



Revenue of €655.1 million (+15.7%) driven by Residential

Residential: good level of new orders despite supply shortages

- New orders: 2,121 units (+4%) valued at €587 million (-8% given change in the customer mix)
- Revenue: €537.8 million (+39%), driven by built-in momentum and smooth technical and commercial project development

Business Property: major deliveries and new developments

- Delivery of Bridge, Orange's new head office in Issy-les-Moulineaux
- Delivery of Eria in La Défense (Campus Cyber)
- Reloading the pipeline in Île-de-France and the regions

Retail: retail trading still disrupted pending the lifting of lockdown on 19 May

- Rental income: €47.5 million (-2.1% on a like-for-like basis)
- Recovery rate in Q1 2021: 67.7%¹
- Strong leasing activity on the existing portfolio and projects under development

Urban transformation: major progress on two large mixed-use projects

- Quartier Guillaumet, Toulouse (101,000 m²): commencement of work and ÉcoQuartier labellisation
- Bobigny-Cœur de Ville (104,000 m²): demolition of the existing shopping centre completed

Very robust financial indicators

- Q1 consolidated revenue: €655.1m (+15.7%)
- Net debt²: €2,316m (down €310 million over 12 months)

General Meeting of shareholders of 29 June 2021 at 3 p.m.

- Proposed dividend up 5.6% to €9.50/shar, with an option to take part-payment in shares³
- The major shareholders representing altogether nearly 80% of the capital, already announced their intention to opt for the part-payment in shares.

Unaudited data as of 31 March 2021

¹ Or €53.9 million received out of €79.5 million in rents and charges billed (including VAT).

² Consolidated net bank and bond debt.

³ Shareholders will be free to choose between a full payment in cash or a payment 50% in shares and 50% in cash.

I. First quarter activity

RESIDENTIAL

Good level of new orders in a market characterised by short supply

In the first-quarter of 2021, Altarea recorded a 4% increase in new orders (by volume), compared with a particularly buoyant first-quarter 2020 until mid-March, with a radically different Individuals/Block sales mix. New orders from institutional investors remain strong. There has been a significant recovery in demand among Individuals, particularly since early March. For 2021, the Group expects sales to represent over 50% of sales (compared with 40% in 2020).

New orders (incl. tax)	31/03/2021		31/03/2020		Change
Individuals - Residential buyers	415 units	20%	668 units	33%	-38%
Individuals - Investment	729 units	34%	873 units	43%	-16%
Block sales	977 units	46%	496 units	24%	+97%
Total in units	2,121 units		2,037 units		+4%
Individuals - Residential buyers	€141m	24%	€252m	40%	-44%
Individuals - Investment	€202m	34%	€241m	38%	-16%
Block sales	€245m	42%	€143m	22%	+71%
Total in value	€587m		€637m		-8%

In a market characterised by a shortage of supply, the level of new orders is now hinged directly on the capacity to bring projects to the market, as administrative authorisations are taking longer to obtain.

Revenue by percentage of completion up 39% at €537.8 million

In the first quarter of 2021, the sharp increase in revenue by percentage of completion reflects both the ramp-up of Altarea's model, a good level of technical progress (two weeks' more work than in Q1 2020) and a persistently sustained notarial sale campaign among Individuals (1,712 units regularised for both type of customers, up 48% versus end-March 2020).

Backlog and Pipeline

The Residential backlog at 31 March 2021 amounted to €3,802 million (-4%), with a strong component of "notarised sales, not yet recognised", which gives considerable visibility on 2021 revenue. The Residential pipeline is stable at €12.6 billion (48,486 units), or more than three years' activity.

	31/03/2021	31/12/2020	Change
Backlog (excl. tax)	€3,802m	€3,962m	-4%
<i>Number of months of revenue⁴</i>	<i>18 months</i>	<i>20 months</i>	
<i>o/w Notarised revenue not yet recognised</i>	<i>€2,131m</i>	<i>€2,252m</i>	
Pipeline (incl. tax)⁵	€12,626m	€12,798m	-1%
<i>Number of units</i>	<i>48,486</i>	<i>49,515</i>	<i>-2%</i>
<i>o/w properties for sale</i>	<i>€1,460m</i>	<i>€1,563m</i>	<i>-6.6%</i>
<i>o/w future offering</i>	<i>€11,175m</i>	<i>€11,235m</i>	<i>+0%</i>

⁴ Trailing revenue per completion over twelve months.

⁵ Potential revenue in €m including VAT (future offering and properties for sale).

BUSINESS PROPERTY

Major deliveries and new developments in Paris and the regions

In the first-quarter of 2021, Altarea continued to make progress on ongoing projects and extended its development pipeline:

- delivery of Bridge, Orange's new head office (56,000 m²). After three years' work, this iconic building redefines the way into the city of Issy-les-Moulineaux and will host the Group's 3,000 Île-de-France employees in the city's first office entirely covered by 5G. Bridge is the embodiment of new expectations in terms of quality of life and well-being at work⁶, the primary focus of Altarea's business property offer. Moreover, the building also received certifications HQE Bureaux (Exceptional), BREEAM (Excellent), WiredScore (Platinum), High Energy Performance (Effinergie+) and WELL Core and Shell (Silver) certifications,
- delivery of Eria in La Défense (26,600 m²), which will house the future Campus Cyber ordered by the French President,
- signing of several transactions in Paris (minority partnership in a 14,000 m² office complex to be restructured in the central business district, delegated project management in the Champs-Élysées district) and progress on numerous negotiations in regional cities, with both users and investors.

Development momentum remains strong in both offices and logistics, matching the needs of users and investors. Altarea has little exposure to the market's current hesitations and has its future exposure under tight control.

RETAIL

Retail: disrupted by opening restrictions over the quarter

In the first quarter of 2021, Measures restricting operations remained strong (curfews, closures depending on the size of the shopping centre, geographical area and type of business). In France, restrictions affected 32% of the rental base (Group share) from mid-January, 66% from 25 March, with the closure of non-essential businesses in "red" areas, and 77% from 3 April following the imposition of nationwide lockdown. The financial vacancy rate was 4.5% at the end of March. Following the latest government announcements, all sites are scheduled to reopen on 19 May.

Rent collection and negotiations with retailers

To date, the status of rent monitoring indicators and negotiations with tenants is as follows:

- recovery rate of rents billed in Q1 2021: 67.7%,⁷
- renegotiation rate: 97% of tenants concerned dealt with⁸ (vs 90% as of 25 February 2021).

⁶ Bridge has five restaurants, an auditorium and 162 meeting rooms on eight levels. It also boasts 3,500 m² of vegetated terraces and 1,000 m² of interior terraces.

⁷ Or €53.9 million received out of €79.5 million in rents and charges billed (including VAT). Sums yet to be collected mainly concern business sectors subject to restrictions since November 2020, such as restaurants and leisure activities.

⁸ Rate of renegotiation relative to reductions granted in 2020 in consideration for contractual changes to leases (83% concluded and 14% in advanced negotiations).

Rental income: €47.5 million (-2.1% on a like-for-like basis)

Consolidated rental income amounted to €47.5 million for the first three months of the year, a decline of 7.6% broken down as follows:

- -5.5% attributable to the scope effect related to the Alta Commerce Europe partnership,
- -2.1% at constant scope, with:
 - -2.5% linked to the staggering of waivers granted in 2020 against the backdrop of the health crisis⁹,
 - +0.4% on a like-for-like basis (excluding the staggering of waivers granted in 2020).

Dynamic leasing activity and openings maintained

Leasing activity has been dynamic since the beginning of the year, an early sign of a recovery in investment by retailers (including restaurants and leisure activities). Over a hundred leases have been signed, representing guaranteed minimum rents of €13.3 million, on both existing sites and projects under development (Cap3000, mixed-use projects, travel retail), with a further €10.0 million under negotiation.

The Group expects shops in the final tranche of the Paris-Montparnasse railway station to open gradually from mid-May and Corso Mall at Cap3000 to be unveiled in the summer of 2021.

Signing of a partnership for an urban logistics development

Altarea is extending its offer in urban logistics through the signing of a partnership with Corsalis Logistics Real Estate for the development of a first 4,500 m² last-mile logistics site located in the Reuilly district of Paris, for which the premises have now been purchased.

URBAN TRANSFORMATION

Quartier Guillaumet in Toulouse, with the ÉcoQuartier 2020 (stage 2) label¹⁰

Work on the Quartier Guillaumet project began in April and is scheduled for completion in 2025. This 101,000 m² urban redevelopment project located on a former military wasteland in the very heart of Toulouse will ultimately offer 1,200 residential units, 8,500 m² of offices, shops and 9,000 m² of facilities open to the public (eco-responsible third-party premises, indoor and outdoor sports facilities) built around a central public garden. Now bearing the ÉcoQuartier label, it also aims for HQE Aménagement and BiodiverCity® certifications (nature will constitute more than 40% of the project's total surface area).

Bobigny-Coeur de Ville: demolition of the former shopping centre completed

Altarea has completed the first part of the work on this project, launched in the summer of 2020, by demolishing the former Bobigny 2 shopping centre to develop a 104,000 m² renovated town centre with new pedestrian streets, residential units convenient shops ("proximité") and public green spaces. Altarea is committed to making Coeur de Ville a blueprint for progress on the energy transition and climate change.

⁹ Q1 2021 rents do not reflect the impact of new restrictions in force since early February.

¹⁰ The ÉcoQuartier label reflects the government's role in encouraging local authorities to undertake exemplary sustainable development projects in regional centres, and more specifically ecodistricts in cities with significant residential development programmes.

II. FINANCE

First quarter 2021 revenue: +15.7%

Consolidated revenue for the first quarter of 2021 amounted to €655.1m, up 15.7%, driven by the strong momentum of the Residential business (+39%).

In €m (excl. tax)	Q1 2021	Q1 2020	Change
Revenue by % of completion	535.5	384.2	
External services	2.4	2.7	
Residential	537.8	386.9	+39.0%
Revenue by % of completion	59.5	116.7	
External services	3.9	1.1	
Business property	63.5	117.8	-46.1%
Rental income	47.5	51.4	-7.6%
External services	4.7	4.2	
Revenue by % of completion	1.6	6.0	
Retail	53.8	61.6	-12.7%
Revenue	655.1	566.2	+15.7%

Net Debt : €2,316 million

Net debt¹¹ was €2,316 million, down €310 million over 12 months. Cash and cash equivalents amounted to approximately €3.0 billion and Altarea has a BBB⁻ Outlook stable rating from S&P Global.

III. Outlook

General Shareholders' Meeting

The General Shareholders' Meeting of 29 June 2021 will be held behind closed doors, without shareholders being able to attend in person. It will be streamed live from 15:00 p.m. Paris time on altarea.com.

A dividend of €9.50/share will be proposed to the General Shareholders' Meeting of [30] June 2021, for the financial year 2020, up 5.6% compared to 2019. Shareholders will also be offered the option to take part-payment in shares. They will be free to choose between:

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

The main shareholders of the Group as well as the senior executives of Altarea, together representing nearly 80% of the share capital, have already announced their intention to subscribe to this second option.

Guidance

Altarea confirms that consolidated annual FFO is expected to resume growth in 2021, if the health situation does not significantly worsen:

- Retail: H1 will continue to be disrupted by the impact of the pandemic,
- Residential: seasonal trends will be pronounced in 2021, with the second half significantly stronger than the first,
- Business Property: FFO stands to benefit from the delayed results of developments initially scheduled for delivery in 2020.

¹¹ Bank and bond debt.

Financial calendar 2021

Annual Shareholders' Meeting: 29 June 2021 (3 p.m.)

2021 dividend (key dates)

- 5 July 2021: Ex-dividend date
- From 7 July (included) to 20 July (included): option period for part-payment in shares
- 26 July 2021: Dividend payment date (cash and shares)

Half-year results: 29 July 2021 (after trading)

ABOUT ALTAREA – FR0000033219 - ALTA

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

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