



Altarea launches a rights issue for an amount of approximately €350 million

Key terms of the transaction

- Subscription ratio: **3 new shares for 22 existing shares**
- Subscription price: €143.75 **per new share**, representing a discount of 19.8% on the theoretical ex-right price based on the closing share price on November 16, 2021, (€184.00)
- Theoretical value of the preferential subscription right (PSR): €4.83
- **Trading period of the PSR: from November 19, 2021 to November 30, 2021 (included)**
- **Subscription period: from November 23, 2021 to December 2, 2021 (included)**
- Subscription undertakings amount to 83.6% of the new shares to be issued¹, representing approximately €292.6m:
 - 48.36% (i.e. €169.3m) for Alain Taravella² and the extended concert
 - 24.66% (i.e. €86.3m) for group Crédit Agricole Assurances
 - 7.09% (i.e. €24.8m) for APG
 - 1.48% (i.e. €5.2m) for Christian de Gournay and Opus Investment
 - 1.01% (i.e. €3.5m) for Sogecap, as a result of the acquisition of a 1% interest from APG
 - 1.00% (i.e. €3.5m) for BPCE Vie
- Rights issue results: December 8, 2021 (after market trading)
- Settlement and admission to trading of the new shares: December 10, 2021

* * *

Altarea³ also announces its decision to propose to the annual General Meeting called to approve the financial statements for 2021 the distribution of a €9.75 dividend per share⁴ (vs €9.50 in 2020⁵) per share in respect of the current financial year. The new shares to be issued as part of the capital increase announced today will be entitled to this dividend, and will result in an increase of approximately +14% of the number of outstanding shares.

¹ As of the date of the AMF approval on the Prospectus. The balance is the subject of a bank underwriting enabling to cover 100% of the capital increase.

² Through his various holding companies (AltaGroupe, Altager and Alta Patrimoine) on an irreducible and reducible basis.

³ Resolution of the Supervisory Board held on November 16, 2021.

⁴ Subject to approval by the General Meeting called to approve the financial statements for 2021, shareholders will be asked to opt either (i) for 100% payment in cash or (ii) for 50% payment in shares and up to 50% in cash (with a 10% discount on the average opening price of the 20 trading days preceding the general meeting and after deduction of the dividend amount.

⁵ i.e. an increase of +2.6% vs 2020 and +5.6% taking into account the theoretical adjustment resulting from the distribution of PSR in the context of this capital increase (adjustment ratio being the ratio between the theoretical ex-right price of the Altarea share and its closing price on November 16, 2021, i.e. €179.17 / €184.00 = 0.97375).

Altarea announces today the launch of a capital increase with preferential subscription rights (“PSR”) for an amount of approximately €350 million.

Net proceeds of the offering of the new shares will be used by the Company as part of the financing of the acquisition of Primonial Securities, as announced on June 30, 2021⁶. The final agreements on the acquisition of 100% of the share capital⁷ for an enterprise value of €1.9 billion⁸ were signed on July 23, 2021 and Altarea confirmed the two-step acquisition planning: the acquisition of a 60% controlling stake to be completed in Q1 2022 and the acquisition of the remaining 40% to be completed by the end of Q1 2024. Altarea also announces its intention to propose to the annual General Meeting called to approve the financial statements for 2021⁹ the distribution of a €9.75 dividend per share in respect of the current financial year.

Through this transforming strategic transaction, Altarea steps up the implementation of its integrated model across the whole real estate value chain, by creating an unrivaled leader in Europe both in real estate investment and development.

“Altarea is now entering the final stage of the acquisition of Primonial announced last June, making Altarea the European independent leader in real estate investment and development.

Our Group’s growth will be driven by both the positive market trends in urban transformation market, where Altarea is already the leader, and the real estate asset management, in which Primonial is the leading European wealth and real estate asset manager. The operational profile of our Group will combine growth and resilience allowing us to target a potential fully diluted FFO Group Share of €18-20 per share by 2025.

In the short term, the Group is targeting, on its current scope, a FFO Group Share growth of around +10% in 2021 compared to 2020. Moreover, a dividend of €9.75 per share, including for the new shares created during the capital increase, will be proposed for the financial year 2021 at the General Shareholders’ Meeting that will approve the 2021 financial statements.

The purpose of this Capital Increase is to strengthen the Group’s Equity by up to c.€350 million in order to finance Primonial’s acquisition. 83.6% of the transaction is already covered by subscription commitments received from the main shareholders on the date of the approval of the prospectus. My Family Group commits to participate for an amount of around €169m.

More than ever, we have confidence in the Group’s perspectives, and it is entering a new growth cycle.”

Alain Taravella, Altarea Group Chairman and Founder

⁶ See the press release published on June 30, 2021: “Altarea enters into exclusive negotiations with the shareholders of Primonial Group to create an independent leader in real estate investment and property development”, available on altarea.com.

⁷ The transaction perimeter includes real estate asset management (€31 billion in real estate assets managed from September 30, 2021) and Distribution, as well as a minority stake of 15% in La Financière de l’Echiquier.

⁸ This amount includes the €800 million secured syndicated bank loan and for which Altarea is 100% surety and guarantor. Excluding potential earn-out for a maximum amount of €255m, payable in 2024, depending on the achievement of the 2022-2023 business plan.

⁹ Resolution of the Supervisory Board held on November 16, 2021.

Main terms of the capital increase

The Rights Issue will be carried out with shareholders' preferential subscription rights, according to the 14th, resolution of the combined shareholders general meeting held on June 29, 2021 and will result in the issuance of 2,435,190 new shares at a subscription price of €143.75 per share (i.e., a nominal value of €15.28 plus an issue premium of €128.47), to be fully paid up upon subscription, representing gross proceeds, including the issue premium, of €350,058,562.50 (of which €37,209,703.20 of nominal value and €312,848,859.30 of issue premium).

Holders of existing shares recorded in their accounts as of the end of the accounting day on November 18, 2021 will be entitled to receive preferential subscription rights which will be detached from the underlying existing shares on November 19, 2021. Existing shares will therefore trade ex-right from November 19, 2021.

Each existing share will entitle its holder to receive one (1) PSR. **22 PSR will entitle holders to subscribe for 3 new shares, on a non-reducible basis (*à titre irréductible*), at a subscription price of €143.75 per new share.**

Based on the closing price of Altarea's share price on the regulated market of Euronext in Paris ("**Euronext Paris**") on November 16, 2021, i.e., €184.00:

- **the theoretical value of one (1) PSR is €4.83** (this value may fluctuate during the PSR trading period, in particular depending on changes in the price of the Altarea share). Preferential subscription rights that are not exercised before the end of the subscription period, i.e., on December 2, 2021 will become null and void with zero value;
- the theoretical value of the ex-right share is €179.17;
- the subscription price for the new shares of €143.75 per share (representing a nominal value of €15.28 plus an issue premium of €128.47) reflects **a discount of 19.8% to the theoretical ex-right share price and 21.9% to the closing price on November 16, 2021.**

The public offer will be only in France.

Subscriptions on a reducible basis (*à titre réductible*) will be allowed. Any new shares not subscribed on an irreducible basis (*à titre irréductible*) will be distributed and allocated to the holders of PSR having submitted additional subscription orders on a reducible basis (*à titre réductible*) subject to reduction in the event of over-subscription. **Subscription orders are irrevocable.**

Subscribers who have made irreducible subscription orders (*à titre irréductible*) are guaranteed, subject to the effective completion of the share capital increase, to receive the number of new shares they have subscribed for on an irreducible basis within the applicable timeframes. Those who have made reducible subscription orders (*à titre réductible*) will be informed of their allocation by their financial intermediary.

Subscription intentions

Subscription commitments received from shareholders amount to a total of 2,035,743 new shares (on a non-reducible and reducible basis), representing 83.6% of the share capital increase.

Altarea received subscription commitments from (i) the Concert of Founders (Alain Taravella and his holding companies, AltaGroupe, Altager and Alta Patrimoine, as well as the members of his family, and, Jacques Nicolet and his holding company Everspeed), (ii) Jacques Ehrmann, (iii) the Group Crédit Agricole Assurances (through the companies Predica, Crédit Agricole Assurances, Crédit Agricole Vita, La Médicale and Spirica), (iv) BPCE Vie and (v) Christian de Gournay, Chairman of the Supervisory Board, and his holding company Opus Investment, (vi) ABP (APG) and (vii) SOGECAP, together representing 79.94% of the share capital who undertook to subscribe on a non-reducible basis in proportion to their respective holdings. In addition, AltaGroupe undertook to subscribe on a reducible basis for 88,938 additional new shares.

In addition, members of the Executive Committee informed the Company of their intention to participate in the share capital increase by subscribing for 8,427 new shares on a non-reducible basis, i.e. approximately €1.2million.

Dilution

For illustrative purposes only, a shareholder holding 1.00% of Altarea's share capital as of November 18, 2021, and who does not participate in the share capital increase, would hold 0.88% following its completion.

Underwriting

The issuance of the new shares is being underwritten pursuant to an underwriting agreement entered into on November 17, 2021 with a syndicate of banks comprising Natixis and Société Générale, acting alongside with BNP Paribas, Crédit Agricole Corporate and Investment Bank and Morgan Stanley Europe SE as Joint Global Coordinators, Lead Managers and Joint Bookrunners, who undertook, jointly but not severally, to subscribe for the new shares not covered by the subscription commitments and not subscribed during the subscription period. This underwriting agreement does not constitute an irrevocable guarantee (*garantie de bonne fin*) within the meaning of Article L. 225-145 of the French Commercial Code.

Lock-up undertakings

Altarea has agreed to a lock-up period starting on the signing date of the underwriting agreement and ending 90 calendar days after the settlement and delivery date of the share capital increase, subject to certain exceptions.

AltaGroupe, Alta Patrimoine, Altager, Predica, Crédit Agricole Assurances, Crédit Agricole Vita, Spirica, La Médicale, BPCE Vie, APG and SOGECAP have agreed to lock-up periods starting on the signing date of the underwriting agreement and ending 90 calendar days after the settlement and delivery date of the share capital increase, subject to certain exceptions. It is specified that in the event of termination of the underwriting agreement, lock-up commitments could be waived by the Company without the consent of the banks.

Indicative timetable of the share capital increase

The PSR will be traded on Euronext Paris under the ISIN code FR0014006KI3 from November 19, 2021 until November 30, 2021 inclusive. It will not be possible to buy or sell PSR on the market after the close of trading on November 30, 2021.

The subscription period for the new shares will run from November 23, 2021 to December 2, 2021, inclusive.

Any PSR not exercised before the end of the subscription period, i.e. the close of trading on December 2, 2021, shall automatically become null and void.

Settlement and delivery of the new shares and commencement of trading on Euronext Paris are expected to take place on December 10, 2021.

The new shares, which will entitle their holders to any dividends declared by Altarea as from the date of issuance, will be, as from their issuance date, fully fungible with Altarea's existing shares and will be traded under the same trading line and ISIN code as Altarea's existing shares (ISIN code FR0000033219).

Availability of the Prospectus

The prospectus (the « Prospectus ») including (i) the 2020 universal registration document (*document d'enregistrement universel*) of Altarea filed with the AMF on March, 19, 2021 under number D.21-0158, (ii) the amendment to the 2020 universal registration document filed with the AMF on November 17, 2021 under number D.21-0058-A01 and (iii) a securities note (*note d'opération*) (including the summary of the prospectus)

which was filed with the AMF and received approval under number 21-492 dated November 17, 2021 is available on the website of the AMF (www.amf-france.org) and the Company (www.altarea.com). Copies of the Prospectus are available free of charge at Altarea's registered office, 87, rue de Richelieu, 75002 Paris, France.

Risk factors

Among the information included in the Prospectus, Investors' attention is drawn to the risk factors included in chapter 5.2 "Risk factors and risk control systems" of the 2020 universal registration document, as supplemented by section 2 "Risk Factors" of the amendment to the 2020 universal registration document and in section 2 "Risk Factors" of the securities note. In particular, investors are invited to take into consideration the main risks related to the Acquisition. The materialization of all or part of these risks is likely to have an unfavorable effect on the business, reputation, results, financial situation or perspectives of the Group. In addition, other risks, not yet identified or considered insignificant by the Group at the date of approval of the Prospectus by the AMF, could also have an unfavorable effect and investors could lose all or part of their investment.

A presentation will be available for download on Altarea's website (section Augmentation de capital avec maintien du droit préférentiel de souscription) in French only.

ABOUT ALTAREA - FR0000033219 - ALTA

Altarea is the leading property developer in France and leader in the urban transformation market. As both developer and investor, the Group operates in the three main property markets (Retail, Residential and Business Property), making it the leading developer of large 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. Altarea is listed in Compartment A of Euronext Paris

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*A prospectus including (i) the 2020 universal registration document (document d'enregistrement universel) of the Company filed with the AMF on March, 19, 2021 under number D.21-0158 (the "**Universal Registration Document**"), (ii) the amendment to the 2020 universal registration document (amendement au document d'enregistrement universel 2020 filed with the AMF on November 17, 2021 under number D.21-0058-A01) (the "**Amendment**"), (iii) the securities note (note d'opération) and (iv) the summary of the prospectus, was filed with the AMF and received approval under number 21-492 dated November 17, 2021 and is available on the website of the Company (www.altarea.com) and the AMF (www.amf-france.org). Copies of the Prospectus are available free of charge at Altarea's registered office, 87, rue de Richelieu, 75002 Paris, France.*

Certain information included in this press release does not constitute historical data but constitutes forward-looking statements. These forward-looking statements are based on current beliefs, expectations and assumptions, including, without limitation, assumptions regarding the Group's present and future business strategies and the economic environment in which the Group operates. They involve known and unknown risks, uncertainties and other factors, which may cause actual performance and results to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include those discussed and identified in chapter 5.2 "Risk factors and risk control systems" of the 2020 universal registration document, as supplemented by section 2 "Risk Factors" of the amendment to the 2020 universal registration document. These forward-looking information and statements are no guarantee of future performance.