**Residential: supply and new orders up, increase in construction costs absorbed**
New orders: +9% by value (+2% by volume)
Operating margin[1] maintained at 7.2%
Operating income: €82.6 m

**Business property: success across all ranges and regions**
Leading Business property developer (pipeline of 63 projects)
Success in all markets and ramp-up in Regions
Operating income: €12.0 m

**Consolidated results**

- Revenue[2]: €1,269m (-4.2%)
- Recurring operating income[3]: €94.0m (+5.8%)
- Net income, Group share[4]: €57.9m (+6.9%)
- Net debt[5]: €267 m (vs net cash €107 m at end-2021)
- Gearing[6]: 0.2x (vs -0.10x at end-2021)

*Paris, 28 July 2022, 5.45 p.m. Following review by the Supervisory Board, the Management has approved the consolidated financial statements for the first half-year 2022. Limited review procedures have been completed. The Statutory Auditors' reports on the half-year financial information were issued without reservations.*

***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 A of Euronext Paris.

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*1 Operating income as a percentage of revenue by percentage of completion.*
*2 Revenue by % of completion basis (including external services).*
*3 Corresponds to the operating income in the Funds From Operations (FFO) column of the analytical income statement.*
*4 Corresponds to the net income in the Funds From Operations (FFO) column of the analytical income statement, Group share.*
*5 Net bank and bond debt.*
*6 Net bond and bank debt as a proportion of consolidated equity.*

# BUSINESS REVIEW

## AT 30 JUNE 2022

# 1. A pure player in property development in France

## A resilient model

Altareit, a 99.85% subsidiary of Altarea Group, offers a platform of skills covering all asset classes (residential, offices, retail, logistics, hotels, serviced residences, etc.). This focused positioning means it can deliver effective and comprehensive solutions to the issues 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 positioning

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 :

• concentration of population, business and wealth in the big metropolises, which are currently expanding to absorb surrounding areas, which will constitute new real estate markets;

• the inadequacy of real estate infrastructures, which must be rethought to meet the challenges of densification. These long-term trends are at the root of the large mixed-use projects for urban redevelopment, a particularly dynamic segment of the market. As of 30 June 2022, Altareit managed 15 major mixed-use projects (for nearly 910,000 m²) with a potential value of €4.0 billion.

On top of these long-term trends we also have to deal with an environmental emergency that is transforming what citizens expect from property (energy performance, mobility, reversibility, mixed-use, new forms of consumption, etc.).

All Altareit's know-how is focused on developing mixed-use real estate products that integrate these issues into an economic equation, giving it access to a huge market: urban transformation.

With nearly 820 projects at the end of June 2022, Altareit has secured a huge portfolio of projects of over 4.1 million m² with a potential value of nearly €18.3 billion in all product categories[10].

## Primonial

Given the non-completion of the Primonial acquisition, Alta percier, indirect subsidiary of the Company were cited before the Paris Commercial Court by the different shareholder groups in New Primonial Holding 2 (parent of the Primonial Group) seeking compensation for their alleged damages. Altarea and Alta Percier plan to contest the complaints made, which they consider without merit, and to take all legal measures to, first, defend their legitimate interests and, second, hold Primonial shareholders liable and obtain compensation for the damages incurred by the Group. To this end, on 20 June 2022, Altarea and Alta Percier filed claims in response in a voluntary intervention before the Paris Commercial Court.

At the date of this press release, legal procedure is on-going.

*[7] 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.*

*[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 on delivery date. 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.*

# 1.1. Residential

## 1.1.1. Strategy

Altareit is the second-largest residential developer in France[11] 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[12]. 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** (specialised 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 specialising 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 specialising 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 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: the Group 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;

• 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, property management, etc.). At the end of June 2022, the Group was already managing, as part of its property management activity, more than 15,405 units spread over 373 buildings, and more than 6,330 units as part of its rental management offering.

*[11] 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.*

*[12] 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 HALF-YEAR

### Reconstitution of the offer for sale[13] in a context of sustained demand

The offer for sale at the end of June 2022 amounted to €1,971 million including tax, up by +13% compared to the end of December 2021.

The increase in the offer was made possible thanks to the work carried out at all stages of the production cycle (sales agreements, obtaining and clearing claims on building permits, and commercial launches).

### Supply[14]

| Supply | H1 2022 | H1 2021 | *Chge* |
|---|---|---|---|
| In €m incl. VAT | 2,811 | 2,222 | *+27%* |
| In units | 9,878 | 9,253 | *+7%* |

Procurement increased by +27% in value (+7% in volume) compared to the 1st half-year 2021.

This growth was mainly driven by the new territories (Angers, Tours, Caen, Amiens, etc.), confirming the effectiveness of the national coverage expansion strategy undertaken in 2021. The Group 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 enables the firm to benefit from the favourable momentum of these regions.

### Building permits and land acquisitions

| In units | H1 2022 | H1 2021 | Chge |
|---|---|---|---|
| Building permit applications | 8,118 | 6,211 | *+31%* |
| Building permits granted | 5,723 | 4,913 | *+16%* |
| Land acquisitions | 4,555 | 3,836 | *+19%* |

#### Commercial launches (retail sales)

| Launches | H1 2022 | H1 2021 | *Chge* |
|---|---|---|---|
| Units | 4,410 | 3,770 | *+17%* |
| No. projects | 103 | 82 | *+26%* |

### New orders[15]

New orders increased by +9% in value (+2% in volume). In a context marked by the return of inflation and economic and geopolitical instability, residential real estate is more than ever confirming its status as a safe haven.

| New orders | H1 2022 | % | H1 2021 | % | *Chge* |
|---|---|---|---|---|---|
| Individuals - Residential buyers | 421 | *30%* | 321 | *25%* | *+31%* |
| Individuals - Investment | 560 | *40%* | 495 | *38%* | *+13%* |
| Block sales | 434 | *30%* | 478 | *37%* | *-9%* |
| **Total in value (€m)** | **1,414** | | **1,294** | | **+9%** |
| Individuals - Residential buyers | 1,214 | *24%* | 934 | *19%* | *+30%* |
| Individuals - Investment | 1,998 | *40%* | 1,855 | *38%* | *+8%* |
| Block sales | 1,818 | *36%* | 2,134 | *43%* | *-15%* |
| **Total in units** | **5,030** | | **4,923** | | **+2%** |

Highlights of the half-year:

• strong demand from Individuals (successful commercial launches with sales rates of over 12%) from both rental investors and first-time buyers, the proportion of which increased this half-year;

• Institutional investors' continued strong appetite for residential products, whose profile appears to be particularly high-performance (vacant housing, intermediate rental housing and managed residences).

Demand for new housing continues to be driven by real estate fundamentals: demographic growth, level of available savings and changes in housing expectations.

#### New orders by product range

| In units | H1 2022 | % | H1 2021 | % | Chge |
|---|---|---|---|---|---|
| Entry-level/mid-range | 3,179 | *63%* | 2,879 | *58%* | *10%* |
| High-end | 928 | *18%* | 920 | *19%* | *1%* |
| Serviced Residences | 555 | *11%* | 719 | *15%* | *-23%* |
| Renovation/Rehabilitation | 369 | *7%* | 405 | *8%* | *-9%* |
| **Total** | **5,031** | | **4,923** | | **+2%** |

### Notarised sales

| € millions incl. VAT | H1 2022 | % | H1 2021 | % | Chge |
|---|---|---|---|---|---|
| Individuals | 765 | *62%* | 667 | *56%* | *+15%* |
| Block sales | 468 | *38%* | 534 | *44%* | *-12%* |
| **Total** | **1,233** | | **1,201** | | **+3%** |

### Projects under construction

At the end of June 2022, 312 projects were under construction in France for nearly 27,500 units (+2% vs. H1 2021).

*[13] Value of units available for new orders.*
*[14] Preliminary sale agreements for land, valued as residential new orders (incl. tax) or units.*

*[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).*

## Revenue by % of completion[16]

| (€ millions excl. VAT) | H1 2022 | % | H1 2021 | % | Chge |
|---|---|---|---|---|---|
| Entry-level/mid-range | 720 | *63%* | 741 | *62%* | *-3%* |
| High-end | 347 | *30%* | 403 | *33%* | *-14%* |
| Serviced Residences | 51 | *5%* | 36 | *3%* | *+42%* |
| Renovation/Rehabilitation | 22 | *2%* | 23 | *2%* | *-4%* |
| **TOTAL** | **1,140** | | **1,203** | | **-5%** |

Residential revenue by percentage of completion was down -5.2% on the first half 2021, mainly due to delays in block sales which will be completed in the second half of the year.

### Management of the sales mix and operating margin[17]

In a context where construction costs were rising by an average of around 5% to 7%, Altareit's strategy was to increase its revenues by managing the commercial mix (higher proportion of retail sales) and optimizing its price list whenever possible.

| Sales mix [(a)] | H1 2022 | H1 2021 | H1 2020 |
|---|---|---|---|
| Individuals | 70% | 63% | 36% |
| Institutional investors | 30% | 37% | 64% |

Thanks to its commercial policy, the Group was able to fully absorb the increase in construction costs in the first half of the year, keeping its operating margin constant at 7.1%.

# 1.1.3 Outlook

## Project pipeline

The pipeline of projects under development (+4%) 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) | 30/06/2022 | No. of month | 31/12/2020 | Chge |
|---|---|---|---|---|
| Properties for sale | 1,971 | 17 | 1,742 | *+13%* |
| Future offering | 11,776 | 100 | 11,536 | *+2%* |
| **Pipeline** | ***13,747*** | ***117*** | ***13,278*** | **+4%** |
| *In no. of transactions* | *755* | | *715* | *+6%* |
| *In no. of units* | *47,700* | | *48,200* | *-1%* |
| *In m²* | *2,671,100* | | *2,699,200* | *-1%* |

## 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 | 30/06/2022 | 31/12/2020 | Chge |
|---|---|---|---|
| Notarised revenue not recognised | 1,801 | 1,987 | *-9%* |
| Revenues reserved but not notarised | 1,915 | 1,733 | *+11%* |
| **Backlog** | **3,716** | **3,720** | **0%** |
| *o/w equity-method (Group share)* | *226* | *270* | *ns* |
| *Number of months* | *19* | *18* | |

### Management of real estate commitments

The risks relating to real estate commitments are assessed during Commitments Committee meetings, which assess in particular the financial, legal, administrative, technical and commercial risks.

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 June 2022:

• 49% 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;

• 51% of the offer is linked to programmes 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.

*[16] 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).*

*[17] Operating income FFO as a percentage of revenue by percentage of completion.*

# 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[18] 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[19], for high-potential assets (prime location) in view of their sale once redevelopment has been completed[20].

The Group is systematically the developer of projects in which it is also co-investor and Manager[21].

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, the Group works on capital-intensive projects (generally in 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;

• campus and school: on behalf of higher education institutions (Grandes Écoles) or vocational schools (private and public);

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

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 €4.6 billion at the end of June 2022 (at 100%).

| At 30/06/2022 | No. | Surface area (m²) at 100% | Revenue excl. VAT (€ m) | Potential value at 100% (€ millions excl. VAT) |
|---|---|---|---|---|
| Investments (a) | 4 | 128,600 | 495 | 1,471 |
| Property development of off-plan sales contracts) (b) | 56 | 1,289,000 | 2,918 | 2,918 |
| Delegated project | 3 | 56,500 | 194 | 194 |
| **Total** | **63** | **1,474,100** | **3,608** | **4,584** |
| *o/w Offices* | *53* | *716,800* | *2,889* | *3,865* |
| *o/w Logistics* | *10* | *757,300* | *719* | *719* |
| *o/w Regions* | *46* | *1,064,600* | *2,096* | *2,096* |
| *o/w Paris Region* | *17* | *409,500* | *1,512* | *2,488* |

*(a) Potential value: market value excluding transfer duties at the date of sale, held directly or via AltaFund, at 100%.*
*(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.*

## 1.2.3 Activity of the half-year

Activity was dynamic both in Grand Paris and in the Regions for all categories of products developed by the Group (offices, head offices, university campuses, logistics platforms, hotels, etc.).

### Grand Paris

During the first half of the year, the Group made significant progress with:

• the delivery of the first of the three office buildings intended to house the future headquarters of the Caisse Nationale de Prévoyance (CNP) as part of the large mixed-use Issy-Cœur de Ville project, which will be fully delivered in the second half of 2022;

• management of two new property development projects:

- Le Central in Palaiseau (two buildings of 11,400 m² in total);
- the renovation of the former CACEIS head office near Paris-Austerlitz station on behalf of Crédit Agricole Assurances.

[18] *This development activity does not present any commercial risk: the Group only bears a measured technical risk.*
[19] *AltaFund is a discretionary investment fund, created in 2011, of which the Group is one of the contributors alongside leading institutional investors.*
[20] *Resold rented or not.*
[21] *Through marketing, sale, asset and fund management contracts.*

## Regional cities

As the leading business property developer in the regions, Altareit has been able to capitalise on its know-how to meet the expectations of this fast-growing market. The first half of 2022 confirmed this trend, with in particular:

• the signature of two off-plan sales (10,500 m² in total):

- a coworking space in the Jolimont building in Toulouse sold to Tivoli Capital;
- the head office of Erilia, a social enterprise for housing (ESH), as part of the Porte Est project in Marseille;

• management of five new projects (135,000 m² in total), including two projects in Aix-en-Provence (25,000 m²) including the new ESSCA campus and the Ecoparc Cotière mixed logistics (50,000 m²) and business premises (20,000 m²) project at the gateway to Lyon, confirming the increase in the Group's expertise in this booming real estate sector;

• the delivery of three projects (25,000 m² in total), including:

- #Community Groupama's new campus (15,000 m²) in Mérignac near Bordeaux, sold to Atream. The bio-friendly "H" building offers generous outdoor spaces (loggias, terraces, roof top) as well as the first "brown roof" concept in France: a fully green roof of 2,500 m², home to a host of local species. This project is also a pilot for the "Reuse Booster" programme, aimed at reusing raw materials in new construction;
- the two first buildings of the Vert Pomone project, a tertiary centre sold to SCPI Mur Régions, a subsidiary of Banque Populaire du Grand Ouest, which will house the Esaip training centre and the Nahema agency, a NATO subsidiary specialising in development military helicopter programmes.

## Property Development backlog

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

| In €m | 30/06/2022 | 31/12/2021 | *Chge* |
|---|---|---|---|
| Off-plan, PDC | 303 | 415 | *-27%* |
| *o/w equity-method* | *35* | *53* | *-34%* |
| Fees (DPM) | 10 | 10 | *0%* |
| **Total** | **313** | **425** | ***-26%*** |

The backlog was funded in the amount of €47 million by off-plan sales (VEFA) signed in the 1st half-year 2022.

Pipeline at 30 June 2022

| | Surface area (m²) | Property Development Type | Property Development Revenue excl. VAT (€m) (a) | Potential value at 100% (€m excl. VAT) (b) | Progress (c) |
|---|---|---|---|---|---|
| Landscape (La Défense) | 70,100 | Invest | | | On market |
| Tour Eria (La Défense) | 26,600 | Invest | | | Let |
| Bellini (La Défense) | 18,100 | Invest | | | Under construction/sold |
| Louis le Grand | 13,900 | Invest | | | Secured |
| **Investments (4 projects)** | **128,700** | | **495** | **1,471** | |
| Belvédère (Bordeaux) | 50,100 | Off-plan sale | | | Under construction |
| Cœur d'Orly (Orly) | 30,700 | PDC | | | Under construction |
| EM Lyon Business School (Lyon) | 29,400 | PDC | | | Under construction |
| Coeur de Ville - Hugo (Issy-les-Mx) | 25,700 | PDC | | | Under construction |
| Amazing Amazones - EuroNantes (Nantes) | 19,700 | Off-plan sale | | | Under construction |
| Villeurbanne | 13,000 | Off-plan sale | | | Under construction |
| Unedic (Marseille) | 11,900 | Off-plan sale | | | Under construction |
| Bobigny-La Place | 9,800 | Off-plan sale | | | Under construction |
| Adriana (Marseille) | 9,700 | Off-plan sale | | | Under construction |
| Cœur de Ville - Leclerc (Issy-les-Mx) | 7,400 | PDC | | | Under construction |
| Jolimont (Toulouse) | 4,300 | Off-plan sale | | | Under construction |
| PRD-Montparnasse (Paris) | 56,200 | Off-plan sale | | | Secured |
| Les Milles (Aix-en-Provence) | 20,000 | Off-plan sale | | | Secured |
| Haute Borne (Villeneuve d'Ascq) | 11,900 | Off-plan sale | | | Secured |
| *Other Office projects (34 projects)* | *231,900* | *PDC/Off-plan* | | | Secured |
| Technoparc (Collegien - Greater Paris) | 8,600 | Off-plan sale | | | Under construction |
| Hexahub Occitanie (Beziers) | 50,400 | PDC | | | Under construction |
| Ecoparc Cotière (Lyon) | 70,000 | Off-plan sale | | | Secured |
| Hexahub Paris Region (Seine et Marne) | 68,200 | PDC | | | Secured |
| Puceul (Nantes) | 37,600 | Off-plan lease | | | Secured |
| *Other Logistics projects (5 projects)* | *522,500* | *PDC/Off-plan* | | | *Secured* |
| **"100% external" property development (56 projects)** | **1,289,000** | | **2,918** | **2,918** | |
| **DPM (3 projects)** | **56,500** | DPM | **194** | **194** | |
| **Total Property Development portfolio (63 projects)** | **1,474,100** | | **3,608** | **4,584** | |

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

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

*(c) Secured projects: projects either fully or partly authorised, where the land has been acquired or for which contracts have been exchanged, but on which construction has not yet begun.*

# 2. Consolidated results

Consolidated revenue[22] at 30 June 2022 was €1,269.4 million, down 4.2% compared to June 2021.

FFO increased by 5.8% to € 94.0 million, driven by:
- a sustained operating margin[23] in Residential (7.2%) despite the context of rising construction costs;
- powerful growth in Business property operating income driven by the ramp-up of activity in the Regions.

Net income Group share (FFO) was €57.9 million, up +6.9%. Per share, FFO Group share was €33.1 (+6.9%).

| 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.** | **1,148.1** | **121.3** | **-** | **-** | **1,269,4** | **0.0** | **1,269.4** |
| *Change vs. 30/06/2021* | *-5.1%* | *+4.6%* | *N/A* | *N/A* | *-4.2%* | *-* | *-4.2%* |
| Net rent | - | - | - | - | | | |
| Net property income | 88.3 | 14.8 | - | - | 103.1 | 0.0 | 103.1 |
| External services | 7.1 | 4.9 | - | - | 12.0 | - | 12.0 |
| **Net income** | **95.4** | **19.7** | **-** | **-** | **115.1** | **-** | **115.1** |
| *Change vs. 31/12/2020* | *-3.6%* | *+68.9%* | | | *+3.5%* | | *+3.5%* |
| Own work capitalised and production held in inventory | 89.0 | 5.3 | - | - | 94.3 | - | 94.3 |
| Operating expenses | (106.2) | (11.0) | (0.1) | (0.3) | (117.6) | (10.9) | (128.5) |
| **Net overhead expenses** | **(17.2)** | **(5.7)** | **(0.1)** | **(0.3)** | **(23.3)** | **(10.9)** | **(34.3)** |
| Share of equity-method affiliates | 4.3 | (2.0) | (0.1) | - | 2.3 | (0.7) | 1.6 |
| Estimated expenses and transaction costs - Residential | | | | | | (10.3) | (10.3) |
| Change in value, estimated expenses and transaction costs – Business property | | | | | | (0.8) | (0.8) |
| Change in value, estimated expenses and transaction costs – Diversification | | | | | | (0.0) | (0.0) |
| Others | | | | | | 0.2 | 0.2 |
| **Operating income** | **82.6** | **12.0** | **(0.2)** | **(0.3)** | **94.0** | **(22.5)** | **71.5** |
| *Change vs. 30/06/2021* | *-5.7%* | *14.5x* | | | *+5.8%* | | *+15.4%* |
| Net borrowing costs | (7.1) | (1.0) | | | (8.1) | 2.4 | (5.8) |
| Other financial results | (6.1) | (0.9) | | | (7.0) | (0.5) | (7.5) |
| Gains/losses in the value of financial instruments | | | | | - | 1.0 | 1.0 |
| Corporate income tax | (10.4) | (1.5) | | | (11.9) | (2.4) | (14.2) |
| **Net income** | **59.0** | **8.6** | **(0.2)** | **(0.3)** | **67.1** | **(22.0)** | **45.0** |
| Non-controlling interests | (9.2) | - | - | - | (9.2) | 0.0 | (9.2) |
| **Net income, Group share** | **49.9** | **8.6** | **(0.2)** | **(0.3)** | **57.9** | **(22.0)** | **35.9** |
| *Change vs. 30/06/2021* | *-7.3%* | *N/A* | | | *+6.9%* | | *+44.8%* |
| *Diluted average number of shares* | | | | | *1,748,420* | | |
| **Net income, Group share per share** | | | | | **33.12** | | |
| *Change vs. 30/06/2021* | | | | | *+6.9%* | | |

[22] *Revenue by % of completion basis (excluding external services).*
[23] *Operating income as a percentage of revenue by percentage of completion.*

## FFO Residential

| In €m | H1 2022 | H1 2021 | |
|---|---|---|---|
| Revenue by % of completion | 1,140.3 | 1,203.4 | -5.2% |
| Cost of sales and other expenses | (1,052.0) | (1,109.8 | |
| **Net property income - Residential** | **88.3** | **93.6** | -5.7% |
| *% of revenue* | *7.7%* | *7.8%* | |
| External services | 7.1 | 5.4 | |
| Production held in inventory | 89.0 | 83.2 | |
| Operating expenses | (106.2) | (99.1) | |
| Contribution of EM associates | 4.3 | 4.4 | |
| **Operating income - Residential** | **82.6** | **87.6** | -5.7% |
| *% of revenue* | *7.2%* | *7.3%* | |
| Net borrowing costs | (7.1) | (9.7) | |
| Other financial results | (6.1) | (5.7) | |
| Corporate income taxes | (10.4) | (10.0) | |
| Non-controlling interests | (9.2) | (8.4) | |
| **FFO Residential** | **49.9** | **53.8** | -7.3% |

Revenue by percentage of completion in Residential was down -5.2% compared to the first half of 2021, mainly due to delays to block sales transactions which will be completed in the second half of the year.

Optimisation of the commercial mix (reorientation of sales towards Individuals) and the price list made it possible to absorb the increase in construction costs and so keep the operating margin stable.

## 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: results made on partnership investment projects.

| In €m | H1 2022 | H1 2021 | |
|---|---|---|---|
| Revenue by % of completion | 116.5 | 112.0 | +4.0% |
| Cost of sales and other expenses | (101.7) | (104.4) | |
| **Net property income - Business property** | **14.8** | **7.6** | +94.2% |
| *% of revenue* | *12.7%* | *6.8%* | |
| External services | 4.9 | 4.0 | |
| Production held in inventory | 5.3 | 3.3 | |
| Operating expenses | (11.0) | (10.1) | |
| Contribution of EM associates | (2.0) | (4.1) | |
| **Operating income - Business property** | **12.0** | **0.8** | N/A |
| *% of revenue + ext. serv. prov.* | *(9.9)%* | *0.7%* | |
| Net borrowing costs | (1.0) | (0.8) | |
| Other financial results | (0.9) | (0.1) | |
| Corporate income taxes | (1.5) | (0.0) | |
| Non-controlling interests | - | (0.0) | |
| **FFO Business Property** | **8.6** | **(0.1)** | N/A |

Net property income almost doubled this half-year to €14.8 million, driven by the ramp-up of development projects in the Regions the Regions with high operational margin.

# 3. Financial resources

## Liquidity: €2.0 billion

As of 30 June 2022, liquidity amounted to €2,042 million (compared with €2,409 million as of 31 December 2021), breaking down as follows:

| Available (in €m) | Cash | Unused credit facilities | Total |
|---|---|---|---|
| At Corporate level | 422 | 754 | 1,176 |
| At project level | 595 | 271 | 866 |
| **Total** | **1,017** | **1,025** | **2,042** |

Unused credit facilities amount to €743 million in RCFs[24], the average maturity of which is 3 years and 7 months, with no maturities within the coming 12 months.

Given the Group's liquidity and the continued access to the market in the short-term, as of 30 June 2022 no RCF was drawn. The Group has no plans to draw on them in the coming months.

## Short and medium-term financing

As of 30 June 2022, Altareit has a NEU CP programme[25] (maturity of up to one year) of €289 million and a NEU MTN programme[26] (maturity of more than one year) of €92 million.

The total outstanding amounted to €381 million with an average maturity of six months.

## Net debt: €267 million

| In €m | 30/06/2022 | 31/12/2021 |
|---|---|---|
| Bank term loans | 194 | 198 |
| Credit markets [(a)] | 791 | 913 |
| Property Development debt | 152 | 138 |
| **Gross bank and bond debt** | **1,137** | **1,249** |
| Cash and cash equivalents | (870) | (1,355) |
| **Net bank and bond debt** | 267 | (107) |

*(a) This amount includes bond debt and €381 million from NEU CP and NEU MTN.*

## Credit rating

On 18 March 2022, the rating agency S&P Global confirmed its Investment Grade rating for the Altarea Group and Altareit at BBB-, outlook negative.

## ICR (interest cover ratio)[27]

Altareit's ICR stood at 11.8x compared with 9.9x at 31 December 2021.

## 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 | 30/06/2022 | 31/12/2021 | Delta |
|---|---|---|---|---|
| LTV [(a)] | ≤ 60% | 24.2% | 24.1% | +0.1 pt |
| ICR [(b)] | ≥ 2.0 x | 12.6x | 8.2x | +4.4x |

*(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").*

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

Finally, Altareit's gearing[28] was 0.2x at the end of June 2022 compared to -0.10x at the end of December 2021.

## Equity

Altareit's shareholders' equity stood at €1,097 million at 30 June 2022, making Altareit one of the most highly capitalised French developers.

*[24] Revolving credit facilities (confirmed credit authorisations) pro-forma for credit lines signed before the publication date (RCF €235 millions).*
*[25] NEU CP (Negotiable European Commercial Paper).*
*[26] NEU MTN (Negotiable European Medium Term Note).*
*[27] ICR = Cost of net debt FFO reduced to operating income FFO over a rolling 12-month period.*
*[28] Net bond and bank debt as a proportion of consolidated equity.*

## Consolidated P&L

| € millions | 30/06/2022 Funds from operations (FFO) | 30/06/2022 Changes in value, estimated expenses and transaction costs | 30/06/2022 Total | 30/06/2021 Funds from operations (FFO) | 30/06/2021 Changes in value, estimated expenses and transaction costs | 30/06/2021 Total |
|---|---|---|---|---|---|---|
| Revenue | 1,140.3 | - | 1,140.3 | 1,203.4 | - | 1,203.4 |
| Cost of sales and other expenses | (1,052.0) | - | (1,052.0) | (1,109.8) | - | (1,109.8) |
| **Net property income** | **88.3** | **-** | **88.3** | **93.6** | **-** | **93.6** |
| External services | 7.1 | - | 7.1 | 5.4 | - | 5.4 |
| Production held in inventory | 89.0 | - | 89.0 | 83.2 | - | 83.2 |
| Operating expenses | (106.2) | (9.3) | (115.5) | (99.1) | (7.6) | (106.6) |
| **Net overhead expenses** | **(10.1)** | **(9.3)** | **(19.3)** | **(10.5)** | **(7.6)** | **(18.0)** |
| **Share of equity-method affiliates** | **4.3** | **(0.4)** | **3.9** | **4.4** | **(0.2)** | **4.2** |
| **Net depreciation, amortisation and provisions** | **-** | **(10.3)** | **(10.3)** | **-** | **(13.1)** | **(13.1)** |
| **Transaction costs** | **-** | **-** | **-** | **-** | **-** | **-** |
| **NET RESIDENTIAL INCOME** | **82.6** | **(20.0)** | **62.5** | **87.6** | **(20.9)** | **66.7** |
| Revenue | 116.5 | - | 116.5 | 112.0 | - | 112.0 |
| Cost of sales and other expenses | (101.7) | - | (101.7) | (104.4) | - | (104.4) |
| **Net property income** | **14.8** | **-** | **14.8** | **7.6** | **-** | **7.6** |
| External services | 4.9 | - | 4.9 | 4.0 | - | 4.0 |
| Production held in inventory | 5.3 | - | 5.3 | 3.3 | - | 3.3 |
| Operating expenses | (11.0) | (2.0) | (13.0) | (10.1) | (1.9) | (12.0) |
| **Net overhead expenses** | **(0.8)** | **(2.0)** | **(2.8)** | **(2.7)** | **(1.9)** | **(4.6)** |
| **Share of equity-method affiliates** | **(2.0)** | **(0.1)** | **(2.2)** | **(4.1)** | **0.5** | **(3.6)** |
| **Net depreciation, amortisation and provisions** | **-** | **(0.8)** | **(0.8)** | **-** | **(0.4)** | **(0.4)** |
| **Income/loss in the value of investment property** | **-** | **-** | **-** | **-** | **1.6** | **1.6** |
| **BUSINESS PROPERTY INCOME** | **12.0** | **(3.0)** | **9.0** | **0.8** | **(0.1)** | **0.7** |
| **Net overhead expenses** | **(0.1)** | **0.4** | **0.3** | **0.6** | **(0.8)** | **(0.2)** |
| **Share of equity-method affiliates** | **(0.1)** | **(0.1)** | **(0.2)** | **(0.0)** | **-** | **(0.0)** |
| **Net depreciation, amortisation and provisions** | **-** | **-** | **-** | **-** | **(0.0)** | **(0.0)** |
| **Gains / losses on disposals of assets** | **-** | **(0.0)** | **(0.0)** | **-** | **-** | **-** |
| **NET DIVERSIFICATION INCOME** | **(0.2)** | **0.3** | **0.1** | **0.6** | **(0.8)** | **(0.2)** |
| Others (Corporate) | (0.3) | 0.2 | (0.1) | (0.1) | (5.0) | (5.1) |
| **OPERATING INCOME** | **94.0** | **(22.5)** | **71.5** | **88.8** | **(26.8)** | **62.0** |
| Net borrowing costs | (8.1) | 2.4 | (5.8) | (10.5) | (0.9) | (11.4) |
| Other financial results | (7.0) | - | (7.0) | (5.8) | - | (5.8) |
| Change in value and income from disposal of financial instruments | - | 1.0 | 1.0 | - | 0.0 | 0.0 |
| Net gain/(loss) on disposal of investments | - | (0.5) | (0.5) | - | 0.0 | 0.0 |
| **PROFIT BEFORE TAX** | **78.9** | **(19.6)** | **59.3** | **72.6** | **(27.7)** | **44.9** |
| Corporate income tax | (11.9) | (2.4) | (14.2) | (10.0) | (1.7) | (11.7) |
| **NET INCOME** | **67.1** | **(22.0)** | **45.0** | **62.6** | **(29.4)** | **33.2** |
| Non-controlling interests | (9.2) | 0.0 | (9.2) | (8.4) | (0.0) | (8.4) |
| **NET INCOME, GROUP SHARE** | **57.9** | **(22.0)** | **35.9** | **54.2** | **(29.4)** | **24.8** |
| *Diluted average number of shares* | *1,748,420* | *1,748,420* | *1,748,420* | *1,748,390* | *1,748,390* | *1,748,390* |
| **NET INCOME PER SHARE (€/SHARE), GROUP SHARE** | **33.12** | **(12.6)** | **20.53** | **30.99** | **(16.81)** | **14.17** |

### Consolidated balance sheet

| *€millions* | 30/06/2022 | 31/12/2021 |
|---|---|---|
| **Non-current assets** | **795.6** | **803.9** |
| *Intangible assets* | *303.1* | *304.1* |
| *o/w Goodwill* | *192.1* | *192.1* |
| *o/w Brands* | *105.4* | *105.4* |
| o/w Other intangible assets | 5.6 | 6.7 |
| Property, plant and equipment | 23.3 | 24.7 |
| Right-of-use on tangible and intangible fixed assets | 127.5 | 128.0 |
| *Investment properties* | *91.5* | *91.5* |
| *o/w Investment properties in operation at fair value* | *9.6* | *9.2* |
| *o/w Investment properties under development and under construction at cost* | *78.7* | *78.7* |
| o/w Right-of-use on Investment properties | 3.2 | 3.5 |
| Securities and investments in equity affiliates | 229.5 | 239.2 |
| Loans and receivables (non-current) | 20.4 | 15.1 |
| Deferred taxes assets | 0.3 | 1.2 |
| **Current assets** | **3,282.3** | **3,679.7** |
| Net inventories and work in progress | 1,021.0 | 883.4 |
| Contract assets | 676.8 | 714.1 |
| Trade and other receivables | 690.6 | 690.0 |
| Income tax credit | 6.5 | 7.8 |
| Loans and receivables (current) | 17.1 | 29.0 |
| Cash and cash equivalents | 870.3 | 1,355.4 |
| **TOTAL ASSETS** | **4,077.9** | **4,483.6** |
| **Equity** | **1,096.7** | **1,079.3** |
| **Equity attributable to Altareit SCA shareholders** | **1,055.5** | **1,026.1** |
| Share capital | 2.6 | 2.6 |
| Other paid-in capital | 76.3 | 76.3 |
| Reserves | 940.7 | 874.9 |
| Income associated with Altareit SCA shareholders | 35.9 | 72.2 |
| **Equity attributable to minority shareholders of subsidiaries** | **41.2** | **53.2** |
| Reserves associated with minority shareholders of subsidiaries | 32.0 | 35.2 |
| Income associated with minority shareholders of subsidiaries | 9.2 | 18.0 |
| **Non-current liabilities** | **880.9** | **1,030.5** |
| Non-current borrowings and financial liabilities | 800.2 | 947.9 |
| *o/w Bond issues* | *398.2* | *496.8* |
| *o/w Borrowings from credit establishments* | *246.4* | *257.5* |
| *o/w Negotiable European Medium Term Note* | *15.0* | *52.0* |
| *o/w Advances from Group shareholders and partners* | *0.9* | *0.4* |
| *o/w Lease liabilities* | *139.8* | *141.3* |
| Long-term provisions | 15.5 | 17.1 |
| Deposits and security interests received | 0.3 | 0.6 |
| Deferred tax liability | 64.9 | 64.9 |
| **Current liabilities** | **2,100.3** | **2,373.8** |
| Current borrowings and financial liabilities | 556.5 | 746.8 |
| *o/w Bond issues* | *11.6* | *7.3* |
| *o/w Borrowings from credit establishments* | *89.1* | *65.6* |
| *o/w Negotiable European Commercial Paper* | *366.0* | *357.0* |
| *o/w Bank overdrafts* | *11.1* | *12.3* |
| *o/w Advances from Group shareholders and partners* | *61.6* | *288.2* |
| *o/w Lease liabilities* | *17.1* | *16.5* |
| Contract liabilities | 219.1 | 168.1 |
| Trade and other payables | 1,315.7 | 1,443.9 |
| Tax due | 9.0 | 14.9 |
| **TOTAL LIABILITIES** | **4,077.9** | **4,483.6** |