ALTAREIT

Seventh consecutive year of growth in Residential results
Focus on margins and reorientation of the offer towards Individuals
Operating income up +3.3% vs 2020

Success of the diversified Business property model
Wide range, full regional coverage, developer-investor model
Altarea leading developer of Business property (pipeline of €4.3 bn, 63 projects)
Operating income up +63.3% vs 2020

Financial results

- Revenue[1]: €2,812 m (down 1.0%)
- Recurring operating income[2]: €205.2 m (up 8.4%)
- Net income, Group share[3]: €135.9 m (up 6.4%)
- Net cash[4]: €104 m (vs Net Debt €20 m in 2020)
- Gearing[5]: -0.11x (vs 0.02x at 31 December 2020)

Upcoming acquisition of Primonial Group[6], independent leader in real estate savings and distribution in Europe

Paris, February 22th 2022, 5:45 pm. Following review by the Supervisory Board, Management approved the annual 2021 consolidated financial statements. The audit procedures on financial statements have been carried out, and the audit reports relating to their certification are being issued.

ABOUT ALTAREIT - FR0000039216 - AREIT

A 99.85% subsidiary of the Altarea Group, Altareit is a pure player in property development in France. Thanks to its unique multi-product expertise, Altareit is a pioneer in mixed-use projects in French gateway cities. Altareit has the know-how in each sector required to design, develop, commercialise and manage made-to-measure real estate products. Altareit is listed in compartment B of Euronext Paris.

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1 Revenue by % of completion basis (including external services).
2 Corresponds to the operating income in the Funds From Operations (FFO) column of the analytical income statement.
3 Corresponds to the net income in the Current operating cash flow (FFO) column of the analytical income statement. Group share.
4 Net bank and bond debt.
5 Net bank and bond debt / consolidated shareholders' equity.
6 Acquisition by Altarea, through an Altareit subsidiary, 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).

BUSINESS REVIEW

31 DECEMBER 2021

Agenda

1. A pure player in property development in France

A resilient model

A 99.85% subsidiary of the Altarea Group, Altareit offers a skills platform covering all asset classes (residential, retail, offices, logistics, hotels, serviced residences, etc.), in order to respond effectively and comprehensively to the challenges of urban transformation.

Residential: Altareit is now the second-biggest developer in France[7], structured to be able to reach a potential of 18,000 units sold per year.

Business property: Altareit has developed a unique model that enables it to operate in a highly significant manner and with moderate risk on this market:

• as a property developer[8] for external customers with a particularly strong position on the turnkey users market,

• as a medium-term developer-investor in assets with a strong potential (prime location) to be redeveloped pending sale (via AltaFund[9]).

A unique positionning

Over the years, the Group has built up a unique platform of in order to respond effectively and comprehensively to the challenges of urban transformation :

- the concentration of populations, activities and wealth within major large gateway cities, which is now covering new territories, constituting new real estate markets;

- the inadequacy of real estate infrastructures, which must be rethought to meet the challenges of densification. This phenomenon is behind the boom in major mixed-use urban redevelopment projects, which constitute a particularly dynamic market segment. As of December 31, 2021, Altareit managed 15 major mixed-use projects (for nearly 910,000 m²) with a value of €4.0 billion.

Added to these long-term trends is the ecological emergency, which is revolutionising expectations with regard to real estate (energy performance, mobility, reversibility, mixed-use, new consumer habits, etc.).

The very core of Altareit's know-how consists of developing mixed real estate products that factor these challenges into a complex economic equation, giving it access to the huge urban transformation market.

At the end of 2020, Altareit has secured a huge portfolio of nearly 800 projects of more than 4.1 million m² with a potential value of more than 17.6 billion euros[10].

Upcoming acquisition of Primonial Group, independent leader in real estate savings and distribution in Europe

On 30 June 2021, Altarea, which owns 99.85% of Altareit, entered into exclusive negotiations with the shareholders of the Primonial group (Bridgepoint, Latour Capital and Société Générale Assurances) and its management with a view to acquiring the Primonial group in two stages.

On this occasion, Altarea specified that this transaction would be carried out by a subsidiary of Altareit[11].

Following the favourable opinion of the employee representative bodies of the Primonial group companies concerned, which was issued on 6 July 2021, the final agreement relating to the acquisition was signed on 23 July 2021.

The scope of the Acquisition includes the real estate asset management business (approximately €32.4 billion of real estate assets under management as of December 31, 2021 and a 72% increase in gross real estate inflows to €4.0 billion in 2021) and distribution activities, as well as a 15% minority stake in La Financière de l'Echiquier (LFDE).

The acquisition will take place in two stages, with the acquisition of a first controlling stake corresponding to 60% of Primonial's capital in the first quarter of 2022 (Block 1), followed by the acquisition of the remaining 40% (Block 2), with this second phase to take place in the first quarter of 2024.

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

8 This development activity does not present any commercial risk: Altareit carries only a measured amount of technical risk.

9 AltaFund is a discretionary investment fund, created in 2011, of which Altareit is one of the contributors alongside leading institutional investors.

10 Potential value = market value at delivery dateResidential: 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.

[11] See press releases issued on 30 June 2021 by Altarea " Altarea becomes the leading independent real estate investment manager and property developer ", available on altarea.com and by Altareit "Announcement of Altarea's press release relating to the entry into exclusive negotiations for the acquisition of the Primonial group", available on altareit.com

1.1 Residential

1.1.1 ACTIVITY OF THE YEAR

Altarea is the second-largest residential developer in France[12] 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[13] . 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 architectural 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 independantly (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 requirements from 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.

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[12] *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.*

[13] *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 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 and the 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 the effort throughout all product life cycle (signing of sales agreements, obtaining/clearing building permits and commercial launches).

Supply[14]

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 Individuals clients saw strong growth (+36% in number of units), in line with the reorientation of the commercial strategy towards this customer segment.

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

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[15]

New orders	2021		%	2020		%	Chge
Individuals - Residential	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	*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-	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/Rehab.	772	*7%*	521	*4%*	*+48%*
Total	**11,521**		**11,929**		**-3%**

[15] *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

(€m incl. VAT)	2021	%	2020	%	Chge
Individuals	1,609	*55%*	1,965	*53%*	*-18%*
Bloc 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).

(€m 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/Rehabilita	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.

1.1.3 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. They 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	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.

(€m 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.

1.2 Business property

1.2.1 STRATEGY

A developer/investor/asset manager model

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

• mainly as a developer[16] 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[17], for high-potential assets (prime location) in view of their sale once redevelopment has been completed[18].

The Group is systematically the developer of projects in which it is also co-investor and Manager[19].

The Group 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, Altareit works on capital-intensive projects (generally under partnership), or alternatively as a service provider to support large investors and users;

• Large regional cities: Altareit 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

Altareit 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.

1.2.2 PIPELINE

As the leading business property developer in France, Altareit manages a portfolio of 63 projects with a potential value estimated at close to €4.3 billion at the end of 2021 (at 100%).

At 31/12/2021	No.	Surface area (m²) at 100%	Revenue excl. VAT (€ m)	Potential value at 100% (€m excl. VAT)
Investments [(a)]	8	413,500	366	1,855
Property development of off-plan sales contracts[(b)]	54	941,500	2,308	2,308
DPM [(c)]	2	35,400	100	100
Total	**63**	**1,390,40**	**2,774**	**4,293**
o//w Offices	54	699,800	2,269	3,693
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	2,252

(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

1.2.3 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 delivery 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 ;

• 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;

• 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;

[16] *This development activity does not present any commercial risk: Altarea carries only a measured amount of technical risk.*
[17] *AltaFund is a discretionary investment fund, created in 2011, of which Altarea is one of the contributors alongside leading institutional investors.*

[18] *Resold rented or not.*
[19] *Through marketing, sale, asset and fund management contracts.*

• 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,
- three 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;

• eight 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 in Marseille-Michelet as part of a large residential project delivered by Cogedim,

- the **Orange Tolosa** campus in Balma near Toulouse, delivered out 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 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 disctrict. 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)	31/12/202	31/12/202	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.

Pipeline as of 31 December 2021

Property Development					
	Surface area (m²)	Type	Revenue (€m 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
Louis le Grand	13,900	Invest			Secured
Saussure (Paris)	2,100	Invest			Secured
Investments (7 projects)	**413,500**		**366**	**1,885**	
Belvédère (Bordeaux)	50,200	off-plan sale			Under construction
Coeur de Ville – Hugo Building (Issy-les-	25,700	PDC			Under construction
Amazing Amazones - EuroNantes	19,100	off-plan sale			Under construction
Coeur de Ville - Leclerc & Vernet (Issy-les-	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
Cœur d'Orly (Orly)	30,700	PDC			Under construction
EM Lyon Business School (Lyon)	29,400	PDC			Secured
Haute Borne (Villeneuve d'Ascq)	11,900	off-plan sale			Secured
Cambacerès (Montpellier)	10,000	off-plan sale			Secured
PRD-Montparnasse (Paris)	56,200	Invest			Secured/let
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			Secured
Other Logistics projects (4 projects)	*262,500*	*PDC/Off-plan*			*Secured*
"100% external" property development (53 projects)	**941,500**		**2,308**	**2,308**	
DPM (2 projects)	**35,400**	**DPM**	**100**	**100**	
Total Property Development portfolio (63 projects)	**1,390,400**		**2,774**	**4,293**	

(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

2. Consolidated results

Consolidated revenue[20] at 31 December 2021 was €2.8 billion. Growth in Residential (+3.4%) offset a drop in Business roperty activity, which had benefited in 2020 from the roll-over of several major office projects delivered in early 2021, including Orange's global registered office (Bridge).

Operating income (FFO) was €205.2 million, up +8.4%, driven by growth in Residential (+3.3%) and Business Property (+63.3%) operating income.

FFO Group share was €135.9 million, up +6.4%. Per share, the FFO Group share was €77.7 (+6.4%).

In €m	Residential	Business property	Diversification	Other Corporate	Funds from operations (FFO)	Changes in value, estimated expenses and transaction costs	TOTAL
Revenue and ext. services.	**2,498.1**	**312.5**	**–**	**1.1**	**2,811.7**	**–**	**2,811.7**
Change vs 31/12/2020	*+3.4%*	*(26.1)%*	*–*	*-*	*(1.0)%*	*-*	*(1.0)%*
Net rental income	-	-	-	-			
Net property income	203.8	34.2	–	(0.1)	237.9	–	237.9
External services	13.4	7.4	–	1.1	21.9	–	21.9
Net revenue	**217.2**	**41.5**	**–**	**1.1**	**259.8**	**–**	**259.8**
Change vs 31/12/2020	*+2.6%*	*+45.6%*			*+8.2%*		*+8.4%*
Production held in inventory	177.7	10.3	-	-	188.0	-	188.0
Operating expenses	(222.9)	(26.0)	1.0	(1.7)	(249.6)	(26.9)	(276.6)
Net overhead expenses	**(45.2)**	**(15.7)**	**1.0**	**(1.7)**	**(61.7)**	**(26.9)**	**(88.6)**
Share of equity-method affiliates	12.0	(4.9)	(0.0)	–	7.1	(0.9)	6.2
Estimated expenses and transaction costs						(24.6)	(24.6)
Calculated expenses and transaction costs - Residential						1.7	1.7
Calculated expenses and transaction costs - Business Property						(0.0)	(0.0)
Other						(2.3)	(2.3)
Operating income	**184.0**	**20.9**	**1.0**	**(0.7)**	**205.2**	**(53.1)**	**152.2**
Change vs 31/12/2020	*+3.3%*	*+63.3%*			*+8.4%*		(0.9)%
Net borrowing costs	(12.8)	(8.0)	0.0	–	(20.8)	(1.8)	(22.6)
Other financial results	(8.2)	(2.7)	–	–	(10.9)	–	(10.9)
Gains/losses in the value of financial	–	–	–	–	–	0.2	0.2
Corporate Income Tax	(17.8)	(1.8)	–	–	(19.7)	(8.9)	(28.6)
Net income	**145.2**	**8.3**	**1.0**	**(0.7)**	**153.9**	**(63.6)**	**90.3**
Non-controlling interests	(17.8)	(0.2)	–	–	(18.0)	0.0	(18.0)
Net income. Group share	**127.4**	**8.2**	**1.0**	**(0.7)**	**135.9**	**(63.6)**	**72.2**
Change vs 31/12/2020	*+3.8%*	*+21.4%*			*+6.4%*		*+4.2%*
Diluted average number of shares					*1,748,440*		
Net income. Group share per share					**77.7**		
Change vs 31/12/2020					*+6.4%*		

[20] *Revenue by % of completion basis (excluding external services).*

2.1 FFO Residential

In €m	2021	2020	
Revenue by % of completion	2,484.7	2,406.9	*+3.2%*
Cost of sales and other	(2,280.9)	(2,205.3)	
Net property income -	**203.8**	**201.6**	*+1.1%*
% of revenue	*8.2%*	*8.4%*	
External services	13.4	10.1	
Production held in inventory	177.7	163.0	
Operating expenses	(222.9)	(207.3)	
Contribution of EM associates	12.0	10.8	
Operating income - Residential	**184.0**	**178.1**	*+3.3%*
% of revenue	*7.4%*	*7.4%*	
Net borrowing costs	(12.8)	(13.4)	
Other financial results	(8.2)	(7.5)	
Corporate income taxes	(17.8)	(13.3)	
Non-controlling interests	(17.8)	(21.3)	
FFO Residential	**127.4**	**122.7**	*+3.8%*

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

Residential operating income rose by +3.3% despite the still significant contribution of block sales at lower margins notarised in 2020. Residential operating margin remained stable at 7.4% thanks to higher-margin projects launched in 2021.

In total, FFO Residential amounted to €127.4 million, up by +€3.8%.

2.2 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 affiliates: income made on partnership investment projects.

In €m	2021	2020	
Revenue by % of completion	305.2	416.5	*(26.7)%*
Cost of sales and other	(271.0)	(394.2)	
Net property income - BP	**34.2**	**22.3**	*+53.0%*
% of revenue	*11.2%*	*5.4%*	
External services	7.4	6.2	
Production held in inventory	10.3	13.9	
Operating expenses	(26.0)	(29.3)	
Contribution of EM associates	(4.9)	(0.3)	
Operating income – BP	**20.9**	**12.8**	*+63.3%*
% of revenue + ext. serv.	*6.7%*	*3.0%*	
Net borrowing costs	(8.0)	(5.3)	
Other financial results	(2.7)	(0.5)	
Corporate income taxes	(1.8)	(0.6)	
Non-controlling interests	(0.2)	0.3	
FFO Business Property	**8.2**	**6.7**	*+21.4%*

Although revenue was down (-26.7%), real estate income increased by +€11.9 million (+53%), driven by the ramp-up of the Business Property in the regions.

In total, FFO Business Property amounted to €8.2 million, compared to €6.7 million in 2020.

3. Financial resources

Liquidity: €2.4 bn

At 31 December 2021, Altareit had available liquidity of €2,409 million (vs €2,454 million at 31 December 2020), broken down as follows:

Available (in €m)	Cash	Unused credit facilities	Total
At Corporate level	882	534	1,416
At project level	642	351	993
Total	**1,524**	**885**	**2,409**

Unused credit facilities amount to €514 million RCF[21], the average maturity of which is 3 years, with one €50 million maturity coming due 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. The Group has no plans to draw on them in the coming months.

Short and medium-term financing

At 31 December 2021, Altareit had outstandings in its NEU CP[22] programme of €292 million (maturity less than or equal to one year) and NEU MTN[23] outstandings of €117 million (due in more than one year).

The total outstandings amounted to €409 million with an average maturity of 6.7 months.

Net debt: -€104 m

In €m	31/12/202	31/12/202
Bank term loans	198	197
Credit markets [(a)]	913	842
Property Development debt	138	167
Gross bank and bond debt	**1,249**	**1,206**
Cash and cash equivalents	(1,353)	(1,185)
Net bank and bond debt	**(104)**	**20**

(a) This amount includes bond debt and €409 million from NEU CP and NEU MTN.

Credit rating

On 30 June 2021, following the announcement by Altarea of its entry into exclusive negotiations to acquire 100% of the Primonial group, which will be carried out by an Altareit subsidiary[24], the rating agency S&P Global confirmed its Investment Grade rating of Altarea Group and Altareit at BBB- with negative outlook.

ICR (interest cover ratio)[25]

Altareit's ICR stood at 9.9x, compared with 8.5x at 30 June 2021 and 10.1x at 31 December 2020.

Covenants

The corporate debt is subject to the consolidated covenants of Altarea Group, of which Altareit is a 99.85% subsidiary (LTV ≤ 60%, ICR ≥ 2). Altarea meets these covenants with considerable headroom.

	Covenant	31/12/202	31/12/202	Delta
LTV [(a)]	≤ 60%	24.1%	33.0%	*-8.9 pts*
ICR [(b)]	≥ 2.0x	8.2x	7.3x	+0.9x

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

In addition, project-backed property development debt has specific covenants for each project.

Finally, Altareit's gearing[26] was -0.11x at the end of December 2021 compared to 0.22x at the end of June 2021 and 0.02x at 31 December 2020.

Equity

Altareit's shareholders 'equity amounted to €1,080 million at 31 December 2021, making Altareit one of the most capitalized French developers.

[21] Revolving credit facilities (confirmed credit authorisations).
[22] NEU CP (Negotiable European Commercial Paper).
[23] NEU MTN (Negotiable European Medium Term Note).

[24] See press release published on 30 June 2021 "Altarea to become the leading independent real estate investment manager and property developer", available on altarea.com.
[25] ICR = Net FFO borrowing costs as a proportion of FFO.
[26] Net bond and bank debt as a proportion of consolidated equity.

Consolidated P&L

€millions	31/12/2021 Funds from operations (FFO)	31/12/2021 Changes in value. estimated expenses and transaction costs	31/12/2021 Total	31/12/2020 Funds from operations (FFO)	31/12/2020 Changes in value. estimated expenses and transaction costs	31/12/2020 Total
Revenue	2,484.7	–	2,484.7	2,406.9	–	2,406.9
Cost of sales and other expenses	(2,280.9)	–	(2,280.9)	(2,205.3)	(0.6)	(2,205.9)
Net property income	**203.8**	**–**	**203.8**	**201.6**	**(0.6)**	**201.0**
External services	13.4	–	13.4	10.1	–	10.1
Production held in inventory	177.7	–	177.7	163.0	–	163.0
Operating expenses	(222.9)	(20.9)	(243.8)	(207.3)	(12.6)	(219.9)
Net overhead expenses	**(31.8)**	**(20.9)**	**(52.7)**	**(34.2)**	**(12.6)**	**(46.8)**
Share of equity-method affiliates	**12.0**	**(0.6)**	**11.4**	**10.8**	**(2.5)**	**8.3**
Net allowances for depreciation and impairment	**–**	**(24.6)**	**(24.6)**	**–**	**(22.9)**	**(22.9)**
Transaction costs	**–**	**–**	**–**	**–**	**(0.0)**	**(0.0)**
NET RESIDENTIAL INCOME	**184.0**	**(46.1)**	**137.9**	**178.1**	**(38.6)**	**139.5**
Revenue	305.2	–	305.2	416.5	–	416.5
Cost of sales and other expenses	(271.0)	–	(271.0)	(394.2)	–	(394.2)
Net property income	**34.2**	**–**	**34.2**	**22.3**	**–**	**22.3**
External services	7.4	–	7.4	6.2	–	6.2
Production held in inventory	10.3	–	10.3	13.9	–	13.9
Operating expenses	(26.0)	(5.2)	(31.2)	(29.3)	(3.0)	(32.3)
Net overhead expenses	**(8.3)**	**(5.2)**	**(13.5)**	**(9.2)**	**(3.0)**	**(12.2)**
Share of equity-method affiliates	**(4.9)**	**(0.3)**	**(5.2)**	**(0.3)**	**6.6**	**6.3**
Net depreciation. amortization and provisions	**–**	**(0.3)**	**(0.3)**	**–**	**(1.5)**	**(1.5)**
Net allowances for depreciation and impairment	**–**	**2.0**	**2.0**	**–**	**1.7**	**1.7**
BUSINESS PROPERTY INCOME	**20.9**	**(3.8)**	**17.2**	**12.8**	**3.8**	**16.7**
Net overhead expenses	**1.0**	**(0.9)**	**0.1**	**0.1**	**(1.0)**	**(0.9)**
Share of equity-method affiliates	**(0.0)**	**–**	**(0.0)**	**–**	**–**	**–**
Net allowances for depreciation and impairment	**–**	**(0.0)**	**(0.0)**	**–**	**0.3**	**0.3**
Gains / losses on disposals of assets	**–**	**–**	**–**	**–**	**(0.1)**	**(0.1)**
NET DIVERSIFICATION INCOME	**1.0**	**(0.9)**	**0.1**	**0.1**	**(0.8)**	**(0.7)**
Other (Corporate)	(0.7)	(2.3)	(3.0)	(1.7)	(0.2)	(1.9)
OPERATING INCOME	**205.2**	**(53.1)**	**152.2**	**189.3**	**(35.7)**	**153.6**
Net borrowing costs	(20.8)	(1.8)	(22.6)	(18.7)	(2.1)	(20.8)
Other financial results	(10.9)	–	(10.9)	(8.0)	(0.0)	(8.0)
Change in value and income from disposal of financial instruments	–	–	–	–	1.1	1.1
Proceeds from the disposal of investments	–	0.2	0.2	–	(0.0)	(0.0)
PROFIT BEFORE TAX	**173.5**	**(54.7)**	**118.8**	**162.6**	**(36.8)**	**125.8**
Corporate income tax	(19.7)	(8.9)	(28.6)	(13.9)	(21.5)	(35.4)
NET INCOME	**153.9**	**(63.6)**	**90.3**	**148.7**	**(58.3)**	**90.4**
Minority shares	(18.0)	0.0	(18.0)	(21.0)	(0.0)	(21.0)
NET INCOME. Group share	**135.9**	**(63.6)**	**72.2**	**127.7**	**(58.3)**	**69.4**
Diluted average number of shares	*1,748,440*	*1,748,440*	*1,748,440*	*1,748,409*	*1,748,409*	*1,748,409*
NET INCOME PER SHARE (€/share). Group share	**77.70**	**(36.39)**	**41.32**	**73.06**	**(33.4)**	**39.69**

Balance sheet

€millions	31/12/2021	31/12/2020
Non-current assets	**803.9**	**753.4**
Intangible assets	304.1	303.3
o/w Goodwill	*192.1*	*192.1*
o/w Brands	*105.4*	*105.4*
o/w Other intangible assets	*6.7*	*5.8*
Property plant and equipment	24.7	24.1
Right-of-use on tangible and intangible fixed assets	128.0	139.4
Investment properties	91.5	32.8
o/w Investment properties in operation at fair value	*9.2*	*6.5*
o/w Investment properties under development and under construction at cost	*78.7*	*22.0*
o/w Right-of-use on Investment properties	*3.5*	*4.3*
Securities and investments in equity affiliates and unconsolidated interests	239.2	242.0
Loans and receivables (non-current)	15.1	9.8
Deferred tax assets	1.2	2.0
Current assets	**3,679.7**	**3,449.9**
Net inventories and work in progress	883.4	845.9
Contracts assets	714.1	741.2
Trade and other receivables	690.0	649.7
Income tax credit	7.8	5.5
Loans and receivables (current)	29.0	22.6
Cash and cash equivalents	1,355.4	1,185.1
TOTAL ASSETS	**4,483.6**	**4,203.3**
Equity	**1,079.3**	**1,002.0**
Equity attributable to Altareit SCA shareholders	**1,026.1**	**949.8**
Capital	2.6	2.6
Other paid-in capital	76.3	76.3
Reserves	874.9	801.6
Income associated with Altareit SCA shareholders	72.2	69.4
Equity attributable to minority shareholders of subsidiaries	**53.2**	**52.1**
Reserves associated with minority shareholders of subsidiaries	35.2	31.1
Other equity components. Subordinated Perpetual Notes	18.0	21.0
Non-current liabilities	**1,030.5**	**1,050.6**
Non-current borrowings and financial liabilities	947,9	978.4
o/w Bond issues	*496.8*	*496.0*
o/w Borrowings from lending establishments	*257.5*	*301.5*
o/w Negociable European Medium Term Note	*52.0*	*25.0*
o/w Advances from Group shareholders and partners	*0.4*	*3.0*
o/w Lease liabilities	*141.3*	*152.9*
Long-term provisions	17.1	16.3
Deposits and security interests received	0.6	1.4
Deferred tax liability	64.9	54.5
Current liabilities	**2,373.8**	**2,150.8**
Current borrowings and financial liabilities	746.8	473.9
o/w Bond issues	*7.3*	*6.8*
o/w Borrowings from lending establishments	*65.6*	*58.4*
o/w Negociable European Medium Term Note	*357.0*	*314.0*
o/w Bank overdrafts	*12.3*	*3.9*
o/w Advances from Group shareholders and partners	*288.2*	*89.9*
o/w Lease liabilities	*16.5*	*0.9*
Contracts liabilities	168.1	177.3
Trade and other payables	1,443.9	1,488.4
Tax due	14.9	11.2
TOTAL LIABILITIES	**4,483.6**	**4,203.3**