



Positive market trends, revenue and business activity on track

Growth of FFO Group Share of around 10% in 2021

Residential: strong growth in supply allows Altarea to take full advantage of the demand from Individuals

- Growth in supply: Accelerating pace of projects coming to market
€1,875 million (+4.8% vs. June 2021 and +20% vs. December 2020)
- New orders from Individuals: Strong momentum in rental investment
€1,194 million (+20%) and 4,090 units (+32%)
- New orders from Institutionals: Institutional sales back to normal
€681 million (-52%) and 2,953 units (-46%)
- Revenue¹: Targeted increases in sale prices and margins
€1,668.2 million (+1.0% vs. 2020 and +22% vs. 2019)

Retail: indicators moving in right direction in an environment of confidence restoration

- Retailer sales: Excellent third quarter 2021 despite the health passport
Return to pre-crisis levels (excluding restaurants and leisure activities)
- Decline in vacancies: Strong rental demand from retailers
Vacancies down to 3.3% (-0.3 pts vs. June and -0.8 pts vs. December 2020)
- Back to normal: Collection rate of 91%² in Q3
Rental income of €137.3 million (-2.5%)
- Gare Montparnasse: Iconic delivery on budget and on schedule
Demonstration of Altarea's ability to deliver large and complex projects

Business property: the development in Regions is taking over the major office projects in the Paris Region

- New orders (9 months): Dynamic demand in the Regions, €206.6 million (+49%), including 2 off-plan sales in Bordeaux (office) and Béziers (logistics)
- Revenue¹: Smaller developments projects with higher margins
€232.9 million (-18.3%), positive trend in Regions/Paris mix

ESG indicators

- Altarea ranked number 1 by the Challenges-Statista as "2021 Climate Champions" in France
- Altarea confirms GRESB "Green Star 5*" status and become number 2 in its category in Europe
- €350 million green loan signed for CAP3000

Consolidated financial indicators

- 9-month revenue: €2,060 million (-1.9% vs. 2020; +8.5% vs. 2019)
- Net debt³: €2,405 million (+€124m vs. 30 June 2021)
- **Guidance: FFO⁴ Group Share growth of around 10% in 2021, subject to the health situation not worsening**

Good progress on Primonial group acquisition

- €800 million syndicated bank loan agreed, several conditions precedent lifted

Unaudited data as of 30 September 2021

¹ Revenue by % of completion and external services.

² Rents and charges collected compared to rents and charges invoiced.

³ Consolidated bank and bond net debt.

⁴ Funds From Operations (FFO): net profit excluding changes in value, calculated expenses, transaction fees and changes in deferred tax. Group share. As a reminder, FFO reported for 2020 was €230.3 million.

I. BUSINESS REVIEW

Residential: strong growth in supply lets Altarea take full advantage of demand from individuals

Commercial strategy favouring sales to Individuals and a return to a normative percentage of sales to Institutional investors

Appetite for Residential continues to grow, among both Individual and Institutional investors. In an environment of rising raw material prices and scarce supply, Altarea's commercial strategy focuses on margins (retail sales) over volumes (block sales) and to bring the proportion of block sales back to between 30% and 40%, compared to nearly 60% in 2020.

Supply growing again

The shortage of supply, which has been the main constraint on housing development, has shrunk in the third quarter. Thanks to intensive efforts, Altarea has successfully increased the supply by working on all stages of the production cycle (sales agreements, obtaining and clearing claims on building permits, and commercial launches).

	30/09/2021	30/06/2021	31/12/2020	Change vs. 30/06/2021	Change vs. 31/12/2020
Properties for sale	€1,875m	€1,790m	€1,563m	+4.8%	+20.0%

Properties for sale (units available for order by value) has started to grow again +4.8% vs. June 2021 and +20% vs. December 2020 and is gradually approaching its pre-health crisis level (average monthly supply in Q3 2021 now represents 90% of the level reached in Q1 2020). The level of supply matching the one of demand should ramp up by the end of 2021 and continue to do so throughout 2022.

New orders⁵: sharp increase in sales to individuals

In an environment of gradual growth in the number of properties available for order, Altarea has prioritised Individuals, whose orders have risen by 32% in volume and 20% in value, driven by rental investment (up 52% in value and 39% in volume). In line with progress in commercial launches, the Group has begun to apply targeted increases in its selling prices on certain programs.

New orders - Individuals	30/09/2021	30/09/2020	Chg. vs. 2020
Rental investment	€708m	€510m	+39%
First-time buyers	€486m	€490m	-1%
Total in value	€1,194m	€1,000m	+20%
Rental investment	2,736 units	1,796 units	+52%
First-time buyers	1,354 units	1,292 units	+5%
Total in units	4,090 units	3,088 units	+32%

Institutional investors, who accounted for 58% of sales a year ago (in value), only accounted for 34% by the end of September, in line with previous years. This decline is directly linked to the shift in the commercial strategy towards Individuals, even though Institutional' appetite for the residential property asset class remains strong.

New orders - Institutional investors	30/09/2021	30/09/2020	Chg. vs. 2020
Total in value	€681m	€1,407m	-52%
Total in units	2,953 units	5,433 units	-46%

In total, consolidated new orders (Individuals and Institutional investors) amounted to €1,874 million (- 22%), or 7,042 units (- 10%).

⁵ New orders net of withdrawals, in euros, including VAT when expressed in value. New orders at 100%, with the exception of projects under joint control (including Woodeum) at Group share.

Revenue⁶

	30/09/2021	30/09/2020	30/09/2019	Chg. vs. 2020	Chg. vs. 2019
Revenue (excl. tax)	€1,668m	€1,651m	€1,365m	+1.0%	+22.2%

Residential revenue was up 1% vs. 2020 and +22.2% vs. 2019. In the period to 30 September 2020, revenue benefited from a high level of notarised sales linked to block sales finalised as soon as the lockdown was lifted.

Outlook: high visibility linked to a high backlog⁷, close to pre-COVID levels

	30/09/2021	30/09/2020	30/09/2019	Chg. vs. 2020	Chg. vs. 2019
Backlog (excl. tax)	€3,708m	€4,004m	€3,580m	-7.4%	+3.6%

Large mixed-use projects⁸

Leader in large mixed-use projects in France, Altarea inaugurated the “Cœur de Quartier Montaudran” by the end of October, which is part of the large mixed-use Toulouse Aerospace project (75,000 m²). Located on the legendary former Aéropostale site, Altarea will build 5 mixed-use residences totalling nearly 800 housing units (700 already delivered), 12,000 m² of retail space at the foot of buildings, 15,000 m² of offices, as well as a UGC cinema and a hotel.

At the same time, the Group is in the process of finalising work on “Cœur de Ville” in Bezons, a 65,000 m² eco-district located 12 minutes from La Défense, providing the city with a real centre. The project was designed as a garden city with 700 units, 20,000 m² of shops and services, a cinema, a medical centre, a nursery and even a multipurpose hall.

Retail: indicators moving in right direction in an environment of confidence restoration

Shopping centre performance and rent recovery

After the lifting of most operating restrictions at the end of June, business activity in shopping centres was disrupted by the implementation of the health passport on certain sites managed by the Group⁹ as well for admission into restaurants. This measure temporarily impacted footfall (-2% in September 2021 vs. September 2020), but did not slow the return of confidence, as shown by business indicators:

- **in the third quarter of 2021, retailers' like-for-like revenue** (excluding restaurants and leisure) **returned to its 2019 level**, and for all businesses combined, it reached 98% of its 2019 level despite the health passport,
- **leasing activity remains particularly dynamic**, with 240 leases signed for €23.5 million in minimum guaranteed rent on existing sites, mixed-use projects and recently completed projects, confirming the confidence of retailers in high-quality shopping centres,
- as a result, **the financial vacancy rate decreased again** (3.3% at the end of September 2021, vs. 4.2% at the end of December 2020).

In this context, **the rental recovery rate improved to 91%¹⁰ in the third quarter of 2021**, confirming the gradual return to pre-crisis levels.

Overall, **the recovery rate for rent invoiced has risen to 81%¹⁰ since the beginning of the year**. The improvement of the recovery rate in the first half of 2021 (75% to date) depends on the implementation

⁶ Revenue by % of completion and external services. Revenue by percentage-of-completion is calculated based on both percentage of sales realised (notarised sales) and completion of programmes (progress of construction sites).

⁷ The backlog is a leading indicator of potential revenue, which includes revenue notarised not yet recognised (sold units pending notarisation to be booked in revenue according to technical progress) and units sold subject to completion (revenues reserved but not notarised).

⁸ In total, Altarea manages 13 large mixed-use projects representing a value of around €3.7 billion for nearly 910,000 m² at 30 June 2021.

⁹ Verification of the health passport at the entrance to shopping centres from 9 August concerned 5 sites until the measure was completely lifted at the end of September.

¹⁰ Rents and charges collected compared to rents and charges invoiced.

of government aid addressing the 2021 restrictions, which should make it possible to cover rents and charges for retailers operating in closed shopping centres¹¹.

Gross rental income (IFRS)

Consolidated IFRS rental income amounted to €137.3 million for the first nine months of the year, a decline of €3.5 million (-2.5%) broken down as follows:

- -€3.2 million in respect of staggered rent relief in respect of support granted for 2020,
- -€2.5 million for reductions granted without counter parts in 2021,
- -€2.0 million impact on variable rents and specialty leasing,
- +€4.2¹² million (+3.0%) in respect of 2021¹³ deliveries offsetting disposals made in 2020.

Gare Montparnasse shops: an iconic delivery demonstrating Altarea's mastery of large complex projects

After four-year extensive restructuring work, the 45,000 m² of the Paris-Montparnasse station was delivered on schedule and within the initial budget. The fourth-largest railway station in Paris, whose operation was not interrupted by the works, has become a lighter and smoother-flowing place for its 77 million annual visitors, but also more comfortable and more open to its surrounding area. It now offers an enhanced and unique range of 120 shops, restaurants and services (including a health centre and a business centre) on 4 levels (19,000 m² in total) to meet the expectations of long-distance travellers and commuters, and the needs of local residents. The development of the commercial offer has made possible 800 jobs creation (via three employment agreements), giving priority to employees living near the station. The station redevelopment project has received BREEAM In-Use certification and stood out for its optimisation of energy consumption, prioritising natural light thanks to 13,600 m² of glass.

Business property: development in other Regions takes over the major office projects in the Paris Region

New orders

Since the beginning of the year, the Group has made a total of €206.6 million in sales (compared with €138.6 million to end-September 2020), including the sale of 15% of the Bridge project to Crédit Agricole Assurances (the remaining 10% held by Altarea to be sold in 2022) and three off-plan sales in the Regions (two office projects in Lyon and Bordeaux, and a logistics platform in Beziers).

In early July, the Group also announced two major successes at La Défense, with the marketing of the Eria tower, fully leased to the Cyber Campus, a project initiated by the French government, and the signature of a sales agreement for the Bellini project with Swiss Life Asset Management.

Strong activity in Regions

Following the delivery of several iconic Greater Paris projects carried out in recent years in the first quarter of 2021 (Bridge, Eria, Landscape), the Group's activity focuses on a large number of smaller and more profitable operations in the Regions. In the third quarter, several new developments were launched in Bordeaux Innolin and Toulouse Jolimont.

Start of work on the future EM Lyon Business School campus in early October

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 district in the heart of Lyon's 7th arrondissement. The new 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. The building's design is bioclimatic, allowing the building's energy consumption to be optimised. The building aims to achieve HQE Excellent and BREEAM Very Good certification.

¹¹ French scheme validated by the European Commission on 15 October 2021, pending publication of the implementing decree.

¹² Amount net of deliveries and disposals during the period.

¹³ Delivery of the final tranche of shops at the Gare Montparnasse railway station and delivery of the Corso shopping centre to CAP3000.

ESG indicators: Altarea, one of the most committed players in the real estate sector

GRESB¹⁴ 2021: Green Star 5* status confirmed, number 2 in European rankings

A leading player in sustainable property in France, Altarea is one of the companies most committed to ESG in its sector and has had its “Green Star” status with 5 stars confirmed. The Group’s score rose by 4 points this year (to 94/100), making it the second-best European firm in its category and number one in France.

Altarea takes the top spot in the 2021 “Climate Champions” ranking published by Challenges-Statista

After coming 13th in the previous edition, Altarea took the 1st place, in the 2021 “Climate Champions” ranking published by Challenges and Statista¹⁵, all sectors combined. This performance validates the Group’s strategic choices, which are closely focused on reducing its greenhouse gas (GHG) emissions. Since 2010, the Group has reduced emissions from its shopping centre portfolio by more than 80%. A leader in urban transformation, it has also reduced its energy consumption by 57% in 10 years and is increasingly using renewable electricity contracts.

II. FINANCIAL OVERVIEW

Consolidated 9-month 2021 revenue: €2,060.5 million (-1.9% vs. 2020)

€m	Q1 2021	Q2 2021	Q3 2021	9-mth 2021	Q1 2020	Q2 2020	Q3 2020	9-mth 2020	9-mth 2019	Chg. vs. 2020	Chg. vs. 2019
Rental income	47.5	36.5	53.3	137.3	51.4	42.3	47.2	140.8	152.1	-2.5%	-9.7%
External services	4.7	4.6	7.6	16.9	4.2	4.3	4.6	12.7	16.0	+29.2%	5.6%
Property development	1.6	1.9	1.7	5.2	6.0	1.6	2.0	9.6	-	-	-
Retail	53.8	43.0	62.6	159.4	61.6	48.2	53.7	163.5	168.2	-2.5%	-5.2%
Revenue (% of completion)	535.5	668.0	456.1	1,659.6	384.2	685.3	574.5	1,644.0	1,357.2	+0.9%	+22.2%
External services	2.4	2.9	3.3	8.6	2.7	2.0	2.4	7.1	7.7	-	-
Residential	537.8	670.9	459.4	1,668.2	386.9	687.3	576.9	1,651.1	1,365.0	+1.0%	+22.2%
Revenue (% of completion)	59.5	52.4	113.7	225.7	116.7	79.8	84.7	281.2	358.5	-19.8%	-37.0%
External services	3.9	2.5	0.8	7.2	1.1	1.6	1.1	3.7	8.0	-	-
Business property	63.5	54.9	114.5	232.9	117.8	81.5	85.8	285.0	366.5	-18.3%	-36.5%
Revenue	655.1	768.9	636.5	2,060.5	566.2	817.0	716.4	2,099.6	1,899.6	-1.9%	+8.5%

Financial structure

High liquidity: €2.9 billion

At 30 September 2021, Altarea had nearly €2.9 billion in cash, after repaying €230 million in bond debt in the first half and refinancing €350 million¹⁶ of the CAP3000 mortgage debt. Altarea notes that non-financial rating agency V.E (Vigeo Eiris) confirmed in its Second Party Opinion dated 28 September 2021 that this loan was in line with the 2021 LMA Green Loan Principles.

€m	Cash	Unused credit facilities	TOTAL 30/09/2021	TOTAL 30/06/2021	TOTAL 31/12/2020
Available at Corporate level	545	1,196	1,741	1,690	1,976
Available at project level	771	341	1,112	1,160	1,402
TOTAL	1,316	1,537	2,853	2,850	3,378

Unused credit lines consist of €1,159 million in undrawn RCFs,¹⁷ which the Group does not intend to draw on for several months.

¹⁴ GRESB (Global Real Estate Sustainability Benchmark) is an international body evaluating Environmental, Social and Governance (ESG) performance in the real estate sector. It carries out an annual assessment of players in the sector.

¹⁵ Statista collected information for Challenges on the greenhouse gas emissions (scopes 1 & 2) of 75 companies, including 6 in the real estate sector and the entire CAC 40, for 2017 and 2020.

¹⁶ €400 million before refinancing.

¹⁷ Revolving credit facilities (confirmed credit authorisations).

Net financial debt¹⁸

Net financial debt at 30 September 2021 was €2,405 million (+€124m vs. 30 June 2021, and +€212m vs. 31 December 2020).

2021 guidance

Given the activity of the first nine months of the fiscal year and the trends observed at the end of September, and provided that the sanitary situation does not worsen allowing retail rental income payment back to normal, **Altarea expects growth in recurring net income (FFO¹⁹) of around 10% in 2021.**

III. GOOD PROGRESS ON PRIMONIAL GROUP ACQUISITION

Altarea signed the final agreements for the two-step acquisition of 100% of Primonial group, a leading independent European wealth and real estate asset manager, on 23 July, after the employee representatives' bodies of concerned entities from Primonial group had given a favourable opinion.

Since then, the execution schedule is on good track, in particular:

- **Altarea has signed on October 7, a €800 million syndicated bank loan agreement** with BNP Paribas, Crédit Agricole CIB, Natixis and Société Générale. Altarea is the original borrower. However, on the acquisition of NPH2, the controlling holding company of the Primonial group, the latter will join the credit agreement and subscribe as final borrower with in consequence all obligations linked to the credit agreement. Altarea will remain a 100% surety and guarantor of all the obligations related to this credit;
- **Retail partnerships with Crédit Agricole Assurances**, relating to €1.0 billion of existing assets owned by Altarea, concerning two types of specialised assets²⁰, are on track with the initial calendar;
- **several conditions precedent have been lifted** following the approval of the Approvals and Monitoring Department of the Autorité des Marchés Financiers (AMF) on 28 September, and the European Commission's approval in respect of merger control on 21 October. To date, the last regulatory authorisation pending is that of the Commission de Surveillance du Secteur Financier (CSSF), and Altarea doesn't have any concerns in lifting that condition precedent.

Consequently, Altarea confirms the Primonial acquisition schedule, bearing in mind that the payment will be made in two stages: acquisition of a 60% controlling stake to be completed in the first quarter of 2022²¹ and with the acquisition of the remaining 40% to be completed by the end of the first quarter of 2024.

Financial calendar 2022 - 2021 annual results: 22 February 2022 (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. Listed in Compartment A of Euronext Paris.

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¹⁸ Consolidated bank and bond net debt.

¹⁹ Funds From Operations (FFO): net profit excluding changes in value, calculated expenses, transaction fees and changes in deferred tax. Group share. As a reminder, FFO reported for 2020 was €230.3 million.

²⁰ Partnerships held 51% by Altarea and 49% by Crédit Agricole Assurances, funded entirely by equity (€515m contributed by Altarea and €485m by Crédit Agricole Assurances), "Alta Retail Parks" for retail parks and "Alta Infrastructures" for station shops.

²¹ The acquisition remains subject to the completion of prior transactions (in particular related to the carve-out of the La Financière de l'Echiquier stake).

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