3**	**(8.4)%**	**152.3**	**(11.4)%**	**2,872.4**	**172.0**
Estimated transfer duties and selling fees	72,0				80.8	
Partners' share (c)	(0,5)				(0,6)	
Going concern NAV (fully diluted)	**2,702.7**	**(8,5)%**	**156.4**	**(11.5)%**	**2,952.6**	**176.8**
Number of diluted shares:	*17,275,839*				*16,700,762*	

(a) International assets.
(b) Depending on disposal structuring (asset deal or securities deal).
(c) Maximum dilution of 120,000 shares.

[71] *Market value of equity view of maintaining the Group's activity and considering the potential dilutive effect resulting from the partnership limited by shares (SCA) status.*

1.2.2.2 CHANGE IN GOING CONCERN NAV (FULLY DILUTED)

At the end of 2020, NAV was down to €2,702.7 million (-8.5%), or €156.4/share (-11.5%). This decrease is mainly due to the impairment loss on Retail assets (€351 million in Group share).

The appraisal value of the Property Development division was up sharply at 31 December 2020. Out of prudence, Altarea decided to keep the enterprise value of this division stable.[72] in order to preserve its ability to maintain positive momentum in its NAV over the long-term.

Going concern NAV (fully diluted)	in €m	€/share
NAV 31 December 2019	**2,952.6**	**176.8**
Dividend	(151.4)	(9.0)
Capital increases	68.9	4.1
Dilutive effect of new shares	-	(5.4)
NAV 31 December 2019 after capital transactions	**2,870.1**	**166.5**
2020 FFO	230.3	13,8
Retail	(355.3)	(21,3)
of which portfolio	*(351.4)*	*(21.0)*
of which others	*(3.8)*	*(0.2)*
Property Development	108.6	6,5
Financial instruments and fixed-rate debt	(53.4)	(3.2)
Deferred tax	(49.4)	(3,0)
IFRS 16 [(a)]	(29.3)	(1,8)
Others [(b)]	(19.0)	(1,1)
NAV 31 December 2020	**2,702.7**	**156,4**
vs. 31 December 2019 after capital transactions	*(5.8)%*	*(6.0)%*
vs. 31 December 2019	*(8,5)%*	*(11,5)%*

(a) Depreciation of right-of-use assets.
(b) Of which D&A, contribution to free share grants, transaction fees, debt issuance expenses and share of the General Partners.

1.2.2.3 CALCULATION BASIS

Asset valuation

Investment properties

Property assets appear at their appraisal value in the Group's IFRS statements (Investment properties).

Retail assets are assessed by Cushman & Wakefield and Jones Lang LaSalle. The value of the portfolio breaks down by appraiser as follows:

Appraiser	Portfolio	% of value, incl. transfer duties
Jones Lang LaSalle	France & International	42%
Cushman & Wakefield	France & International	57%
CBRE	France	1%

[72] *This is well above the average of the low scenario appraisal values. Keeping the enterprise value stable leads to a slight gain in NAV due to the decrease in the debt allocated to this activity.*

The appraisers use two methods:

• discounting cash flows (DCF method), with resale value at the end of the period;

• capitalisation of net rental income, based on a rate of return that includes the site's characteristics and rental income (also including variable rent and market rent of vacant premises, adjusted for all charges incumbent upon the owner).

These valuations are conducted in accordance with the criteria set out *in the Red Book – Appraisal and Valuation* Standards, published by the Royal Institution of Chartered Surveyors. The surveyors' assignments were all carried out in accordance with the recommendations of the COB/AMF "Barthès de Ruyter working group" and comply fully with the instructions of the Appraisal Charter of Real Estate Valuation (Charte de l'Expertise en Évaluation Immobilière) updated in 2017. Surveyors are paid lump-sum compensation based on the size and complexity of the appraised properties. Compensation is therefore totally independent of the results of the valuation assessment.

Other assets

The unrealised capital gains on other assets consist of:

• the Residential and Business property development divisions (Cogedim, Pitch Promotion, Histoire & Patrimoine and Severini);

• the Business property investment division (AltaFund, Bridge and the Issy Cœur de Ville offices);

• and the Rental Management and Retail Property Development division (Altarea France).

These assets are appraised once per year by external appraisers on annual closing: Altarea France is valued by Accuracy, the Property Development division (Residential and Business property) and the Business property Investment division are valued by appraisers Accuracy and 8Advisory.

The method used by Accuracy uses the discounted cash flow method (DCF) in conjunction with a terminal value based on normalised cash flow. Accuracy provides a range of values calculated using different scenarios. In addition to its DCF valuation, Accuracy also provides a valuation based on listed peer group comparables.

8Advisory uses a multi-criteria DCF-based approach, an approach using multiples from listed peer Group and multiples from comparable transactions when these can be based on relevant transactions.

Tax

Most of Altarea's Property Portfolio is not subject to capital gains tax under the SIIC regime. The exceptions are a limited number of assets which are not SIIC-eligible due to their ownership method, and assets owned outside France. For these assets, capital gains taxes on disposals are deducted directly from the consolidated financial statements at the standard tax rate in the host country, based on the difference between the market value and taxes value of the property assets.

Altarea took into account the ownership methods of non-SIIC assets to determine Going Concern NAV after tax, since the tax reflects the tax that would effectively be paid if the securities of the company were sold or if the assets were sold building by building.

Transfer taxes

Investment properties have been recognised in the IFRS consolidated financial statements at appraisal value excluding transfer taxes. To calculate Going Concern NAV, however, transfer duties were added back in the same amount. In Altarea's NNNAV, duties are deducted either on the basis of a transfer of securities or building by building based on the legal status of the organisation holding the asset.

Partners' share

The partners' share represents the maximum dilution provided for under the Group's Articles of Association in the case of liquidation by a partner (where the General Partner would be granted 120,000 shares).

1.3 Financial resources

1.3.1 2020 Highlights

New financing of €1,120 m

During 2020, the Group arranged €1,120 million in new long-term financing for an average of five years and five months.

in €m	RCF	*Term loan*	Total banks	Bond	Total
New money	270	70	340	450	790
Expansion	280	50	330	-	330
Total	**550**	**120**	**670**	**450**	**1,120**

In July and October, Altareit placed respectively €80 million and €70 million in bonds assimilated to the Altareit 2.875% 07/2025 issue, bringing the total nominal outstanding of this line to €500 million.

In December 2020, Altarea issued a bond of €300 million maturing in nine years (16 January 2030), with an annual coupon of 1.75% and a zero new issue premium. The order book totalled more than €2.5 billion, i.e. an over-subscription rate of around 8.5 times.

The success of this transaction, which enabled Altarea to extend the duration and lower the average cost of its debt, reflects the market's confidence in Altarea's strategy and its long-term credit profile.

The net proceeds of this bond issue made it possible to finance the buyback, through a public offer launched on 7 December 2020, of €114.5 million of Altarea bonds maturing in July 2024 with an annual coupon of 2.25%.

At the end of December, Altarea also repaid early the full amount of the Alta Qwartz mortgage loan due in July 2025 for an amount of €208 million.

Equity strengthened by €69 million

With a subscription rate of 82.28%, the success of the option for the partial payment of the scrip dividend (at €9.00/share) enabled the Group to strengthen its equity by €61.4 million through the creation of 508,199 new shares.

In addition, the Group's employee investment fund (FCPE) subscribed for a reserved capital increase of €7.6 million[73], thereby demonstrating the commitment of Altarea's employees.

1.3.2 Available cash

At 31 December 2020, Altarea had available liquidity of €3,378 million (€2,659 million at 31 December 2019), broken down as follows:

Available (in €m)	Cash	Unused credit facilities	Total
At Corporate level	774	1,202	1,976
At project level	691	711	1,402
Total	**1,465**	**1,913**	**3 ,378**

Unused credit facilities amount to €1,165 million RCF[74] the average maturity of which is 3.8 years, with no maturities within the coming 18 months.

Given the Group's liquidity and the continued access to the market in the short-term, as of 31 December 2020 no RCF was drawn. The Group has no plans to draw on them in the coming months.

1.3.3 Short and medium-term financing

The Group has two NEU CP[75] programmes (issues up to one year) and two NEU MTN[76] programmes (issues in excess of one year) for the companies Altarea and Altareit.

As of 31 December 2020, the total outstanding was €653 million with an average maturity of 4.3 months, with the following breakdown:

- €504 million of NEU CP;
- €149 million of NEU MTN.

These short- and medium-term resources are fully covered by back-up lines.

[73] Average subscription of €5,110 per employee subscribing.
[74] Revolving credit facilities (confirmed credit authorisations).

[75] NEU CP (Negotiable European Commercial Paper).
[76] NEU MTN (Negotiable European Medium Term Note).

1.3.4 Net debt[77]

The year 2020 saw a significant decrease in the Group's net financial debt (€-282 million).

Change in net debt in 2020

in €m	
Net debt at 31 December 2019	**2,475**
Net dividend	93
FFO	(231)
Sub-total	**2,338**
Retail capex	115
Disposals & partnerships	(174)
Residential WCR	(139)
Financial Instruments	73
Others	(21)
Net debt at 31 December 2020	**2,193**

Duration

Following transactions carried out in 2020, the average duration increases to five years and one month[78], compared to four years and nine months at 31 December 2019.

Net debt structure

in €m	31/12/2020	31/12/2019
Corporate and bank debt	274	226
Credit markets [(a)]	2,628	2,370
Mortgage debt	401	505
Debt on property development programmes	167	205
Total gross debt	**3,470**	**3,306**
Cash and cash equivalents	(1,277)	(830)
Total net debt	**2,193**	**2,475**

(a) This amount includes bond debt and €653 million of NEU CP and NEU MTN.

With the exception of the €400 million debt backed by the Cap 3000 centre, Altarea has almost no mortgage debt (which still represented 54% of net debt at the end of 2015), which strengthens the Group's corporate creditworthiness.

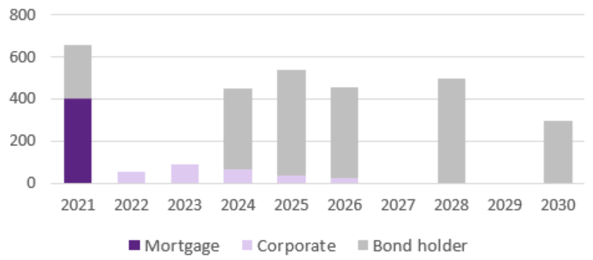
in €m	Investor division	Developer division	Total
Corporate and bank debt	77	197	274
Credit markets [(a)]	1,786	842	2,628
Mortgage debt	401	-	401
Debt on Prop. dev. projects	-	167	167
Total gross debt	**2,265**	**1,206**	**3,470**
Cash and cash equivalents	(92)	(1,185)	**(1,277)**
Total net debt	**2,172**	**20**	**2,193**

(a) This amount includes bond debt and €653 million of NEU CP and NEU MTN.

Thanks to strong cash flow, the net debt of the Property Development division is now close to zero.

Maturity schedule for long-term debt by maturity[79]

The chart below (in €m) presents Group's debt by maturity.



Amounts due in 2021 concern:

- a €400 million mortgage on Cap 3000, the refinancing of which is very advanced;
- and a bond maturity (Euro PP) of €230 million, already covered by the Group's cash.

Hedging: nominal amount and average rate

The following table sets out the hedging profile of interest rate swaps:

In progress at end	Fixed-rate payer swaps [(a)]	Floating rate payer swaps [(a)]	Fixed-rate debt (€m) [(a)]	Average swap rate [(b)]
2021	500	400	1,736	0.35%
2022	500	400	1,736	0.35%
2023	500	400	1,736	0.35%
2024	500	-	1,236	0.31%
2025	-	-	736	(0.17)%
2026	-	-	736	(0.17)%

(a) In share of consolidation.

(b) Average rate of swaps, of caps and average swap rate (excluding spread, at the fixing date of each transaction) of the fixed-rate debt.

In addition, the Group has interest rate options (caps), with shorter duration, out of the money.

Average cost of debt:[80] 1.94% (-27 bps)

The reduction in the average cost of debt (2.21% as of 31 December 2019) is a result of the restructuring of the[81] swap portfolio and the rotation of short-term debt.

[77] *Net bank and bond debt.*
[78] *Excluding NEU CP, NEU MTN, property development debt and the Cap 3000 payment for which the Group has already received refinancing offers.*
[79] *Excluding NEU CP, NEU MTN, property development debt and the Cap 3000 payment for which the Group has already received refinancing offers.*

[80] *Including related fees (commitment fees, non-use fees, etc.).*
[81] *In early 2020, the Group cancelled a portion of its interest rate swaps portfolio, failing which the Group would have been excessively hedged.*

1.3.6 Financial ratings or ratios

BBB credit rating

In May 2020, after a sector review, the S&P Global rating agency assigned a financial rating of "BBB, with a negative outlook" to Altarea and Altareit, its listed subsidiary for the Group's development activities.

Loan to Value (LTV)

The LTV ratio compares consolidated net bond and bank debt to the consolidated market value of Group assets.

At 31 December 2020, it stood at 33.0% (33.2% at 31 December 2019), with the decrease in net debt (€-282 million) having fully offset the impact of Retail impairment losses.

Concerning the appraisal of the value of the Property Development division, this was up sharply at 31 December 2020. Out of prudence, Altarea decided to keep the enterprise value of this division stable.

in €m	31/12/2020	31/12/2019
Gross debt	3,470	3,305
Cash and cash equivalents	(1,277)	(830)
Consolidated net debt	**2,193**	2,475
Retail at value (FC) [(a)]	3,982	4,445
Retail at value (EM securities), other [(b)]	212	182
Investment properties valued at cost [(c)]	213	510
Business Property investments [(d)]	276	352
Enterprise value of Property Development	1,969	1,969
Market value of assets	**6,651**	7,457
LTV Ratio	**33.0%**	**33.2%**

(a) Market value (including transfer taxes) of shopping centres in operation recognised according to the fully consolidated method.
(b) Market value (including transfer taxes) of shares of equity-method affiliates carrying shopping centres and other retail assets.
(c) Net book value of investment properties in development valued at cost.

(d) Market value (including transfer taxes) of shares in equity method affiliates holding investments and other Office Property assets.

Net Debt to EBITDA ratio[82]

At 31 December 2020, the Net Debt to EBITDA ratio stood at 5.9x, compared with 5.9x at 31 December 2019.

Covenants

	Covenant	31/12/2020	31/12/2019	Delta
LTV [(a)]	≤ 60%	33.0%	33.2%	(0.2) pt
ICR [(b)]	≥ 2.0 x	7.3x	7.3x	(0.0)x

(a) LTV (Loan to Value) = Net bond and bank debt/Restated value of assets including transfer duties.
(b) ICR (Interest-Coverage-Ratio) = Operating income restated/Net borrowing costs (column "Funds from operations").

At 31 December 2020, the financial position of the Group fully satisfied all of the covenants of its various credit contracts.

[82] Trailing FFO over twelve months compared to net bond and bank debt.

Consolidated income statement by segment

	31/12/2020			31/12/2019 restated*		
(€ millions)	**Financial resources Funds from operations (FFO)**	**Changes in value, estimated expenses and transaction costs**	**Total**	**Financial resources Funds from operations (FFO)**	**Changes in value, estimated expenses and transaction costs**	**Total**
Rental income	184.9	-	184.9	208.4	-	208.4
Other expenses	(25.6)	-	(25.6)	(17.6)	-	(17.6)
Net rental income	**159.3**	**-**	**159.3**	**190.8**	**-**	**190.8**
External services	17.9	-	17.9	19.0	-	19.0
Own work capitalised and production held in inventory	5.6	-	5.6	6.5	-	6.5
Operating expenses	(38.0)	(5.1)	(43.1)	(42.6)	(3.2)	(45.8)
Net overhead expenses	**(14.5)**	**(5.1)**	**(19.6)**	**(17.1)**	**(3.2)**	**(20.3)**
Share of equity-method affiliates	**3.4**	**(15.8)**	**(12.4)**	**6.0**	**(6.4)**	**(0.3)**
Net allowances for depreciation and impairment	**-**	**(4.0)**	**(4.0)**	**-**	**(7.7)**	**(7.7)**
Income/loss on sale of assets	**0.1**	**(4.6)**	**(4.6)**	**-**	**0.7**	**0.7**
Income/loss in the value of investment property	**-**	**(642.1)**	**(642.1)**	**-**	**71.1**	**71.1**
Transaction costs	**-**	**(1.6)**	**(1.6)**	**-**	**(1.2)**	**(1.2)**
OPERATING INCOME - RETAIL	**148.2**	**(673.3)**	**(525.1)**	**179.8**	**53.4**	**233.2**
Revenue	2 406.9	-	2 406.9	2 283.1	-	2 283.1
Cost of sales and other expenses	(2.204.5)	(0.6)	(2.205.1)	(2075.0)	(0.6)	(2075.6)
Net property income	**202.3**	**(0.6)**	**201.7**	**208.1**	**(0.6)**	**207.5**
External services	10.1	-	10.1	11.2	-	11.2
Production held in inventory	163.0	-	163.0	157.8	-	157.8
Operating expenses	(209.1)	(12.6)	(221.7)	(220.0)	(16.3)	(236.4)
Net overhead expenses	**(36.1)**	**(12.6)**	**(48.6)**	**(51.0)**	**(16.3)**	**(67.4)**
Share of equity-method affiliates (1)	**10.8**	**(2.5)**	**8.3**	**12.6**	**0.1**	**12.7**
Net allowances for depreciation and impairment	**-**	**(19.0)**	**(19.0)**	**-**	**(15.1)**	**(15.1)**
Transaction costs	**-**	**(0.0)**	**(0.0)**	**-**	**(1.5)**	**(1.5)**
OPERATING INCOME - RESIDENTIAL	**177.0**	**(34.7)**	**142.3**	**169.7**	**(33.4)**	**136.3**
Revenue	416.5	-	416.5	577.0	-	577.0
Cost of sales and other expenses	(394.5)	-	(394.5)	(565.1)	-	(565.1)
Net property income	**22.0**	**-**	**22.0**	**11.9**	**-**	**11.9**
External services	6.2	-	6.2	10.9	-	10.9
Production held in inventory	13.9	-	13.9	24.7	-	24.7
Operating expenses	(29.4)	(3.0)	(32.4)	(35.1)	(3.7)	(38.8)
Net overhead expenses	**(9.3)**	**(3.0)**	**(12.3)**	**0.6**	**(3.7)**	**(3.1)**
Share of equity-method affiliates	**37.6**	**17.0**	**54.6**	**60.2**	**(10.6)**	**49.6**
Net allowances for depreciation and impairment	**-**	**(1.4)**	**(1.4)**	**-**	**(3.0)**	**(3.0)**
Income/loss in the value of investment property	**-**	**1.7**	**1.7**	**-**	**1.3**	**1.3**
Transaction costs	-	-	-	-	-	-
OPERATING INCOME - BUSINESS PROPERTY	**50.3**	**14.3**	**64.6**	**72.6**	**(15.9)**	**56.7**
Others (Corporate)	(4.0)	(4.3)	(8.3)	(9.4)	(1.3)	(10.7)
OPERATING INCOME	**371.6**	**(698.0)**	**(326.4)**	**412.7**	**2.7**	**415.5**
Net borrowing costs	(50.6)	(18.2)	(68.8)	(46.9)	(14.8)	(61.7)
Other financial results	(7.7)	(9.5)	(17.1)	(9.7)	(6.5)	(16.2)
Discounting of debt and receivables	-	-	-	-	2.1	2.1
Change in value and income from disposal of financial	-	(56.5)	(56.5)	-	(65.2)	(65.2)
Net gain/(loss) on disposal of investments	-	(0.0)	(0.0)	-	(1.9)	(1.9)
PROFIT BEFORE Tax	**313.3**	**(782.2)**	**(468.8)**	**356.1**	**(83.7)**	**272.4**
Corporate income tax	(26.6)	(28.4)	(54.9)	(7.1)	(29.8)	(36.9)
NET INCOME	**286.8**	**(810.5)**	**(523.8)**	**349.0**	**(113.5)**	**235.5**
Non-controlling interests	(56.5)	272.5	216.0	(55.9)	54.1	(1.8)
NET INCOME, GROUP SHARE	**230.3**	**(538.1)**	**(307.7)**	**293.1**	**(59.4)**	**233.7**
Diluted average number of shares	*17,081,054*	*17,081,054*	*17,081,054*	*16,393,265*	*16,393,265*	*16,393,265*
NET INCOME PER SHARE (€/SHARE) GROUP SHARE	**13.48**			**17.88**		

Restated on 31 December 2019 to take into account changes to the presentation of borrowing costs.
(1) Concerning the share of equity-method affiliates, IFRS 16 restatement's impact is fully presented in changes in value, particularly for the Cogedim Résidences Services activity.

Consolidated balance sheet

(€ millions)	31/12/2020	31/12/2019 restated
Non-current assets	**5,132.2**	**5,455.4**
Intangible assets	330.4	331.4
o/w Goodwill	*209.4*	*209.4*
o/w Brands	*105.4*	*105.4*
o/w Client relations	*-*	*0.6*
o/w Other intangible assets	*15.7*	*16.1*
Property plant and equipment	26.1	20.9
Right-of-use on tangible and intangible fixed assets	140.3	23.4
Investment properties	4,024.6	4,472.1
o/w Investment properties in operation at fair value	*3,649.0*	*3,826.2*
o/w Investment properties under development and under construction at cost	*211.1*	*509.3*
o/w Right-of use on Investment properties	*164.6*	*136.7*
Securities and investments in equity affiliates	579.6	532.1
Non-current financial assets	12.6	44.3
Deferred taxes assets	18.5	31.2
Current assets	**3,817.8**	**3,632.4**
Net inventories and work in progress	859.3	1,064.5
Contract assets	741.2	564.9
Trade and other receivables	828.0	799.9
Income credit	11.4	9.4
Current assets	22.0	27.3
Derivative financial instruments	1.1	1.2
Cash and cash equivalents	1,277.5	830.2
Assets held for sale	77.4	335.0
TOTAL ASSETS	**8,950.0**	**9,087.9**
Equity	**2,716.7**	**3,335.5**
Equity attributable to Altarea SCA shareholders	**1,758.5**	**2,144.4**
Capital	264.0	255.2
Other paid-in capital	233.8	311.8
Reserves	1,568.5	1,343.8
Income associated with Altarea SCA shareholders	(307.7)	233.7
Equity attributable to minority shareholders of subsidiaries	**958.2**	**1,191.1**
Reserves associated with minority shareholders of subsidiaries	979.1	994.2
Other equity components, Subordinated Perpetual Notes	195.1	195.1
Income associated with minority shareholders of subsidiaries	(216.0)	1.8
Non-current liabilities	**2,630.5**	**2,823.7**
Non-current borrowings and financial liabilities	2,500.2	2,708.5
o/w Participating loans and advances from associates	*71.3*	*77.9*
o/w Bond issues	*1,720.4*	*1,613.5*
o/w Borrowings from lending establishments	*379.4*	*837.5*
o/w Negotiable European Medium-Term Note	*25.0*	*30.0*
o/w Lease liabilities	*149.4*	*11.1*
o/w Contractual fees on investment properties	*154.8*	*138.5*
Long-term provisions	24.0	25.1
Deposits and security interests received	36.6	36.7
Deferred tax liability	69.7	53.4
Current liabilities	**3,602.8**	**2,928.6**
Current borrowings and financial liabilities	1,569.8	1,016.0
o/w Bond issues	*254.6*	*16.9*
o/w Borrowings from lending establishments	*458.9*	*95.4*
o/w Negotiable European Commercial Paper	*628.0*	*709.5*
o/w Bank overdrafts	*3.9*	*2.7*
o/w Advances from Group shareholders and partners	*199.4*	*174.4*
o/w Lease liabilities	*1.1*	*12.1*
o/w Contractual fees on investment properties	*24.0*	*4.9*
Derivative financial instruments	36.3	98.2
Contract liabilities	177.3	168.8
Trade and other payables	1,798.4	1,639.6
Tax due	21.0	6.1
TOTAL LIABILITIES	**8,950.0**	**9,087,9**

Restated, at 31 December 2019 for the change in presentation of Current and non-current financial assets.