Press release

Paris, 22 February 2022, 5:45 p.m.
2021 annual results

Strong growth ahead of Primonial acquisition

Guidance exceeded: FFO[1] Group share +14.8%

Altarea, leader in urban transformation

A comprehensive real estate offering serving the city and its users
€19.4 bn pipeline (4.3 million m², 800 projects)

Seventh years of consecutive growth in Residential profits
Focus on margins and reorientation of the offer towards Individuals
Operating income up by 1.5% vs 2020 (+5.8% vs 2019)

Implementation of the asset management strategy in Retail
Partnership with Crédit Agricole Assurances on €1 bn assets
€5.3 bn assets under management, up by +6%

Success of the diversified Business property model
Wide products range, full regional coverage, developer-investor-asset manager model
Largest Business property developer in France (€5 bn pipeline, 63 projects)

2021 targets exceeded

FFO Group share €264.4 m (+14.8% vs guidance, up by 10%)
FFO Group share per share €14.35, up by 9.3%

Strengthened financial structure ahead of Primonial acquisition
€990 m equity raised
€3.4 bn liquidity

Proposed 2021 dividend up by 2.6%[2] to €9.75/share[3]
with partial script dividend option in shares[4]

With Primonial, Altarea strengthens its operating and financial model

Primonial, a leading independent European wealth and real estate asset manager
Real Estate Asset management: a fast-growing market driven by sustainable fundamentals
A less capital-intensive and more recurring profile

Guidance 2025: fully diluted[5] FFO Group Share of €18-20 per share

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Paris, 22 February 2022, 5:45 p.m. Following review by the Supervisory Board, the Management has approved the consolidated financial statements for 2021. 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] Funds from operations (FFO): net profit excluding changes in value, calculated expenses, transaction fees and changes in differed tax.
[2] +17% in amount (€196.1 million compared with €166.1 million in 2021).
[3] As proposed to the General Meeting of shareholders of 24 May 2022, called to approve the 2021 annual financial statements.
[4] Shareholders will be free to choose between a full payment in cash or a payment 50% in shares and 50% in cash.
[5] Taking into account shares created in the context of completed (December 2021) and planned (scrip dividend) capital increases.

“As Altarea prepares to write a new chapter in its history with the acquisition of Primonial, I would like to send a congratulatory message to all our teams who have once again demonstrated their commitment by going above and beyond the objectives. Our Group recorded growth in FFO of +14.8% compared to a guidance of +10%. This performance is even more remarkable given that it was achieved in a difficult context marked by both the persistence of the pandemic and an unstable economic environment.

In addition to the financial performance, Altarea has implemented a transformation strategy which is highly value-creating over the past two years.

First of all, our operational organisation has been strengthened and we have a comprehensive offering enabling us to systematically address the urban transformation market. Our regional coverage has been extended to adapt to new demographic trends, an ambitious roadmap has been assigned to each of our brands. More than ever, Altarea is a leader in the huge urban transformation market.

We then implemented a retail asset management strategy with an increase in the volume of assets managed on behalf of major partners. After having heavily suffered from the sanitary crisis, the retail asset class is rebecoming attractive and presents the prospects of a particularly strong recovery, pending of course on the evolution of sanitary situation.

Finally, our model has been revised to meet our environmental and societal responsibilities. As a leader in urban transformation, Altarea is implementing solutions that will make our cities more sober, more inclusive and, and above all, more pleasant to live in because our ambition is to shape today the city of tomorrow.

In a macroeconomic and political context full of uncertainties at the start of this year, real estate is the ultimate safe haven, especially in an inflationary context. Altarea, with its diversified business model, faces the year 2022 with confidence.

The operating result of the Development and Retail activities is expected to increase significantly in 2022 compared to both 2021 and 2019. This outlook includes a strong increase in Residential results, the impact of retail partnerships and a return to normal rental collection, subject to the evolution of sanitary situation. In total, with the integration of Primonial from its acquisition date, the Group expects a significant increase in its FFO Group share in 2022, despite the rapid rise of Corporate tax. More precised increase per share will be announced at the time of the half-year results, including Primonial for the first time.

With the forthcoming acquisition of Primonial, Altarea's business model should undergo a profound change, becoming less capital intensive and more recurrent. The Group reiterates its growth ambition for 2025 to reach a fully diluted FFO/share of between EUR 18 and 20. This perspective will be developed at an Investor Day scheduled for next autumn where Altarea will present its new operational organisation and its new growth model.

Altarea’s prospects are structurally strong because tomorrow they will sit on positive momentum of both urban transformation and real estate investment & saving markets which are immense and dynamic. "

Alain Taravella, Chairman and Founder of Altarea

ALTAREA: a model in transformation

Today, leader in urban transformation

The dynamism of the urban transformation market sits on the requirements to thoroughly rethink the urban planning of cities, whose real estate infrastructures need to be transformed to become more resilient (energy performance, reversibility, mixed use, new consumption, etc.). The sanitary crisis has amplified this awareness and strengthened the fundamentals of a market that is bigger than ever.

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[6] operating brands offers 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.

With more than 800 projects at the end of December 2021, Altarea manages the largest portfolio of property projects in France, representing a potential value[7] of €19.4 billion, all product categories included.

Committed to responsible growth

The Group's CSR initiative "Tous Engagés!" has since years been based on an entrepreneurial vision of the sustainable city in the service of responsible growth. Altarea has maintained its historic extra-financial performance by confirming its Green Star 5* status with the GRESB, by being elected Customer Service of the Year and 2nd in the Customer Relations ranking in the HCG-Les Echos classification for the 5th year running, and by being once again certified as a Top Employer 2022. Altarea is also on the top of the Challenges-Statista "Climate Champions" ranking for 2021.

The Group is accelerating and strengthening its commitment to the fight against climate change with two major initiatives to decarbonise its activities: Altarea is aiming for carbon neutrality by 2030 (Scope 1 and 2) for its portfolio of assets; for its neighbourhood, commercial property and housing development projects, Altarea is committed to a low-carbon city, in particular by producing residential units that will be half carbon-intensive in 2031 as in 2021 (Scope 3). The Group aims to reduce by 37% its carbon footprint by 2030 in all business lines. In addition, the inclusion of non-financial criteria in the profit-sharing agreement helps to involve all employees in the Group's ESG performance.

Tomorrow, an independent leader in real estate investment and property development

With the upcoming acquisition of the Primonial Group[8], an independent leader in wealth and real estate asset manager in Europe, Altarea will offer a unique platform of products and solutions across all business lines, all asset classes and all real estate markets meeting the growing appetite among individual and institutional investors.

Asset management is a natural expansion of the Group's activities, generating growth and adding to Altarea's existing know-how. The Group will now benefit from both the urban transformation market and the real estate investment and saving markets. In this respect, Primonial recorded gross property inflows of €4.0 billion in 2021 (up by 72%) and increased its real estate assets under management to €32.4 billion.

By moving towards a less capital-intensive and more recurring model, the Group is strengthening its operational profile, maintaining its solid financial structure, and confirming its growth ambition by 2025.

[6] Cogedim, Pitch Immo, Histoire & Patrimoine, Severini, Woodeum, Altarea Commerce, Altarea Entreprise, Altarea Logistique, Cogedim Club, Altarea Solutions et Services.
[7] Potential value = market value at 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 tax 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.
[8] Acquisition of 100% of the capital of Primonial (real estate asset management and distribution activities, and 15% of La Financière de l'Echiquier) in two stages: a control block of 60% in March 2022 and 40% in the first quarter 2024, for an enterprise value of €1.9 billion (excluding potential future earn-outs of a maximum amount of €225 million depending on the achievement of the business plan for 2022-2023 payable in 2024).

Residential: profit growth since seven consecutive years

The residential development market often experiences ups and downs, due to different reasons (change in tax or regulatory environment, local or national elections, financial or sanitary crises, etc.) but never the same.

Altarea knows how to understand, anticipate and adapt to each operational situation in order to take advantage of the structural demand from both individuals and institutions. The Group has thus achieved seven consecutive years of continuous growth in profit in successive, various and particular cycles.

Altarea, in a context of products scarcity, refocuses towards Individuals

At the start of the year 2021, activity has continued to suffer from the difficulties in obtaining building permits, because of the COVID-19 pandemic, and from the massive block sales in 2020, which resulted in a delay in commercial launches. The shortage has gradually improved, particularly at the end of the year, due to the effort made throughout whole product life cycle[9], as well to the development of new regions (medium-sized cities[10] located near the main roads, in coastal or border areas benefiting from favourable momentum).

In 2021, Altarea refocused commercially to individual clients, where the new orders has increased by 27% in value (+42% for rental investment). The majority of sales were concluded with Individual clients whereas sales to Institutional clients almost fell back to pre-crisis levels.

New orders	31/12/2021		31/12/2020		*Change*
Individuals	€1,698m	*56%*	€1,333m	*40%*	*+27%*
o/w rental investment	*€1,031m*		*€724m*		*+42%*
Institutional investors - Block sales	€1,340m	*44%*	€2,019m	*60%*	*-34%*
Total in value	**€3,038m**	***100%***	**€3,353m**	***100%***	***-9%***
Individuals	5,811 units	*50%*	4,227 units	*35%*	*+37%*
o/w rental investment	*3,866 units*		*2,605 units*		*+48%*
Institutional investors - Block sales	5,710 units	*50%*	7,702 units	*65%*	*-26%*
Total in units	**11,521 units**	***100%***	**11,929 units**	***100%***	***-3%***

This commercial strategy allowed Altarea to increase the average margin from operations launched this year despite the cost of sales inflation.

Revenue and results

Revenue in percentage of completion grew by 3.2% over the year due to the good technical completion rate, given 2020 was heavily affected by the sanitary crisis.

Residential	31/12/2021	31/12/2020	31/12/2019	*Chg. 21 vs. 19*
Revenue by % of completion	**€2,484.7m**	**€2,406.9m**	€2,283.1m	*+8.8%*
Change vs. prior year	*+3.2%*	*+5.4%*		
Operating income - Residential	**€179.6m**	**€177.0m**	€169.7m	*+5.8%*
Change vs. prior year	*+1.5%*	*+4.3%*		
Operating margin	*7.2%*	*7.4%*	*7.4%*	*-0.2 pt*

Despite significant lower-margin block sales signed in 2020, the operating margin rate remains flat, due to new operations launched in 2021 with higher margins. Overall, the Residential operating profit is growing, compared to both 2020 and 2019, due to an adequate commercial mix management.

[9] Signing of sales agreements, obtaining/clearing building permits and commercial launches.
[10] Opening of offices in Tours, Rouen, Caen, Angers, Rennes, Dijon, Clermont-Ferrand, Mulhouse, Metz and expansion in Lille, Strasbourg, La Rochelle and Amiens.

Retail: deployment of the Asset management strategy

In Retail, Altarea's strategy is to increase the value of assets under management (€5.3 billion at the end of 2021) while continuing to hold stakes in some of them (€2.4 billion Group share[11]).

This strategy is put in place through the conclusion of either partnerships on existing assets (in which Altarea holds a share) or management contracts newly won from third parties. Altarea shareholding now represents 45% the value of the assets under management[11].

Asset under management value increased by 6%

In €m	31/12/2021	31/12/2020	
Value of assets under management	**5,275**	**4,980**	*+6%*
o/w Group share[11]	*2,383*	*2,804*	*-15%*
as %	*45%*	*56%*	

In 2021, the value of assets under management increased by 6% (up 1.6% vs 2019). This increase comes from:

- the contract newly won from Allianz Real Estate[12] for the management of "Espace Saint-Quentin shopping centre" (a 60,000 m² asset located in Montigny-le-Bretonneux);
- the delivery of the last phase of retail at Paris-Montparnasse railway station on time, on budget and without interruption of operations;
- overall stability in the value of other assets under management (up 0.15% Group share).

Partnerships with Crédit Agricole Assurances for a total of €1.0 billion of retail assets

These partnerships (51% for Altarea and 49% for Crédit Agricole Assurances) relate to two types of long-term performing assets, retail parks on the one hand and retail in railway stations on the other:

- Alta Retail Parks covers nine French retail parks owned by Altarea. This partnership was closed in December 2021;
- Alta Infrastructures covers shops at Paris-Montparnasse railway station and at five Italian railway stations owned by Altarea. This partnership, which was closed in early 2022, may include investment opportunities in other European railway stations later on.

These partnerships allowed Altarea to raise €485 million of equity[13].

2021, a year affected by pandemic but marked by gradual return to confidence

The year was marked by a succession of restrictive measures (in particular in the 2nd quarter) and the introduction of the sanitary pass[14] in the summer. Each time these measures were eased, the performance of the shopping centres recovered sharply with a clear increase in the average shopping basket compared to 2019 (**retailer revenue[15] up by 1% between July and December 2021** vs a footfall[16] down by 13% over the same period).

Rental activity was dynamic throughout 2021 (325 leases signed for a guaranteed minimum rent of €33 million, the same level as in 2019). Renewed or re-let leases have kept almost the same rent price. Vacancy fell sharply and stood at 2.9% at the end of 2021 (-0.3 point over one year), close to pre-crisis levels. The rent collection rate is 88.3%[17].

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[11] Post partnerships with Crédit Agricole Assurances (Alta Retail Parks signed at the end of 2021 and Alta Infrastructures signed at the beginning of 2022).
[12] Altarea already manages 5 assets held in partnership with Allianz since 2013 (Bercy Village, Toulouse Gramont, the shops in Gare de l'Est station, the Espace Chanteraines in Gennevilliers, and Avenue83 in Toulon-La Valette).
[13] Including €215m in 2022.
[14] Verification of the health passport at the entrance to shopping centres from 16 August concerned 5 sites until the measure was completely lifted at the end of September 2021.
[15] Cumulative change in retailer revenue incl. tax from July to December 2021 vs 2019.
[16] Cumulative change in the number of visitors, measured by Quantaflow for equipped shopping centres, and by counting cars for retail parks (excluding travel retail outlets) from July to December 2021 vs 2019 in France.
[17] Rents and charges collected (€285.9m) in relation to rent and charges paid (€323.7m) for the year 2021 (85.7% in the first quarter, 80.1% in the second quarter, 94.0% in the third quarter and 92.5% in the fourth quarter).

Business property: success from a diversified model

A complete range of offering

Altarea is the leading Business property developer in France[18] with its wide range of products (multi-occupant offices, headquarter offices, logistics platforms, hotels, campus and schools, etc.) and its presence in the most dynamic regions (Paris Region and major regional cities). As of December 31st 2021, the Group was managing a pipeline with potential value of €5.0 billion with a limited risk in Group share[19].

At 31/12/2021	No.	Surface area (m²) at 100%	Potential value at 100% (€m) excl. VAT
Investment	8	469,700	2,958
Property development of off-plan sales	53	885,300	1,992
DPM	2	35,400	100
Total	**63**	**1,390,400**	**5,050**
of which Offices	*54*	*699,800*	*4,450*
of which Logistics	*9*	*690,600*	*600*
of which Paris Region	*16*	*416,400*	*3,009*
of which Regions	*47*	*974,000*	*2,041*

Grand Paris

The Group has made significant progress in the Paris Region, notably with:

- the sale of a 15% stake in Bridge to Crédit Agricole Assurances. This 58,000 m² building delivered in March 2021 is fully leased to Orange which made it its world headquarter. Altarea still holds 10% of this emblematic asset, which is planned to be sold in 2022;
- and in Paris - La Défense with the sale of Bellini (18,000 m²) to Swiss Life Asset Management and the lease of Eria (26,000 m²) to Campus Cyber.

Regional cities

As the leading business property developer in the regions, Altarea was able to capitalise on its know-how to meet the expectations of this fast-growing market. The year 2021 confirmed this trend, with:

- 3 projects sold: a 50,000 m² logistics platform in Béziers, a 15,000 m² office building in Mérignac near Bordeaux to Groupama and a 6,000 m² building in Villeurbanne to Le Sytral;
- 8 new operations: 2 office projects in Lyon, 3 in Aix-en-Provence and 3 logistics projects in Nantes and Angers;
- 8 deliveries (totalling 125,000 m² of offices, campuses and hotels in Nantes, Marseille, Toulouse, Bordeaux, etc.);
- and the launch of the construction site for the future Emlyon Business School campus covering 30,000 m² in the Gerland area in the heart of the city's 7th district.

18 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.
19 The Group's share of commitments on unleased or unsold projects amounted to €144 million, of which less than €87 million remained to be disbursed.

Financial results: guidance exceeded - FFO Group share +14.8% (vs guidance of +10%)

Funds from operations (FFO) Group share were €264.4 million, up by €34.1 million in 2020 (i.e. +14.8%), with positive contribution from all businesses:

- +€3.4 million for Retail (+4.5%);
- +€1.9 million for Residential (+1.5%);
- +€26.6 million for Business Property (+83.0%), due to the expected sales of 15% share in Bridge shifted from 2020 to the beginning of 2021 and to the ramp-up of activity in regional cities;
- +€2.2 million other miscellaneous.

FFO Group share amounted to €14.35 per share (+9.3%) after taking into account the dilutive effect of the shares created in 2021[20] and the application of IAS 33[21].

In M€	Retail	Residential	Business Property	Other (Corporate)	Funds from operations (FFO)	Changes in value, estimated expenses and transaction costs	TOTAL
Revenue	**216.8**	**2498.0**	**314.9**	**0.1**	**3,029.8**	**–**	**3,029.8**
Change vs. 31/12/2020	*+0.2%*	*+3.4%*	*(25.5)%*	*n.a.*	*(0.9)%*		*(0.9)%*
Net rent	162.5	–	–	–	162.5	–	162.5
Property margin	(1.0)	204.0	34.2	(0.1)	237.1	0.1	237.2
External services	23.8	13.3	9.8	0.1	46.9	–	46.9
Net income	**185.3**	**217.3**	**44.0**	**0.0**	**446.6**	**0.1**	**446.7**
Change vs. 31/12/2020	*+4.5%*	*+2.3%*	*+56.0%*	*n.a.*	*+6.9%*		
Own work capitalised and production held	8.6	177.7	10.3	–	196.6	–	196.6
Operating expenses	(45.6)	(227.3)	(26.3)	(1.8)	(300.9)	(30.6)	(331.5)
Net overhead expenses	**(37.0)**	**(49.6)**	**(16.0)**	**(1.8)**	**(104.3)**	**(30.6)**	**(134.9)**
Share of equity-method affiliates	3.8	12.0	46.9	*n.a.*	62.6	(5.2)	57.5
Income/loss on sale of assets Retail						(1.2)	(1.2)
Change in value, estimated expenses and transaction costs – Retail						17.3	17.3
Calculated expenses and transaction costs - Residential						(20.5)	(20.5)
Calculated expenses and transaction costs - Business						1.0	1.0
Other provisions Corporate						(20.1)	(20.1)
Operating income	**152.1**	**179.6**	**75.0**	**(1.8)**	**404.9**	**(59.2)**	**345.8**
Change vs. 31/12/2020	*+2.6%*	*+1.5%*	*+49.0%*	*n.a.*	*+9.0%*		
Net borrowing costs	(26.2)	(13.4)	(9.5)	–	(49.2)	(5.4)	(54.6)
Other financial results	(13.0)	(5.0)	(2.2)	–	(20.1)	(8.6)	(28.7)
Gains/losses in the value of financial instruments	–	–	–	–	–	5.7	5.7
Proceeds from the disposal of investments	–	–	–	–	–	7.9	7.9
Corporate income tax	(1.5)	(13.6)	(4.9)	–	(20.1)	6.2	(13.9)
Net result	**111.4**	**147.6**	**58.4**	**(1.8)**	**315.6**	**(53.4)**	**262.1**
Non-controlling interests	(33.5)	(17.9)	0.2	–	(51.2)	0.7	(50.5)
Net income, Group share	**77.9**	**129.7**	**58.6**	**(1.8)**	**264.4**	**(52.7)**	**211.6**
Change vs. 31/12/2020	*+4.5%*	*+1.5%*	*+83.0%*	*n.a.*	*+14.8%*		
Diluted average number of shares					*18,424,086*		
Net income, Group share per share					**14.35**		
Change vs. 31/12/2020					*+9.3%*		

[20] *Creation of 3,017,432 shares (60,580 for the FCPE, 482,385 for the payment of the 2020 scrip dividend, 2,435,190 for the capital increase in cash with preferential subscription rights and 39,277 for the acquisition of Reuilly).*

[21] *Retrospective correction of the average number of shares to take account of the preferential subscription rights assimilated to a bonus share issue to shareholders. The average number of shares reported in 2020 (17,081,054) has been adjusted to 17,539,018, equivalent to FFO per share in 2020 of €13.13 rather than the reported figure of €13.48.*

Going concern NAV at €157.4/share (+0.6%)

Going concern NAV was almost stable (+0.6% at €157.4/share) after taking into account the impact of capital increases resulting in a dilution of €(1.9)/share.

Going concern NAV (fully diluted)	in €m	€/share
NAV 31 December 2020	**2,702.7**	**156.4**
Capital increases (dilutive impact)	432.9	(1.9)
Dividend	(166.1)	(9.50)
FFO Group share 2021	264.4	14.35
Property Development & Asset management	4.2	0.2
Retail	26.5	1.3
Financial Instruments	(10.5)	(0.5)
IFRS 16[a]	(14.5)	(0.7)
Deferred tax	(7.1)	(0.3)
Transaction costs[b]	(14.9)	(0.7)
Other[c]	(22.5)	(1.1)
NAV 31 December 2021	**3,195.2**	**157.4**
vs. 31 December 2020	*+18.2%*	*+0.6%*

(a) Depreciation of right-of-use assets.
(b) Including Primonial acquisition costs
(c) Including depreciation, IFRS2 expense, change in value of fixed-rate debt and partners' share.

Strong balance sheet structure ahead of Primonial acquisition

From January 1st 2021 to date, Altarea has raised €990m equity, most of it will be used to fund the acquisition of Primonial:

- €350.1 million through capital increase with preferential subscription rights successfully completed in December[22];
- €75.0 million through the partial payment of the 2020 dividends in share;
- €7.8 million[23] as part of the FCPE program;
- €5.2 million through the acquisition of the Reuilly urban logistics site (Paris 12th arrondissement) partially paid in share;
- €66.6 million through capital increase of Alta Blue (CAP3000 partnership);
- €485 million[24] through the partnerships signed with Crédit Agricole Assurances in the Retail business.

	31/12/2021	31/12/2020	*Chge*
Net debt	€1,646m	€2,193m	*-€547m*
LTV[25]	*24.1%*	33.0%	*-8.9 pts*
Net debt to EBITDA ratio[26]	4.1x	5.9x	*-1.8x*
ICR[27]	8.2x	7.3x	*+0.9x*
Debt maturity	4 years and 6 mth	5 years and 1 mth	*-7 months*
Cost of debt[28]	1.80%	1.94%	*-14 bps*

The rating agency S&P Global confirmed the Group's Investment Grade rating on 30 June 2021 at BBB-, with negative outlook.
On December 31st 2021, the Group's liquidity position stood at €3.4 billion[29]. Altarea has also secured a €800 million syndicated loan maturing in five to seven years with a pool of partner banks, which will be drawn on the day of the Primonial acquisition (not reported in cash at the end of 2021).

[22] Issue of 2,435,190 new shares at a subscription price of €143.75 per share.
[23] Average subscription of €5,843 per employee subscribing.
[24] Including €215m in 2022.
[25] Loan-to-Value (LTV): indebtedness ratio. Consolidated net bond and bank debt/Consolidated market value of Group assets.
[26] FFO Operating income over net bond and bank debt.
[27] Interest coverage ratio (ICR): operating income/net borrowing costs.
[28] Average total cost including related fees (commitment fees, CNU, etc.).
[29] €2.2 billion available at corporate level and €1.2 billion available at project level.

Proposed dividend for 2021

A dividend of €9.75/share will be proposed at the General Shareholders' Meeting of 24 May 2022, for the financial year 2021, up by 2.6% compared to 2020. Shareholders will also be proposed the partial script dividend option. They will be free to choose between:

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

Outlooks

Altarea faces the year 2022 with confidence:

- the operating result of the Development and Retail activities is expected to increase significantly in 2022 compared to both 2021 and 2019. This outlook includes a strong increase in Residential results, the impact of retail partnerships and a return to normal rental collection, subject to the evolution of sanitary situation and to the international political environment with no significant consequences on the French economy;
- with the integration of Primonial from its acquisition date, the Group expects a significant increase in its FFO Group share in 2022, despite the rapid rise of Corporate tax.

More precised increase per share will be announced at the time of the half-year results, including Primonial for the first time.

By 2025:

- with the forthcoming acquisition of Primonial, Altarea's business model should undergo a profound change, becoming less capital intensive and more recurrent;
- the Group reiterates its growth ambition for 2025 to reach a fully diluted FFO/share of between €18 and €20.

This perspective will be developed at a Investor Day scheduled for next autumn where Altarea will present its new operational organisation and its new growth model.

A presentation will be available for download on the Finance page of Altarea’s website, in both French and English on the morning of 23 February.

Financial calendar 2022

First quarter 2022 revenue:	12 May 2022 (after trading)
Combined General Meeting:	24 May 2022 (11 a.m.)
Half-year results 2022:	end of July 2022
Investor day:	early October 2022

ABOUT ALTAREA – FR0000033219 - ALTA

Altarea is the leading property developer in France. As both a developer and investor, the Group is present in the three main real estate markets (retail, housing and commercial property), making it the leader in major mixed-use urban renewal projects in France. For each of its activities, the Group has all the know-how required to design, develop, market and manage tailor-made real estate products. Listed in Compartment A of Euronext Paris.

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BUSINESS REVIEW
31 DECEMBER 2021

AGENDA

1.1 Business

1.1.1 Retail

1.1.1.1 AN ASSET MANAGEMENT STRATEGY

The Group's strategy is to increase the volume of retail outlets under management (€5.3 billion at the end of 2021) and to continue holding stakes in certain assets (€2.4 billion Group share[30]). Altarea's capital exposure represents 45% of the value of assets under management. This strategy allows it to extract the full value from its operational know-how for the volumes under management, while generating strong yield on its share of the investment.

1.1.1.2 ASSETS UNDER MANAGEMENT

Value of managed assets

Figures at 100%	No.	GLA (in m²)	Value (€m) (b)	*Chge*
Assets managed on behalf of third parties (a)	6	114,700	586	
Assets managed in partnership	36	827,100	4,689	
Assets under management	**42**	**941,800**	**5,275**	*+6%*
o/w Group share (c)			*2,383*	

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

(b) Appraisal value including transfer duties.

(c) Post partnerships with Crédit Agricole Assurances (Alta Retail Parks closed at the end of 2021 and Alta Infrastructures closed at the beginning of 2022).

The value of assets under management increased by +6% (+1.6% vs 2019). This increase is due to:

• the asset management contract of the Espace Saint-Quentin shopping centre (a 60,000 m² asset located in Montigny-le-Bretonneux) awarded by Allianz Real Estate[31];
• the last phase of the Paris-Montparnasse station delivered on time and within the initialbudget, without interruption of operation;
• overall stability in the value of other assets under management (+0.15% Group-share).

Types asses under management

At 100% (€ millions)	31/12/2021		31/12/2020	
Regional shopping centres	2,859	*54%*	2,880	*58%*
Travel retail	554	*10%*	471	*9%*
Retail parks	874	*17%*	869	*17%*
Convenience stores	403	*8%*	397	*8%*
Assets managed on behalf of third parties	586	*11%*	363	*7%*
Total	**5,275**	*100%*	**4,980**	*100%*

Average property exit rates[32]

At 100%	31/12/2021	31/12/2020
Regional shopping centres	5.01%	4.93%
Retail parks	5.70%	5.70%
Convenience stores	5.95%	5.92%
Weighted average	**5.24%**	**5.18%**

1.1.1.3 MAIN EVENTS 2021

Partnerships with Crédit Agricole Assurances for a total of €1.0 billion in retail

These partnerships (51% for Altarea and 49% for Crédit Agricole Assurances) relate to two types of long-term performing assets: retail parks on one hand and transit shops in stations on the other.

• ***Alta Retail Parks*** covers nine French retail parks[33] held by Altarea.

This asset category proved its resilience during the health crisis with its open-air format and efficient cost structure, which enabled retailers to offer consumers a particularly interesting price/product mix. The fight against urban sprawl limits scope for creating new assets and makes existing leading sites particularly attractive for retailers seeking larger units at competitive prices.

• ***Alta Infrastructures*** covers retail outlets at Paris-Montparnasse station and at five Italian railway stations owned by Altarea.

Under concession until 2052, the Paris-Montparnasse station has undergone in recent years an exemplary restructuring by Altarea in close coordination with SNCF Gares & Connexions. Internationally, the partnership covers five talian railway stations[34] under concession until June 2041 some of which are subjected to extension. This partnership may subsequently create new opportunities to invest in European railway stations.

Altarea will continue to manage all these assets.

The retail park partnership was closed in December 2021 and the partnership on travel retail in railway stations in early 2022.

30 Post partnerships with Crédit Agricole Assurances (Alta Retail Parks signed at the end of 2021 and Alta Infrastructures signed at the beginning of 2022).

31 Altarea already manages 5 assets held in partnership with Allianz since 2013 (Bercy Village, Toulouse Gramont, the shops in Gare de l'Est station, the Espace Chanteraines in Gennevilliers, and Avenue83 in Toulon-La Valette).

32 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 quality of the asset in the medium and long term. NB: since the retail outlets are operated under concession, there is no capitalisation rate (full ownership rate equivalents are below 5%).

33 Les Portes de Brest Guipavas, Family Village Costières Sud in Nîmes, Family Village Les Hunaudières in Le Mans-Ruaudin, Les Portes d'Ambresis in Villeparisis, Castorama in Pierrelaye, Thiais Village in Thiais, Family Village in Limoges, Family Village and Le Village de brands in Aubergenville. A total of 212,000 m², 30 million visitors per year, gross rental income of €30 million giving revenue of €548 million incl. tax at the end of 2019.

34 Milan-Porte Garibaldi, Rome-Ostiense, Turin-Porte Susa, Padua, Naples-Afragola.

Allianz Real Estate grants the asset management contract of Espace St-Quentin to Altarea Commerce

Altarea has been awarded the management of the Espace Saint-Quentin shopping centre by Allianz Real Estate[35] in May. The centre has a surface area of 60,000 m² and is located in the center of Montigny-le-Bretonneux (Yvelines). The objective is to redevelop it and create a space for new brands in line with customer expectations.

Two iconic deliveries

Paris-Montparnasse railway station: a demonstration of how Altarea manages major complex projects

After four-year extensive restructuring work, the Paris-Montparnasse station was delivered on time and within the initial budget. The fourth-largest railway station in Paris, whose operation was not interrupted by the works, has become a lighter and smoother-flowing place for its 77 million annual visitors, more comfortable and more open to its surrounding area.

It now offers an enhanced and unique range of 120 shops, restaurants and services (including a health centre and a business centre) on four levels (18,200 m² GLA) to meet the expectations of travellers , commuters and the needs of local residents. The station redevelopment project has received BREEAM In-Use certification and stood out for its optimised energy consumption and prioritised natural light.

CAP3000: innovation and customer service at heart

The restructuring-extension of this leading centre on the Côte d'Azur took six years. The project aimed to open the centre to the sea and to develop a catering & lifestyle offer to meet the new expectations of retailers and customers. The centre has almost doubled in size to reach a surface area of 135,000 m², including 5,000 m² of panoramic terraces with a sea view.

CAP3000 now offers 300 shops and 25 restaurants, including:

• a new premium, luxury, designer mall with Le Corso, an exclusive universe with carefully selected trends and brands and new concepts focused on omnichannel, innovation and support for retailers, such as Capsule@CAP3000 and my eshop@CAP3000, the first shopping centre marketplace;

• an exceptional well-being and sports offer (Club Metropolitan fitness & spa, cryotherapy, etc.).

CAP3000 offers a constantly renewed customer experience, in line with trends, able to attract both a large local customer base and international visitors (20%). The average visit time has more than doubled (from 47 minutes to 1 hour and 43 minutes), and the centre even attracts younger customers and families.

After the extension, CAP3000 became the first shopping centre in the world to receive the BiodiverCity and BREEAM “Excellent” labels and Altarea Commerce received the CNCC’s 2020 Trophy for this project. With 4,000 jobs, CAP3000 is today the fourth-biggest employer in Alpes-Maritimes.

1.1.1.4 OPERATION

A succession of "stop and go"

In France, the year was marked by a succession of restrictive measures that mainly impacted the second quarter (curfews, closures depending on shopping centre size, region and type of retail store) and by the implementation of the health pass[36] in the summer.

Each time these measures were eased, the performance of the shopping centres recovered sharply with a clear increase in the average shopping basket compared to 2019 (increase of 1% in retailer revenue[37] between July and December 2021 despite footfall[38] down 13% in the same period).

Dynamic leasing activity and improvement in vacancies

Rental activity was very dynamic throughout 2021, including for restaurants and leisure activities, with 325 leases signed for a guaranteed minimum rent of €33 million.

This performance was achieved both on sites in operation and on projects under development (30% of the leases signed during the year concerned CAP3000, the Paris-Montparnasse station and stores in large mixed-use projects). Renewed or re-let leases have kept almost the same rent price.

Altarea also innovated by signing exceptional leases (13% of new leases during the year) with partners offering innovative concepts such as The North Face, Waterdrop, 727 Sailsbag, Mercedes, Iris Galerie and City Geek. The diversity of the assets managed by the Group makes it possible to reach both independent and local tenants, who have a strong presence in mixed-use projects, as well as national and international retailers seeking to develop their geographical coverage.

As a result, vacancies improved sharply and stood at 2.9% at the end of 2021 (-1.3 points vs 2020), close to pre-crisis levels.

Consolidated net rental income

France and International	(€ millions)	*Chge*
Net rental income at 31 December 2020	**159.3**	
Disposals/partnerships	*(2.5)*	
Deliveries	*9.0*	
Like-for-like change (o/w Covid impact)	**(3.3)**	
Net rental income at 31 December 2021	**162.5**	***+2.0%***

Net rental income for 2021 includes the following impacts:

• €(12.5) million in reductions granted in 2021 recognised as expenses of the period;

[35] Altarea already manages five assets held in partnership with Allianz since 2013 (Bercy Village, Toulouse Gramont, the shops in Gare de l'Est station, the Espace Chanteraines in Gennevilliers, and Avenue83 in Toulon-La Valette).

[36] Verification of the health passport at the entrance to shopping centres from 16 August concerned five sites until the measure was completely lifted at the end of September 2021.

[37] Cumulative change in retailer revenue from July to December 2021 vs 2019, at constant surface areas.

[38] Cumulative change in the number of visitors, measured by Quantaflow for equipped shopping centres, and by counting cars for retail parks (excluding travel stores) from July to December 2021 vs 2019 in France.

• €(4.2) million in deferred payments, related to the 2021 impact of the 2020 renegotiations, spread over the residual term of the leases;

• €(11.8) million in accrual for bad debts.

The cumulative sum of these impacts represents €28.5 million, compared to €29.1 million in 2020 and €6.3 million in 2019.

The rent collection rate is 88.3%[39].

Lease expiration schedule

Lease end date	At 100% (€ millions)	% of total	3-year termination option	% of total
Expired	6.2	*2.4%*	6.3	*2.5%*
2021	8.0	*3.1%*	8.0	*3.1%*
2022	7.5	*2.9%*	23.6	*9.2%*
2023	9.6	*3.8%*	31.9	*12.5%*
2024	16.9	*6.6%*	35.8	*14.0%*
2025	22.9	*9.0%*	31.8	*12.5%*
2026	32.5	*12.7%*	36.9	*14.5%*
2027	23.2	*9.1%*	19.1	*7.5%*
2028	26.8	*10.5%*	20.8	*8.1%*
2029	27.7	*10.8%*	8.1	*3.2%*
2030	24.6	*9.6%*	13.7	*5.4%*
> 2030	49.4	*19.3%*	19.3	*7.6%*
Total	**255.3**	**100%**	**255.3**	**100%**

1.1.1.5 PIPELINE AS AT 31 DECEMBER 2021

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 under partnership;

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

Pipeline Retail	GLA (in m²)	Potential value (€ millions) [a]
Creations/expansions (four projects)	85,100	783
Large mixed-use projects (ten projects)	85,000	289
Total	**170,100**	**1,072**

[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.

Altarea is developing 4 creation/expansion projects, of which the two main ones are Ferney-Voltaire near the Swiss border and the Paris Austerlitz train station.

Concerning this last project, the request for the cancellation of the building permit relating to the redevelopment project of the Paris Austerlitz station district has been rejected by the Administrative Court of Appeal of Paris in November 2021, an appeal was lodged with the Council of State following the rejection.of. As a consequence, Altarea plans to start work in the first half of 2023.

In terms of large mixed-use projects, Altarea delivered the shops in the new "Cœur de Ville" district in Bezons and some of the shops in the Fisher district in Strasbourg, in 2021

[39] Rents and charges collected (€285.9m) in relation to rent and charges paid (€323.7m) for the year 2021 (85.7% in the first quarter, 80.1% in the second quarter, 94.0% in the third quarter and 92.5% in the fourth quarter).

Assets under management at publication date[40]

Asset and type	GLA (in m²)	Gross rents (€ millions)	Values (€ millions)	Group share	Value GS (€ millions)
CAP3000 (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**	**2,648**		**1,381**
Montparnasse station - Phases 1, 2 & 3 (Paris)	18,200			51%	
Gare de l'Est (Paris)	6,800			51%	
Italian railway stations (five assets)*	8,600			51%	
Oxygen (Belvédère 92)	2,900			100%	
Travel retail (8 assets)	**36,500**	**47**	**554**		**285**
Family Village (Le Mans-Ruaudin)**	30,500			51%	
Family Village (Limoges)**	29,000			51%	
Family Village (Nîmes)**	28,800			51%	
Les Portes de Brest Guipavas (Brest)**	28,600			51%	
Family Village (Aubergenville)**	27,800			51%	
Espace Chanteraines (Gennevilliers)	23,700			51%	
Thiais Village (Thiais)**	22,800			51%	
Les Portes d'Ambresis (Villeparisis)**	20,300			51%	
La Vigie (Strasbourg)	18,200			100%	
Marques Avenue A13 (Aubergenville)**	12,900			51%	
Pierrelaye	10,000			51%	
Retail parks (11 assets)	**252,600**	**37**	**726**		**392**
-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**	**135**		**135**
Jointly controlled assets (a) (30 assets)	**665,500**	**217**	**4,063**		**2,193**
Le Due Torri (Bergamo – Stezzano, Italy) - GC	30,900			25%	
La Corte Lombarda (Bellinzago, Italy)	21,200			25%	
Carré de Soie (Lyon) - RP	51,000			50%	
Le Parks (Paris) - Prox	33,300			25%	
Reflets Compans (Toulouse) - Prox	14,000			25%	
Jas de Bouffan (Aix-en-Provence) - Prox	9,800			18%	
Miscellaneous	1,400			49%	
Equity-method assets (b) (6 assets)	**161,600**	**38**	**626**		**190**
Total portfolio assets (36 assets)	**827,100**	**255**	**4,689**		**2,383**
Third-party asset management (c) (6 assets)	**114,700**	**36**	**586**		
Total assets under management (42 assets)	**941,800**	**291**	**5,275**		

(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.

** Assets included in the Alta Infrastructures partnership signed in early 2022 and ** assets in the Alta Retail parks partnership signed in late 2021.*

[40] *Post partnerships with Crédit Agricole Assurances (Alta Retail Parks signed at the end of 2021 and Alta Infrastructures signed at the beginning of 2022).*

1.1.2 Residential

1.1.2.1 STRATEGY

Altarea is the second-largest residential developer in France[41] and the Group has structured itself to eventually sell a potential 18,000 units per year in the medium term.

National geographic coverage

The Group holds particularly strong positions in French major cities where it holds a leading or co-leading position. In recent years, it also develops its activity at a sustained pace in medium-sized cities, which offer new growth opportunities. These particularly dynamic territories are generally located along major intercity transport routes or in coastal or border areas.

Almost all of the offer for sale and the land portfolio are located in high-growth areas and multi-family buildings with a very high level of certification (quality and/or environmental).

A multi-brand strategy

Six complementary brands to cover the entire market

Cogedim (“healthy homes for healthy people”) is the Group’s leading brand in terms of geographic coverage, product lines and reputation (Cogedim has won “best customer service of the year” awards five times since 2018). Cogedim's offer is built around ten commitments to promote health, well-being and the environment, with particular attention paid to air quality, material neutrality and the reduction of CO_2 emissions, energy and lighting savings, and thermal and acoustic comfort. This offer is particularly in line with the new expectations of French people in terms of high-quality housing[42] . Cogedim is structured to reach a potential annual sales of 11,000 units in the future.

Pitch Immo ("closer to go further") has a market position around four values: people at the heart (improving the regional network for greater proximity), local integration (tailored programs developed with local stakeholders), quality of life and CSR (outdoor spaces and green spaces, air quality, and NF Habitat, HQE and Energy$^+$Carbon$^-$ certifications). The brand **Severini** (specialized in the Aquitaine region) reports to Pitch Immo operationally. In total, Pitch Immo has potential sales of 4,000 units per year.

Histoire & Patrimoine ("historical places for your stories") is the Group’s brand specialising in renovation and urban restoration. The expertise of Histoire & Patrimoine focuses on historical buildings, exceptional architectures and historical urban sites to give them a second life. Histoire & Patrimoine has future potential sales of around 1,000 units per year.

Cogedim Club ("Family home spirit") is the brand specializing in the development and management of senior housing, offering apartments for rent, with personalised services and events, for the comfort and well-being of their occupants.

Woodeum ("100% committed to the planet and your well-being") is the brand specializing in the construction of CLT solid wood and low-carbon housing. The construction technologies developed by Woodeum contribute to reduce the carbon footprint and construction nuisance of buildings, while offering exceptional comfort of use. Woodeum is structured to reach potential sales of 2,000 annual units in the future.

The Group’s various brands operate independently (own customers and products) while benefiting from the power of the Group and its umbrella brand Altarea (strategy, finance, other support).

A multi-product strategy

The Group provides adequate answer to requirementsfrom all market segments and 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 for first-time buyers and the challenges facing social landlords, private investment and institutional investors;

• serviced residences: Altarea designs residences for active seniors (without daily medical supervision), tourist residences and student residences with city-centre locations and a range of à la carte services. In 2021, the Group manages, under the Cogedim Club® brand, 24 senior residences (2,050 units) and is developing 27 projects, of which 13 are currently under construction (nearly 2,300 units in total, of which 1,150 are in progress);

• 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 through their real estate project (commercial support, financing brokerage, rental management, etc.). At the end of 2021, the Group was already managing, as part of its property management activity, more than 15,140 units spread over 370 buildings, and more than 6,000 units as part of its rental management offering.

[41] Source: Ranking of Developers 2021 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.

[42] In September 2021, Cogedim conducted a study with the OpinionWay institute entitled “The French, housing and health”, the results of which were published on 16 November 2021 and are available on the altarea.com website, under the Newsroom section.

1.1.2.2 ACTIVITY OF THE YEAR

Supply challenges

At the beginning of 2021, business continued to be impacted by delays in commercial launches. This was a result of the COVID-19 pandemic, difficulties in obtaining building permits, massive block sales in 2020 have reduced the available supply.

The shortage has gradually improved, particularly at the end of the year without, however, returning to the levels achieved in 2018 and 2019. This gradual recovery occurred due to the effort made throughout whole product lifecycle (signing of sales agreements, obtaining/clearing building permits and commercial launches).

Supply[43]

Supply	2021	2020	Chge
(€m incl. VAT)	5,502	4,693	*17%*
In units	21,471	19,374	*11%*

Procurement rose sharply compared to 2020 (+17% in value and +11% in volume) exceeding the expansion in 2019 (+7% in value and +4% in volume).

Part of this increase was achieved through the extension of national coverage. Altarea opened offices in Tours, Rouen, Caen, Angers, Rennes, Dijon, Clermont-Ferrand, Mulhouse, Metz and strengthened its presence in Lille, Strasbourg, La Rochelle and Amiens. This strategy has enabled the firm to benefit from the favourable momentum of these regions.

Building permits and land acquisitions

In 2021	No. projects	Units
Building permits filed	233	17,981
Building permits obtained	146	12,057
Land acquisitions	138	11,523

During 2021, the Group filed building permits for nearly 18,000 units. This leading indicator allows to anticipate significant growth in future supply.

Land acquisitions correspond to building permits obtained and cleared during the year.

Commercial launches (retail sales)

Launches	2021	2020	Chge
Units	7,241	5,307	*+36%*
No. projects	166	110	+51%

Commercial launches to Individual client saw strong growth (+36% in number of units), in line with the reorientation of the commercial strategy towards this customer segment.

Properties for sale

The offer for sale at the end of December 2021 (value of units available for reservation) amounted to €1,742 million including tax, up 11% compared to 2020.

The available supply is gradually approaching its pre-COVID level (average monthly supply in the fourth quarter 2021 reached 91% of the level of the first quarter 2020) and is expected to grow throughout 2022.

New orders[44]

New orders	2021		%	2020		%	Chge
Individuals - Residential buyers	667	(€m)	*22%*	609	(€m)	*18%*	*+10%*
Individuals - Investment	1,031	(€m)	*34%*	724	(€m)	*22%*	*+42%*
Block sales	1,340	(€m)	*44%*	2,019	(€m)	*60%*	*-34%*
Total in value	**3,038**	**(€m)**		**3,353**	**(€m)**		**(9)%**
Individuals - Residential buyers	*1,945*	Units	*17%*	1,622	units	*14%*	*+20%*
Individuals - Investment	*3,866*	Units	*34%*	2,605	units	*22%*	*+48%*
Block sales	*5,710*	Units	*50%*	7,702	units	*65%*	*-26%*
Total in units	**11,521**	**Units**		**11,929**	**units**		**(3)%**

In 2021, Residential Real Estate confirmed its status as a safe haven with:

- the growing appetite of institutional investors (vacant accommodation, intermediate rental housing and managed residences);
- the return of demand from Individuals (successful commercial launches and increase in sales, particularly in rental investment).

Demand for new housing remains more than ever driven by real estate fundamentals: demographic growth, level of available savings and changes in housing expectations.

In 2021, Altarea's commercial strategy consisted in redirecting the available offering towards Individuals , where new orders increased by 27% in value, driven by rental investments (+42% in value). Individuals are back in the majority with 56% of sales in 2021, compared to 40% in 2020. At the same time, the Group reduced the percentage of institutional sales and diversified its customer portfolio (Gecina, M&G, In'li, LaSalle and La Française).

New orders by product range

In units	2021	%	2020	%	Chge
Entry-level/mid-range	7,072	*61%*	7,625	*64%*	*(7)%*
High-end	2,280	*20%*	3,169	*27%*	*(28)%*
Serviced Residences	1,397	*12%*	614	*5%*	*x2.3*
Renovation/Rehabili-tation	772	*7%*	521	*4%*	*+48%*
Total	**11,521**		**11,929**		**(3)%**

[43] Preliminary sale agreements for land signed and valued as potential residential new orders (incl. tax).

[44] 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

(€ millions incl. VAT)	2021	%	2020	%	Chge
Individuals	1,609	55%	1,965	53%	-18%
Block sales	1,298	45%	1,768	47%	-27%
Total	**2,907**		**3,733**		**(22)%**

The year 2020 was marked by heavy notarisations of block sales (€1.7 billion).

In 2021, notarised sales fell in direct proportion to the overall level of new orders and the shift in the customer mix towards Individuals, for whom the financing arrangements and the granularity of the transactions mean longer times to completion.

Deliveries and projects under construction

In 2021, the progress of building sites resumed its pre-COVID rate, and more than 12,019 units spread over 153 programs were delivered in 2021 (compared to 7,768 in 2020 for 91 programs). At the end of 2021, 334 projects were under construction in France, for nearly 27,000 units.

Revenue by % of completion

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

(€ millions excl. VAT)	2021	%	2020	%	Chge
Entry-level/mid-range	1,595	64%	1,578	66%	+1%
High-end	667	27%	694	29%	-4%
Serviced Residences	95	4%	42	2%	x2.3
Renovation/Rehabilitation	128	5%	92	4%	+39%
Total	**2,485**		**2,407**		**+3%**

Residential revenue by % of completion increased by +3.2% compared to 2020 and +8.8% compared to 2019. This increase is the result of the return to normal in terms of technical progress, even though the level of notarised sales is lower than in 2020.

1.1.2.3 OUTLOOKS

Project pipeline

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 preliminary sale agreement (most of which are unilateral) before the commercial launch. Theey become properties for sale when they are launched on the market.

Potential revenue (€m incl. VAT)	31/12/2021	No. of months	31/12/2020	Chge
Properties for sale	1,742	7	1,563	+11%
Future offering	11,536	46	11,235	+3%
Pipeline	***13,278***	**53**	***12,798***	**+4%**
In no. of transactions	*715*		*550*	+30%
In no. of units	*48,200*		*49,515*	*-3%*
In m²	*2,699,200*		*2,772,800*	*-3%*

Backlog

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.

(€ millions excl. VAT)	31/12/2021	31/12/2020	Chge
Notarised revenue not recognised	1,987	2,252	-12%
Revenues reserved but not notarised	1,733	1,709	1%
Backlog	**3,720**	**3,962**	**-6%**
o/w equity-method (Group share)	*270*	*324*	*ns*
Number of months	*18*	*20*	

Management of real estate commitments

Commitments Committee meetings are used to assess particularly the financial, legal, administrative, technical and commercial risks related to real estate commitments.

Each transaction undergoes at least three committee reviews, which may be supplemented by update reviews, ensuring constant and regular monitoring of the transactions.

These procedures are applied to all of the Group's subsidiaries and Property Development brands.

End of December 2021:

• 45% of units for sale relate to projects in which the land has not yet been acquired and in which the amounts committed correspond to studies, advertising, and reservation fees (or guarantees) paid within the purchase agreement on land;

• 55% of the offer is linked to programs in which the land is already acquired. 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 transaction;

• strong pre-letting required prior to the acquisition of the land;

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

1.1.3 Business property

1.1.3.1 STRATEGY

A developer/investor/asset manager model

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

• mainly as a developer[45] in off-plan sales, off-plan leases and property development contracts (PDC), with a particularly strong position in the turnkey user market, or as a service provider under DPM contracts;

• as a co-investor, either directly or through AltaFund[46], for high-potential assets (prime location) in view of their sale once redevelopment has been completed[47].

The Group is systematically the developer of projects in which it is also co-investor and Manager[48].

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

Regional strategy

The Group is structured to address two complementary markets:

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

• Large regional cities: Altarea is involved in development projects (off-plan sales or PDCs), generally "sourced" via its regional Residential network which now extends to new regions (medium-sized cities generally located along intercity transport routes).

A wide range of products

Altarea has an offer covering all commercial property products:

• offices: head offices, multi-occupant buildings, high-rise buildings, covering all sizes (from 1,500 m² to 70,000 m²), all ranges (from prime to opportunist) and all regions;

• hotels: all categories (from 1 to 4 stars), up to 700 rooms, in city centres or near transport hubs, independently or as part of large mixed-use projects;

• logistics: XXL platforms for distributors or e-commerce players, multi-user hub, last mile urban logistics;

• campuses and schools: on behalf of higher education institutions (Grandes Ecoles) or vocational schools (private and public).

All of the Group's operations incorporate the highest level of environmental requirements and low-carbon performance, as well as a modular approach that allows easy conversion between uses.

1.1.3.2 PIPELINE

As the leading business property developer in France, Altarea manages a portfolio of 63 projects with a potential value estimated at close to €5.0 billion at the end of 2021 (at 100%).

At 31/12/2021	No.	Surface area (m²) at 100%	Revenue excl. VAT (€ millions)	Potential value at 100% (€ millions excl. VAT)
Investments (a)	8	469,700	682	2,958
Property development of off-plan sales contracts (b)	53	885,300	1,992	1,992
DPM (c)	2	35,400	100	100
Total	**63**	**1,390,400**	**2,774**	**5,050**
o//w Offices	54	699,800	2,269	4,450
o/w Logistics	9	690,600	505	600
o/w Regions	47	974,000	1,692	2,041
o/w Paris Region	16	416,400	1,082	3,009

(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.

The investment operations consist of eight projects with a potential value of nearly €3.0 billion at 100% (nearly €1.1 billion Group share) and for a cost price of approximately €2.5 billion at 100% (nearly €850 million excluding tax, Group share).

1.1.3.3 ACTIVITY OF THE YEAR

After a year in 2020 marked by delays in deliveries and delays in certain projects due to the sanitary situation and a wait-and-see attitude by operators in the face of the development of remote working, 2021 shows a strong recovery in activity at all levels of the production cycle, in Grand Paris and in the regions, and for all product categories developed by the Group (offices, head offices, university campuses, logistics platforms, hotels, etc.).

Grand Paris

The Group has made significant progress, particularly in major investment projects, with:

• the sale of 15% of **Bridge** to Crédit Agricole Assurances. This 58,000 m² building delivered in March 2021 is fully let to Orange and constitutes its global head office. Altarea still holds 10% of this emblematic asset, which will be sold in 2022;

• the signing of a preliminary sale agreement for **Bellini** in Paris-La Défense to Swiss Life Asset Management, which will set up the head office of Swiss Life France in this iconic 18,000 m² building. Work began at the end of 2021 for delivery in 2024;

[45] This development activity does not present any commercial risk: Altarea carries only a measured amount of technical risk.

[46] AltaFund is a discretionary investment fund, created in 2011, of which Altarea is one of the contributors alongside leading institutional investors.

[47] Resold rented or not.

[48] Through marketing, sale, asset and fund management contracts.

• the leasing of **Eria** in La Défense, whose 26,000 m² are entirely leased to Campus Cyber, a project supported by the French government, which was looking for a central and functional location to house public and private cybersecurity players. This building was inaugurated by Bruno Le Maire, Minister of the Economy, Finance and Recovery in February 2022;

• signing of the **Louis le Grand** project in Paris as a co-investment with JP Morgan Global Alternatives, which consists of the restructuring of seven office buildings totalling 14,000 m²;

• the delivery of a 5,000 m² university campus for **ICAM** (Institut Catholique des Arts et Métiers) in Lieusaint-Sénart in Seine-et-Marne, by Pitch Immo.

Regional cities

As the leading Business property developer in the regions, Altarea has been able to capitalise on its know-how to meet the expectations of this fast-growing market. 2021 confirms this trend, with:

• 3 projects sold:

- **Hexahub Occitanie** in Béziers, part of the Méridienne mixed development zone (ZAC), a logistics platform comprising five hangars with a total area of 50,000 m², acquired by Barings Asset Management and whose work began at the end of 2021,

- the **#Community** building in Mérignac near Bordeaux for Groupama, acquired in an off-plan sale by Atream as part of an institutional club deal that is part of a recently launched SRI Real Estate certification initiative,

- a 6,000 m² building in Villeurbanne sold to Sytral (mixed transport association for the Rhône and the Lyon urban area);

• 8 new projects secured:

- 2 office projects in Lyon: ***42 Deruelle***, which aims to transform the former head office of the Caisse d'Epargne Rhône-Alpes (CERA) in Lyon Part-Dieu into a mixed-use office building with 87 residential units on the upper floors and shops on the ground floor and a 6,400 m² building for the Inpact Group,
- 3 projects in Aix-en-Provence totalling 20,000 m², including a project for Alstom, which will host its local teams, an R&D laboratory and industrial workshops in two buildings of 6,500 m² in total,
- 3 new logistics operations covering nearly 105,000 m² in Nantes and Angers, including the off-plan lease to Logeos of a 38,000 m² platform, confirming the Group's growing expertise in this booming real estate sector;

• 8 deliveries (totalling 125,000 m²), including:

- ***Eknow***, in Nantes, an office building sold to BNP Paribas REIM which will host the regional teams of Generali Vie, Keyence and Siemens. This building is part of a 16,000 m² mixed-use project, also developing 5,000 m² of vacant residential units and a residence for young workers,

- an office complex and a Renault car dealer for Renault group in Marseille-Michelet as part of a large residential project delivered by Cogedim,

- the **Orange Tolosa** campus in Balma near Toulouse, delivered by Pitch Immo, will gather around 1,250 Orange employees on a single site. Built on a former logistics platform, the campus has benefited from a nature-friendly approach, and has been certified HQE® Commercial buildings Excellent. Well-connected and communicated, the campus is now awarded the Effinergie + and R2S level 2-star certification, proposing comfortable and dynamic workspaces with natural light,

- **Quais des Caps** (47,000 m²) in the Bassins à Flot district in Bordeaux, is composed of four buildings: Cap Leeuwin with 5,500 m² of office space, a 124-room hotel and hotel residence, Cap Comorin, Cap Horn and Cap de Bonne Espérance, which hosts a UGC cinema this summer and convenience stores;

• the launch of the emlyon Business School:

- Developed over 30,000 m², including 7,000 m² of collaborative and experiential spaces, the campus will be delivered at the end of 2023 and will open in 2024, welcoming students to the Gerland area in the heart of Lyon's 7th district. The campus will be exemplary in the environmental field. A large park of 9,000 m² will allow nature and biodiversity to be reintroduced to a former industrial wasteland. This bioclimatic building allows the optimisation of building energy consumption. The building aims to achieve HQE Excellent and BREEAM Very Good certifications.

Property Development backlog

Backlog 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.

(€ millions)	31/12/2021	31/12/2020	Chge
Off-plan, PDC	415	468	
o/w equity-method	*53*	*31*	
Fees (DPM)	10	11	
Total	**425**	**479**	***-11%***

The backlog includes €344 million incl. tax from off-plan and PDC contracts signed in 2021, compared to €161 million in 2020.

Commitments

(€ millions) Group share	Investment	Property Development	Total
Already paid out	**147**	**59**	**206**
o/w not let or not sold	*57*	-	
To be paid out	**297**	**-**	**297**
o/w not let or not sold	*87*	-	
Total commitments	**444**	**59**	**503**

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).

Pipeline at 31 December 2021

	Property Development				
	Surface area (m²)	Type	Revenue (€ millions excl. VAT) [(a)]	Potential value at 100% (€ millions excl. VAT) [(b)]	Progress [(c)]
Landscape (La Défense)	70,100	Invest			To be delivered
Tour Eria (La Défense)	26,600	Invest			Delivered/let
Bellini (La Défense)	18,100	Invest			Under construction/Sold
42 Deruelle (Lyon)	22,700	Invest			Secured
Bollène (Lyon)	260,000	Invest			Secured
PRD-Montparnasse (Paris)	56,200	Invest			Secured/let
Louis le Grand	13,900	Invest			Secured
Saussure (Paris)	2,100	Invest			Secured
Investments (8 projects)	**469,700**		**682**	**2,958**	
Belvédère (Bordeaux)	50,200	off-plan sale			Under construction
Coeur de Ville – Hugo Building (Issy-les-Mx)	25,700	PDC			Under construction
Amazing Amazones - EuroNantes (Nantes)	19,100	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
Adriana (Marseille)	9,700	off-plan sale			Under construction
Gravity (Lyon)	4,800	off-plan sale			Under construction
Villeurbanne	13,000	off-plan sale			Under construction
EM Lyon Business School (Lyon)	29,400	PDC			Under construction
Cœur d'Orly (Orly)	30,700	PDC			Secured
Haute Borne (Villeneuve d'Ascq)	11,900	off-plan sale			Secured
Cambacerès (Montpellier)	10,000	off-plan sale			Secured
Other Office projects (33 projects)	*225,300*	*PDC/Off-plan*			
Technoparc (Collegien - Greater Paris)	11,800	off-plan sale			Under construction
Hexahub Occitanie (Beziers)	50,400	PDC			Under construction
Hexahub Paris Region (Seine et Marne)	68,200	PDC			Secured
Puceul (Nantes)	37,600	Off-plan lease			Secured
Other Logistics projects (4 projects)	*262,500*	*PDC/Off-plan*			*Secured*
"100% external" property development (53 projects)	**885,300**		**1,992**	**1,992**	
DPM (2 projects)	**35,400**	**DPM**	**100**	**100**	
Total Property Development portfolio (63 projects)	**1,390,400**		**2,774**	**5,050**	

(a) PDC/Off-plan: amount excluding tax of contracts signed or estimated at 100%. DPM: capitalised fees.

(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, capitalised fees.

(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 has not yet begun.

1.2 Consolidated results

1.2.1 Consolidated results at 31 December 2021

Altarea's revenue amounted to €3,030 million, almost stable year-on-year. Recurring net income (FFO) Group share, at €264.4 million, increased by €34.1 million compared to 2020 (i.e. +14.8%), with positive contribution from all businesses:

• +€3.4 million in Retail (or +4.5%);

• +€1.9 million in Residential (+1.5%);

• +€26.6 million in Business Property (+83.0%), helped, as expected, by 2020 income carried forward linked to the sale of 15% of Bridge at the beginning of 2021 and by the ramp-up of activity in regional cities;

• +€2.2 million other miscellaneous.

Per share, the FFO Group share was €14.35 (+9.3%) after taking into account the dilutive effect of the shares created in 2021[49] and the application of IAS 33[50].

In M€	Retail	Residential	Business Property	Other (Corporate)	Funds from operations (FFO)	Changes in value, estimated expenses and transaction costs	TOTAL
Revenue	**216.8**	**2498.0**	**314.9**	**0.1**	**3,029.8**	**–**	**3,029.8**
Change vs. 31/12/2020	*+0.2%*	*+3.4%*	*(25.5)%*	*n.a.*	*(0.9)%*		*(0.9)%*
Net rent	162.5	–	–	–	162.5	–	162.5
Property margin	(1.0)	204.0	34.2	(0.1)	237.1	0.1	237.2
External services	23.8	13.3	9.8	0.1	46.9	–	46.9
Net income	**185.3**	**217.3**	**44.0**	**0.0**	**446.6**	**0.1**	**446.7**
Change vs. 31/12/2020	*+4.5%*	*+2.3%*	*+56.0%*	*n.a.*	*+6.9%*		
Own work capitalised and production held in inventory	8.6	177.7	10.3	–	196.6	–	196.6
Operating expenses	(45.6)	(227.3)	(26.2)	(1.8)	(300.9)	(30.6)	(331.5)
Net overhead expenses	**(37.0)**	**(49.6)**	**(15.8)**	**(1.8)**	**(104.3)**	**(30.6)**	**(134.9)**
Share of equity-method affiliates	3.8	12.0	46.9	*n.a.*	62.6	(5.2)	57.5
Income/loss on sale of assets Retail						(1.2)	(1.2)
Change in value, estimated expenses and transaction costs – Retail						17.3	17.3
Calculated expenses and transaction costs - Residential						(20.5)	(20.5)
Calculated expenses and transaction costs - Business Property						1.0	1.0
Other provisions Corporate						(20.1)	(20.1)
Operating income	**152.1**	**179.6**	**75.0**	**(1.8)**	**404.9**	**(59.2)**	**345.8**
Change vs. 31/12/2020	*+2.6%*	*+1.5%*	*+49.0%*	*n.a.*	*+9.0%*		
Net borrowing costs	(26.2)	(13.4)	(9.5)	–	(49.2)	(5.4)	(54.6)
Other financial results	(13.0)	(5.0)	(2.2)	–	(20.1)	(8.6)	(28.7)
Gains/losses in the value of financial instruments	–	–	–	–	–	5.7	5.7
Proceeds from the disposal of investments	–	–	–	–	–	7.9	7.9
Corporate income tax	(1.5)	(13.6)	(4.9)	–	(20.1)	6.2	(13.9)
Net result	**111.4**	**147.6**	**58.4**	**(1.8)**	**315.6**	**(53.4)**	**262.1**
Non-controlling interests	(33.5)	(17.9)	0.2	–	(51.2)	0.7	(50.5)
Net income, Group share	**77.9**	**129.7**	**58.6**	**(1.8)**	**264.4**	**(52.7)**	**211.6**
Change vs. 31/12/2020	*+4.5%*	*+1.5%*	*+83.0%*	*n.a.*	*+14.8%*		
Diluted average number of shares					*18,424,086*		
Net income, Group share per share					**14.35**		
Change vs. 31/12/2020					*+9.3%*		

[49] *Creation of 3,017,432 shares (60,580 for the FCPE, 482,385 to pay the 2020 scrip dividend, 2,435,190 in respect of the cash capital increase with preferential subscription rights and 39,277 for the Reuilly acquisition).*

[50] *Retrospective correction of the average number of shares to take account of the preferential subscription rights assimilated to a bonus share issue to shareholders. The average number of shares reported in 2020 (17,081,054) has been adjusted to 17,539,018, equivalent to FFO per share in 2020 of €13.13 rather than the reported figure of €13.48.*

1.2.1.1 FFO[51]

FFO Retail

(€ millions)	2021	2020	
Rental income	186.7	184.9	
Expenses (including bad debt)	(24.2)	(25.6)	
Net rent	**162.5**	**159.3**	*+2.0%*
% of rental income	*87.0%*	*86.2%*	
External services	23.8	17.9	
Own work capitalised & production	8.6	5.6	
Operating expenses	(45.6)	(38.0)	
Contribution of EM associates	3.8	3.4	
Property margin	(1.0)	0.1	
Operating income - Retail	**152.1**	**148.2**	*+2.6%*
Net borrowing costs	(26.2)	(30.0)	
Other financial results	(13.0)	(2.4)	
Corporate income taxes	(1.5)	(6.0)	
Non-controlling interests	(33.5)	(35.3)	
FFO Retail	**77.9**	**74.5**	*+4.5%*

The increase in retail FFO is mainly due to the increase in net rental income of +€3.2 million, which is explained by scope effects and the gradual return to a stable situation.

FFO Residential

(€ millions)	2021	2020	
Revenue by % of completion	2,484.7	2,406.9	*+3.2%*
Cost of sales and other expenses	(2,280.7)	(2,204.5)	
Net property income	**204.0**	**202.3**	*+0.8%*
% of revenue	*8.2%*	*8.4%*	
External services	13.3	10.1	
Production held in inventory	177.7	163.0	
Operating expenses	(227.3)	(209.1)	
Contribution of EM associates	12.0	10.8	
Operating income - Residential	**179.6**	**177.0**	*+1.5%*
% of revenue	*7.2%*	*7.4%*	
Net borrowing costs	(13.4)	(11.6)	
Other financial results	(5.0)	(3.8)	
Corporate income taxes	(13.6)	(12.5)	
Non-controlling interests	(17.9)	(21.3)	
FFO Residential	**129.7**	**127.8**	*+1.5%*

Revenue by percentage of completion in Residential grew by +3.2% over the year due to the good level of technical progress.

The operating margin was almost stable: the still significant contribution of block sales at lower margins notarised in 2020 was partially offset by transactions launched in 2021 at higher margins.

In total, the Residential operating income increased by +1.5% over the year and by +5.8% compared to 2019.

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.

(€ millions)	2021	2020	
Revenue by % of completion	305.2	416.5	*-26.7%*
Cost of sales and other expenses	(271.0)	(394.5)	
Net property income Business	**34.2**	**22.0**	*+55.5%*
% of revenue	*11.2%*	*5.3%*	
External services	9.8	6.2	
Production held in inventory	10.3	13.9	
Operating expenses	(26.2)	(29.4)	
Contribution of EM associates	46.9	37.6	
Operating income – Business	**75.0**	**50.3**	*+49.0%*
% of revenue + ext. serv.	*23.8%*	*11.9%*	
Net borrowing costs	(9.5)	(9.0)	
Other financial results	(2.2)	(1.5)	
Corporate income taxes	(4.9)	(8.1)	
Non-controlling interests	0.2	0.2	
FFO Business property	**58.6**	**32.0**	*+83.0%*

Although revenue was down (-26.7%), the real estate margin increased by +€12.2 million (+55.5%), driven by the ramp-up of the Business property business in the regions.

As expected, Business Property FFO booked the profits from several deliveries postponed from 2020, including the sale of 15% of Bridge (the balance of this project should be sold in 2022).

As a result, the Business Property FFO amounted to €58.6 million, up +83.0%.

1.2.1.2 FFO PER SHARE

The FFO Group share came out at €14.35/share (+9.3%). FFO growth in 2021 (+14.8%) largely offset the dilutive effect of the creation of new shares[52] and application of IAS 33[53]. The average number of shares in 2021 was thus 18,424,086 compared to 17,539,018 in 2020 (+5.1%).

[51] Funds from operations (FFO): net profit excluding changes in value, estimated expenses, transaction fees and changes in differed tax. Group share.
[52] Creation of 3,017,432 shares (60,580 for the FCPE, 482,385 to pay the 2020 scrip dividend, 2,435,190 in respect of the cash capital increase with preferential subscription rights and 39,277 for the Reuilly acquisition).

[53] Retrospective correction of the average number of shares to take account of the preferential subscription rights assimilated to a bonus share issue to shareholders. The average number of shares reported in 2020 (17,081,054) has been adjusted to 17,539,018, equivalent to FFO per share in 2020 of €13.13 rather than the reported figure of €13.48.

1.2.1.3 DIVIDEND PER SHARE

Altarea will propose to the Annual General Meeting called to approve the 2021 financial statements on May 24th 2022, the payment of a dividend of €9.75 per share[54] (vs €9.50 in 2020[55]) in respect of the current financial year.

Shareholders will also be asked to opt for either (i) a payment of 100% in cash or (ii) a payment of 50% in cash and 50% in shares (with a discount per share of 10% compared to the average opening list price over the twenty trading days preceding the meeting calculated ex-dividend). This dividend will be paid on shares issued under the capital increase carried out in December 2021 .

1.2.2 Net asset value (NAV)

1.2.2.1 GOING CONCERN NAV (FULLY DILUTED)[56] AT €157.4/SHARE

NAV – Group	31/12/2021				31/12/2020	
	(€ millions)	Chge	€/share	Chge	(€millions)	€/share
Consolidated equity, Group share	**2,236.3**		**110.2**		**1,758.5**	**101.8**
Other unrealised capital gains	874.3				867.0	
Deferred tax on the balance sheet for non-SIIC assets (a)	19.4				20.9	
Fixed-rate market value of debt	(34.7)				(58.6)	
Effective tax for unrealised capital gains on non-SIIC assets(b)	(26.6)				(24.8)	
Optimisation of transfer duties (b)	83.1				86.6	
Partners' share (c)	(18.5)				(18.3)	
NNNAV (NAV liquidation)	**3,133.2**	**+19.1%**	**154.4**	**+1.4%**	**2,631.3**	**152.3**
Estimated transfer duties and selling fees	62.4				72.0	
Partners' share (c)	(0.4)				(0.5)	
Going concern NAV (fully diluted)	**3,195.2**	**+18.2%**	**157.4**	**+0.6%**	**2,702.7**	**156.4**
Number of diluted shares:	*20,293,271*				*17,275,839*	

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

At 31 December 2021, the unrealised capital gains of the Property Development and Asset Management division were slightly higher than at 31 December 2020, as the decrease in other unrealised capital gains is related to their recognition in equity during the half-year.

At 31 December 2021, shareholders' equity increased as a result of capital transactions and the profits generated during the year. Other unrealised capital gains (Development, Asset Management, Investment in Business Property) are almost stable compared to 2020 despite the increase in results and prospects.

[54] *Decision of the Supervisory Board on November 16, 2021.*
[55] *An increase of +2.6% compared to 2020, and +17% in amount (from €166.1 million for 2020 to €196.1 million for 2021)*
[56] *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)

After taking into account the dilutive impact of the capital increases of €(1.9)/share[57], the diluted net asset value increased by 0.6% to €157.4/share.

Going concern NAV (fully diluted)	in €m	€/share
NAV 31 December 2020	**2,702.7**	**156.4**
Capital increases (dilutive impact)	432.9	(1.9)
Dividend	(166.1)	(9.50)
FFO Group share 2021	264.4	14.35
Property Development & Asset management	4.2	0.2
Retail	26.5	1.3
Financial Instruments	(10.5)	(0.5)
IFRS 16[(a)]	(14.5)	(0.7)
Deferred tax	(7.1)	(0.3)
Transaction costs[(b)]	(14.9)	(0.7)
Others[(c)]	(22.5)	(1.1)
NAV 31 December 2021	**3,195.2**	**157.4**
vs. 31 December 2020	*+18.2%*	*+0.6%*

(a) Depreciation of right-of-use assets.
(b) Including Primonial acquisition costs
(c) Including depreciation, IFRS2 expense, change in value of fixed-rate debt and partners' share.

1.2.2.3 CALCULATION BASIS

Asset valuation

Investment properties

Property assets are represented 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	43%
Cushman & Wakefield	France & International	56%
CBRE	France	1%

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 (taking into account variable rent and market rent of vacant premises, adjusted for all charges incumbent upon the owner).

These valuations are conducted in line 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 Immo, Histoire & Patrimoine and Severini);

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

• Retail Asset Management (Altarea France) and Business Property (Altarea Entreprise Management) divisions.

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

[57] *Creation of 3,017,432 shares (60,580 for the FCPE, 482,385 for the payment of the 2020 dividend in shares, 2,435,190 for the capital increase with preferential subscription rights and 39,277 for the Reuilly acquisition).*

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 2021 highlights

€1.15 billion of new finance

During the year 2021, the Group raised new long-term financing with an average maturity of seven years. This new financing includes:

• the mortgage refinancing of CAP3000, in the amount of €350 million, via a Green Loan in club deal format for a period of seven years;

• the signature by Altarea on 7 October 2021 of an €800 million syndicated bank loan for seven years with BNP Paribas, Crédit Agricole CIB, Natixis, Societe Generale, Banco Sabadell, BECM, China Construction Bank, etc. HSBC and La Banque Postale. Altarea is the principal borrower, but this credit will not be drawn down until the acquisition of NPH2, the controlling holding company of the Primonial Group. The latter will sign up to the loan agreement on the day the contract takes effect thus taking on the associated commitments as final borrower, with Altarea remaining as surety and 100% guarantor of all obligations related to this loan.

€990 million equity raised

To date, the Group has raised nearly €1 billion since 1 January 2021, in various forms:

• €350.1 million via a capital increase with preferential subscription rights, resulting in the issue of 2,435,190 new shares at a subscription price of €143.75 per share.

At the end of the subscription period, which closed on 2 December 2021, total demand was €434 million, i.e. a subscription rate of 124%:

- 2,371,236 new shares were subscribed on an irreducible basis, representing 97.4% of the new shares to be issued; and;
- the request on a reducible basis related to 649,995 new shares and was consequently partially allocated, in the amount of 63,954 new shares.

At the end of the settlement-delivery, the share capital of Altarea amounted to nearly €310 million, composed of 20,293,271 shares, broken down as follows:

Shareholder	Number of voting rights and shares			
	theoretical		*actual*	
Founders concert [(a)]	*9,065,267*	*44.7%*	*9,065,267*	*45.1%*
Enhanced Concert [(b)]	**9,117,534**	**44.9%**	**9,117,534**	**45.3%**
Crédit Agricole Assurances	5,003,929	24.7%	5,003,929	24.9%
ABP (APG)	1,438,606	7.1%	1,438,606	7.2%
Opus Inv. and C. de Gournay	329,278	1.6%	329,278	1.6%
BPCE VIE	202,932	1.0%	202,932	1.0%
SOGECAP	204,543	1.0%	204,543	1.0%
Treasury Shares	175,201	0.9%	-	-
Public (including FCPE)	3,821,248	18.8%	3,821,248	19.0%
Total	**20,293,271**	**100%**	**20,118,070**	**100%**

(a) Alain Taravella and Jacques Nicolet, founders of the Group, acting in concert, as well as members of their families and the companies they control (AltaGroupe, Altager, Alta Patrimoine and Everspeed).

(b) Concert existing between the founders, defined above, and Jacques Ehrmann.

• €75.0 million for the 2020 partial scrip dividend which was hugely successful, attracting a subscription rate of 91.59%, resulting in the creation of 482,385 new shares on 26 July;

• €7.8 million[58] from the FCPE (employee mutual fund) which subscribed to a reserved capital increase (resulting in the creation of 60,580 new shares) testifying to the commitment of the Group's employees.

• €5.2 million for the acquisition of the Reuilly urban logistics site (Paris 12th arrondissement) partially paid in securities

• €66.6 million through the Alta Blue (CAP3000 partnership) capital increase, recognised in minority equity;

• €485 million[59] as part of the partnerships signed with Crédit Agricole Assurances for a billion euros in Retail assets via two funds (Alta Retail parks signed in December 2021 and Alta Infrastructures signed in early 2022), owned 51% by Altarea and 49% by Crédit Agricole Assurances.

[58] *Average subscription of €5,843 per employee subscribing.*

[59] *Including €215 m in 2022.*

1.3.2 Available cash

At 31 December 2021, Altarea had available cash of €3,429 million (€3,378 million at 31 December 2020). This amount does not include the €800 million Primonial syndicated loan. Available cash breaks down as follows:

Available (€ millions)	Cash	Unused credit facilities	Total
At Corporate level	1,068	1,196	2,264
At project level	814	351	1,165
Total	**1,882**	**1,547**	**3,429**

Unused credit lines at corporate level consist of €1,159 million in RCFs[60] with an average maturity of two years and ten months, and a single maturity of €50 million within the next 12 months.

Given the Group's liquidity and the continued access to the market in the short-term, as of 31 December 2021 no RCF was drawn. With the exception of the Primonial syndicated loan to be drawn down on completion of the acquisition in the first quarter of 2022, the Group does not intend to draw on corporate RCFs for several months.

1.3.3 Short and medium-term financing

The Group has two NEU CP programmes[61] (issues up to one year) and two NEU MTN programmes[62] (issues in excess of one year) for the companies Altarea and Altareit.

As of 31 December 2021, the total outstanding was €759 million with an average maturity of 7 months, with the following breakdown:

(€ millions)	Neu CP	Neu MTN	Total
Altarea	280	70	**350**
Altareit	292	117	**409**
Total	**572**	**187**	**759**

1.3.4 Net debt[63]

Change in net debt in 2021

(€ millions)	
Net debt at 31/12/2020	**2,193**
Capital increase	(357)
Net dividend	117
FFO	(265)
Sub-total	**1,688**
Alta Blue capital increase	(67)
Capex	107
Disposals & partnerships (retail parks, Bridge, etc.)	(328)
WCR Property Development	120
Other financial items	105
Others	21
Net debt at 31/12/2021	**1,646**

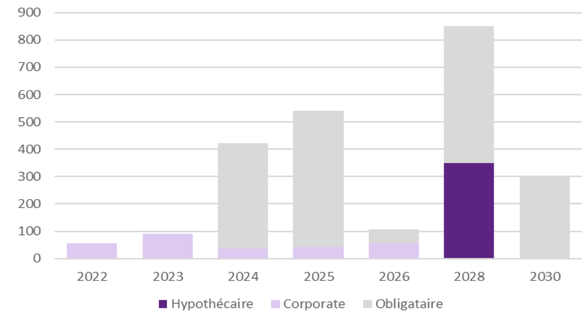
Net debt structure

(€ millions)	31/12/2021	31/12/2020
Corporate and bank debt	276	274
Credit markets (a)	2,508	2,628
Mortgage debt	348	401
Debt on property development	138	167
Total gross debt	**3,270**	**3,470**
Cash and cash equivalents	(1,625)	(1,277)
Total net debt	**1,646**	**2,193**

Average gross duration[64] is four years and six months, compared to five years and one month at 31 December 2020.

Long-term debt by maturity[65]

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



Long-term debt maturities over the next 12 months are limited to €56 million (maturity of a term loan of €50 million in July 2022 and a €6 million repayment on a term loan due in January 2026).

The maturities in 2028 include the CAP3000 mortgage loan of €350 million granted in June 2021.

Hedging: nominal amount and average rate

The hedging profile of interest rate swaps is as follows:

In progress at end	Fixed-rate payer swaps (a)	Floating-rate payer swaps (a)	Fixed-rate debt (€ millions) (a)	Coverage rate (b)
2022	500	700	1,798	76%
2023	500	700	1,798	78%
2024	1,025	700	2,332	105%
2025	1,025	300	2,338	130%
2026	525	300	1,338	108%

(a) After hedging, pro-rata consolidation.

(b) Annual coverage of long-term debt (excluding NEU CP, NEU MTM and property development debt).

In addition, the Group has €262.5 million in out-of-the-money interest rate options (caps), expiring in 2028.

In December 2021, the Group executed a €525 million rate swap program (with a 7-year maturity) in anticipation of the increase in the volume of future debt following consolidation of the Primonial Group.

[60] Revolving credit facilities (confirmed credit facilities), excluding Primonial acquisition loan.
[61] NEU CP (Negotiable European Commercial Paper).
[62] NEU MTN (Negotiable European Medium Term Note).

[63] Net bank and bond debt.
[64] Excluding NEU CP, Property Development debt.
[65] Excluding NEU CP, NEU MTN, Property Development debt.

Average cost of debt: 1.80%[66] (-14 bps)

The decrease in the average cost of debt (versus 1.94% at 31 December 2020) is the result of the dynamic management of the swap portfolio and debt rotation, taking advantage of the fall in interest rates and credit spreads in 2021.

1.3.5 Financial ratings or ratios

Credit rating

On 30 June 2021, following the announcement of exclusive negotiations to acquire 100% of the Primonial Group and the conclusion of a Retail partnership with Crédit Agricole Assurances (51% Altarea, 49% CAA) on a billion euros of Altarea assets, the rating agency S&P Global confirmed its Investment Grade rating of the Altarea Group with a rating of BBB- and negative outlook.

Loan to Value (LTV)

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

As of 31 December 2021, it stands at 24.1% (33.0% as of 31 December 2020).

(€ millions)	31/12/2021	31/12/2020
Gross debt	3,271	3,470
Cash and cash equivalents	(1,626)	(1,277)
Consolidated net debt	**1,646**	**2,193**
Retail at value (FC)[(a)]	4,064	3,982
Retail at value (EM securities), other[(b)]	193	212
Investment properties valued at cost[(c)]	205	213
Business Property investments[(d)]	220	276
Enterprise value of Property Development	2,135	1,969
Market value of assets	**6,816**	**6,651**
LTV Ratio	**24.1%**	**33.0%**

(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[67]

At 31 December 2021, the Net Debt to EBITDA ratio stood at 4.1x, compared with 5.9x at 31 December 2020.

Covenants

	Covenant	31/12/2021	31/12/2020	Delta
LTV[(a)]	≤ 60%	24.1%	33.0%	*-8.9 pts*
ICR[(b)]	≥ 2.0 x	8.2x	7.3x	+0.9 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 2021, the financial position of the Group fully satisfied all of the covenants of its various credit contracts.

[66] Including related fees (commitment fees, non-use fees, etc.).

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

Consolidated income statement by segment

(€ millions)	31/12/2021 Financial resources funds from operations (FFO)	31/12/2021 Changes in value, estimated expenses and transaction costs	31/12/2021 Total	31/12/2020 Financial resources funds from operations (FFO)	31/12/2020 Changes in value, estimated expenses and transaction costs	31/12/2020 Total
Rental income	186.7	–	186.7	184.9	–	184.9
Other expenses	(24.2)	–	(24.2)	(25.6)	–	(25.6)
Net rent	**162.5**	**–**	**162.5**	**159.3**	**–**	**159.3**
External services	23.8	–	23.8	17.9	–	17.9
Own work capitalised and production held in inventory	8.6	–	8.6	5.6	–	5.6
Operating expenses	(45.6)	(6.7)	(52.4)	(38.0)	(5.1)	(43.1)
Net overhead expenses	**(13.2)**	**(6.7)**	**(20.0)**	**(14.5)**	**(5.1)**	**(19.6)**
Share of equity-method affiliates	**3.8**	**(3.0)**	**0.8**	**3.4**	**(15.8)**	**(12.4)**
Net depreciation, amortisation and provisions	**–**	**(12.8)**	**(12.8)**	**–**	**(4.0)**	**(4.0)**
Income/loss on sale of assets	**(1.0)**	**(1.2)**	**(2.2)**	**0.1**	**(4.6)**	**(4.6)**
Income/loss in the value of investment property	**–**	**33.1**	**33.1**	**–**	**(642.1)**	**(642.1)**
Transaction costs	**–**	**(3.0)**	**(3.0)**	**–**	**(1.6)**	**(1.6)**
OPERATING INCOME - RETAIL	**152.1**	**6.4**	**158.4**	**148.2**	**(673.3)**	**(525.1)**
Revenue	2,484.7	–	2,484.7	2,406.9	–	2,406.9
Cost of sales and other expenses	(2,280.7)	–	(2,280.7)	(2,204.5)	(0.6)	(2,205.1)
Property margin	**204.0**	**–**	**204.0**	**202.3**	**(0.6)**	**201.7**
External services	13.3	–	13.3	10.1	–	10.1
Production held in inventory	177.7	–	177.7	163.0	–	163.0
Operating expenses	(227.3)	(20.9)	(248.1)	(209.1)	(12.6)	(221.7)
Net overhead expenses	**(36.3)**	**(20.9)**	**(57.2)**	**(36.1)**	**(12.6)**	**(48.6)**
Share of equity-method affiliates	**12.0**	**(0.6)**	**11.4**	**10.8**	**(2.5)**	**8.3**
Net depreciation, amortisation and provisions	**–**	**(20.5)**	**(20.5)**	**–**	**(19.0)**	**(19.0)**
Transaction costs	**–**	**–**	**–**	**–**	**(0.0)**	**(0.0)**
OPERATING INCOME - RESIDENTIAL	**179.7**	**(42.0)**	**137.7**	**177.0**	**(34.7)**	**142.3**
Revenue	305.2	–	305.2	416.5	–	416.5
Cost of sales and other expenses	(271.0)	–	(271.0)	(394.5)	–	(394.5)
Property margin	**34.2**	**–**	**34.2**	**22.0**	**–**	**22.0**
External services	9.8	–	9.8	6.2	–	6.2
Production held in inventory	10.3	–	10.3	13.9	–	13.9
Operating expenses	(26.2)	(5.2)	(31.3)	(29.4)	(3.0)	(32.4)
Net overhead expenses	**(6.1)**	**(5.2)**	**(11.2)**	**(9.3)**	**(3.0)**	**(12.3)**
Share of equity-method affiliates	**46.9**	**(1.5)**	**45.3**	**37.6**	**17.0**	**54.6**
Net depreciation, amortisation and provisions	**–**	**(1.0)**	**(1.0)**	**–**	**(1.4)**	**(1.4)**
Income/loss in the value of investment property	**–**	**2.0**	**2.0**	**–**	**1.7**	**1.7**
Transaction costs	–	–	–	–	–	–
OPERATING INCOME - BUSINESS PROPERTY	**75.0**	**(5.7)**	**69.3**	**50.3**	**14.3**	**64.6**
Others (Corporate)	(1.8)	(17.9)	(19.7)	(4.0)	(4.3)	(8.3)
OPERATING INCOME	**404.9**	**(59.2)**	**345.8**	**371.6**	**(698.0)**	**(326.4)**
Net borrowing costs	(49.2)	(5.4)	(54.6)	(50.6)	(18.2)	(68.8)
Other financial results	(20.1)	(8.6)	(28.7)	(7.7)	(9.5)	(17.1)
Change in value and income from disposal of financial	–	5.7	5.7	–	(56.5)	(56.5)
Net gain/(loss) on disposal of investments	–	7.9	7.9	–	(0.0)	(0.0)
PROFIT BEFORE TAX	**335.7**	**(59.6)**	**276.1**	**313.3**	**(782.2)**	**(468.8)**
Corporate income tax	(20.1)	6.2	(13.9)	(26.6)	(28.4)	(54.9)
NET INCOME	**315.6**	**(53.4)**	**262.1**	**286.8**	**(810.5)**	**(523.8)**
Non-controlling interests	(51.2)	0.7	(50.5)	(56.5)	272.5	216.0
NET INCOME. GROUP SHARE	**264.4**	**(52.7)**	**211.6**	**230.3**	**(538.1)**	**(307.7)**
Diluted average number of shares (a)	*18,424,086*	*18,424,086*	*18,424,086*	*17,539,018*	*17,539,018*	*17,539,018*
NET EARNINGS PER SHARE (€/SHARE) GROUP SHARE	**14.35**			**13.13**		

(a) In accordance with IAS 33, the weighted average number of shares (diluted and undiluted) is retrospectively adjusted to take into account the capital increase with preferential subscription rights that took place in December 2021.

Consolidated balance sheet

(€ millions)	31/12/2021	31/12/2020
Non-current assets	**5,170.8**	**5,132.2**
Intangible assets	332.5	330.4
o/w Goodwill	*209.4*	*209.4*
o/w Brands	*105.4*	*105.4*
o/w Other intangible assets	*17.7*	*15.7*
Property, plant and equipment	27.8	26.1
Right-of-use on tangible and intangible fixed assets	128.4	140.3
Investment properties	4,176.8	4,024.6
o/w Investment properties in operation at fair value	*3,814.5*	*3,649.0*
o/w Investment properties under development and under construction at cost	*192.8*	*211.1*
o/w Right-of use on Investment properties	*169.6*	*164.6*
Securities and investments in equity affiliates	459.4	579.6
Non-current financial assets	22.0	12.6
Deferred taxes assets	24.1	18.5
Current assets	**4,188.5**	**3,817.8**
Net inventories and work in progress	922.6	859.3
Contract assets	714.1	741.2
Trade and other receivables	858.2	828.0
Income credit	19.5	11.4
Current assets	28.3	22.0
Derivative financial instruments	12.0	1.1
Cash and cash equivalents	1,625.5	1,277.5
Assets held for sale	8.3	77.4
TOTAL ASSETS	**9,359.4**	**8,950.0**

Equity	**3,543.6**	**2,716.7**
Equity attributable to Altarea SCA shareholders	**2,236.2**	**1,758.5**
Share capital	310.1	264.0
Other paid-in capital	513.9	233.8
Reserves	1,200.5	1,568.5
Income associated with Altarea SCA shareholders	211.6	(307.7)
Equity attributable to minority shareholders of subsidiaries	**1,307.4**	**958.2**
Reserves associated with minority shareholders of subsidiaries	1,033.4	979.1
Other equity components, Subordinated Perpetual Notes	223.5	195.1
Income associated with minority shareholders of subsidiaries	50.5	(216.0)
Non-current liabilities	**3,036.5**	**2,630.5**
Non-current borrowings and financial liabilities	2,891.7	2,500.2
o/w Participating loans and advances from associates	*59.3*	*71.3*
o/w Bond issues	*1,723.2*	*1,720.4*
o/w Borrowings from lending establishments	*681.7*	*379.4*
o/w Negotiable European Medium-Term Note	*122.0*	*25.0*
o/w Lease liabilities	*138.2*	*149.4*
o/w Contractual fees on investment properties	*167.2*	*154.8*
Long-term provisions	36.8	24.0
Deposits and security interests received	38.7	36.6
Deferred tax liability	69.4	69.7
Current liabilities	**2,779.2**	**3,602.8**
Current borrowings and financial liabilities	838.5	1,569.8
o/w Bond issues	*26.2*	*254.6*
o/w Borrowings from lending establishments	*67.4*	*458.9*
o/w Negotiable European Commercial Paper	*637.0*	*628.0*
o/w Bank overdrafts	*13.6*	*3.9*
o/w Advances from Group shareholders and partners	*75.6*	*199.4*
o/w Lease liabilities	*16.1*	*1.1*
o/w Contractual fees on investment properties	*2.6*	*24.0*
Derivative financial instruments	16.7	36.3
Contract liabilities	168.1	177.3
Trade and other payables	1,740.6	1,798.4
Tax due	15.2	21.0
TOTAL LIABILITIES	**9,359.4**	**8,950.0**