2021 HALF-YEAR RESULTS

July 2021

ALTAREA

Strong operational performance in all asset classes
Growth in financial results

Residential

Sales shift towards Individuals
Increase in results

Retail

Early signs of recovery after a half year impacted by the health crisis

Business property

Commercialisation of 2 towers in Paris La Défense
Sustained activity in Regions

Financial performance

Strong financial structure
2021 FFO growth guidance confirmed

Revenues : €1.4 bn (+2.9%)

FFO : €118.0 m
(+3.1%)

LTV : 33.9%
(+0.9 pt)

Going concern NAV : €149.1 /share
(+1.5% excluding dividend)

Liquidity : €2.9 bn

Strong outlook driven by urban transformation and enhanced by upcoming Primonial acquisition

ALTAREA

Leadership in urban transformation
(€19.4 bn of pipeline)

New usages in all asset classes
Fight against climate change
Rising demand (residential, healthcare, logistics…) and mixed-use trends

Independant leader of real estate asset management
(€35 bn of asset under management)

Strong and sustainable individual savings
Growing allocation of institutional investors to real assets
Search for yielding assets, indexed to inflation in a low interest rate environment

1. Operational performance

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Residential

Cœur de Ville – Bobigny (93)

Residential : a strategy designed to size a large and diversified demand

A multi-brand strategy

HISTOIRE & PATRIMOINE

COGEDIM

PITCH PROMOTION

Woodeum

SEVERINI PIERRES & LOISIRS

A wide range offer

High, Mid, Entry-level range

Serviced residences

Historic monument, land deficits

Low-carbon buildings

Implantations focused in

High-demand areas

Grand Paris & regional gateway cities

MICHELET – Marseille (13)


Cœur de Ville – Bezons (95)

Revenues

€1,209 m
(+13%)

Operating income

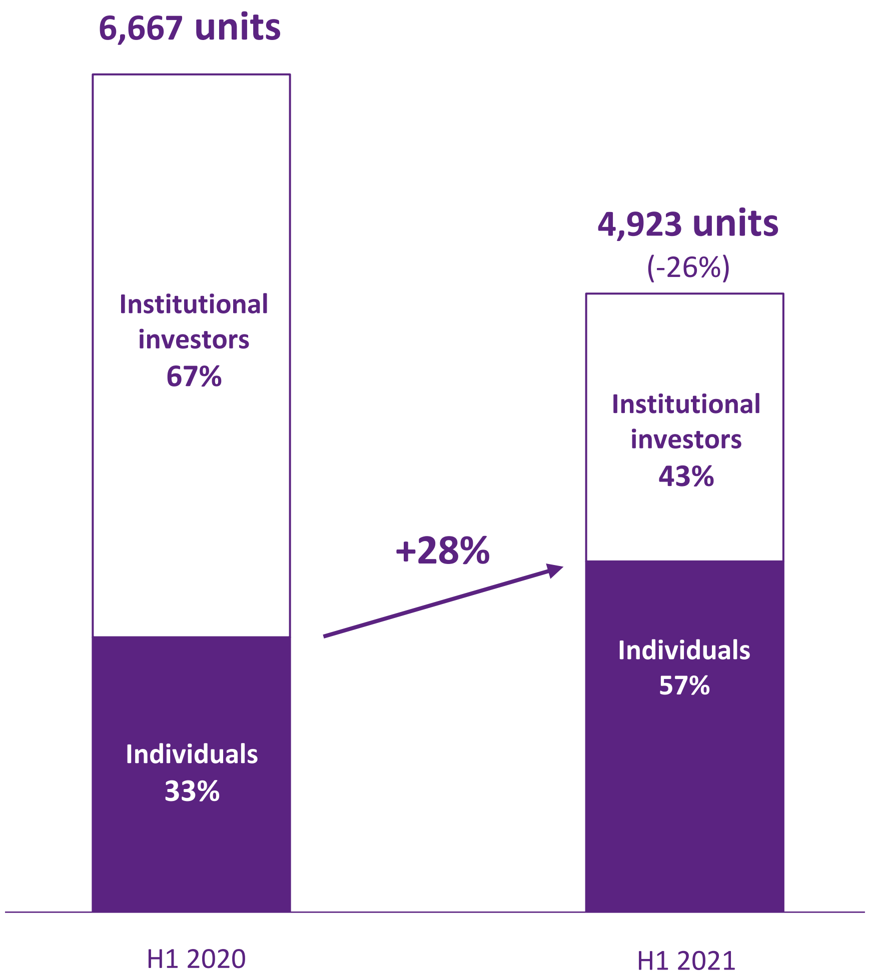
€85.6 m
(+18%)

7.1% margin (+0.3 pt)

Priority given to margin generation versus volumes within a context of offer shortage

Accelerated sales shift towards Individuals

New orders in units



Individuals predominant again


L'ECRIN DU CHÂTEAU – Chatenay Malabry (92)


L'AIR DU TEMPS – Paris (75)

Swift decision-making

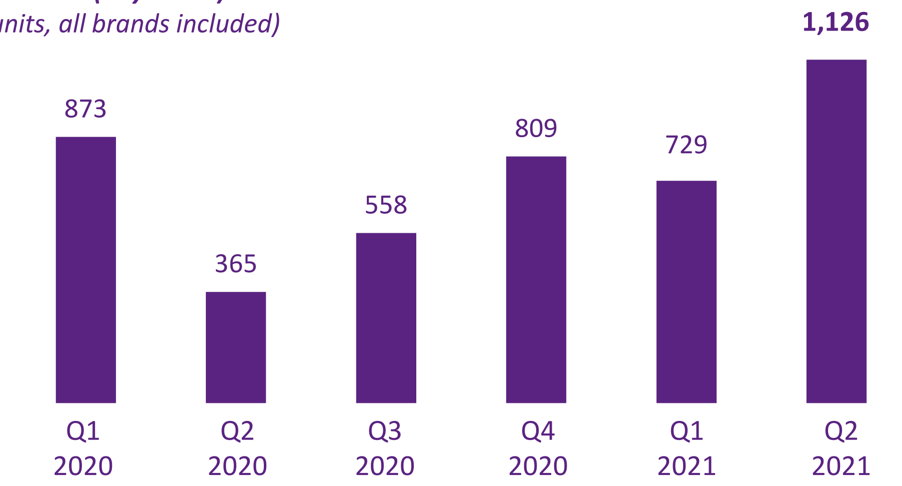
Quick execution

Individuals : buy-to-let sales topping historical highs

Real estate

a safe haven

New orders (buy-to-let)
(in units, all brands included)



2nd quarter 2021: an 18 months peak

HISTOIRE & PATRIMOINE

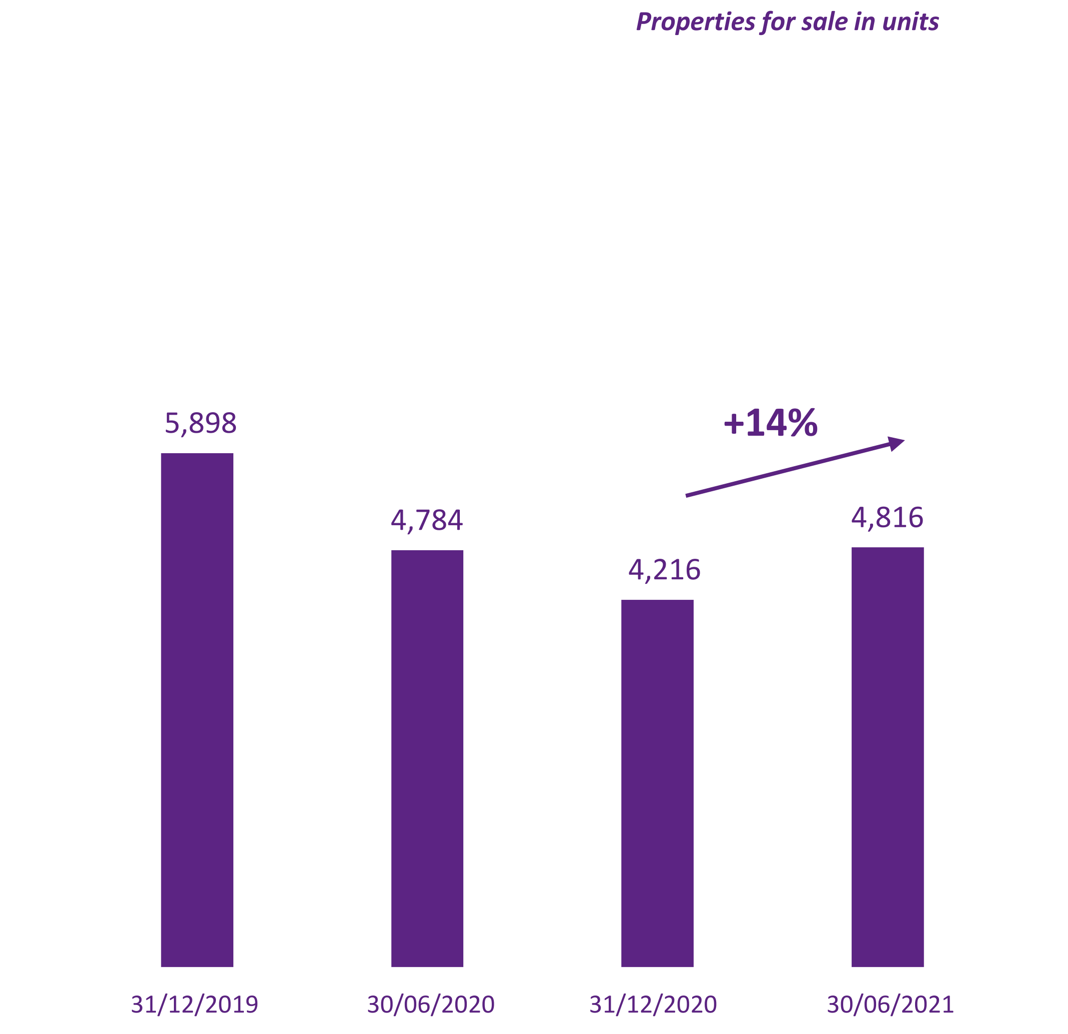
Best 6 months performance ever

DÉFICIT FONCIER
LOI MALRAUX
MONUMENT HISTORIQUE
DISPOSITIF PINEL


LES CARRATS (178 lots) - Port Leucate (11)


PENSIONNAT DE JUILLY (210 lots) – Juilly (77)

Properties for sale : strong ramp-up ahead



H1 commercial launches

3,770 units
(mainly June)

Playing the cycle

Gaining market shares

Pipeline

48,640 units

Commercial launches Strong momentum expected in H2

1.
Operational performance

-

Business Property

EM LYON – Lyon (69)

Pipeline reloaded


BE-TWIN (CERA) – Lyon (69)

Development

5 new projects
for 32,000 sqm

Largest business property developer in France


LOUIS LE GRAND – Paris (75)

Investment

2 new projects
for 37,000 sqm


SYTRAL – Villeurbanne (69)

Pipeline

62 projects

€5.6 bn
of potential value

Major successful deals in Paris La-Défense

CAMPUS CYBER

ERIA
26,000 sqm

Delivered and leased to Campus Cyber

SwissLife

BELLINI
18,000 sqm

Sale agreement with Swiss Life AM (future headquarters of Swiss Life)

A model designed to deliver large projects with little capital exposure

Two AltaFund projects(1)

(1) Discretionary fund with €650m of equity managed by AltaFund, in which Altarea holds between 18 and 30%.

1. Operational performance

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Retail

L'AVENUE 83 – La Valette-du-Var (83)

Early signs of recovery after the 3rd lockdown in 18 months

Sharp recovery in consumer spending

Tenants sales
+8% in H1

(+12% June 2021/2019)

Retailer confidence is back

170 signed lease
(€18.1 m)

Decrease in vacancy
3.6% (-0,5pt)

Stable asset values

€4.6 bn
(+0.5%)

36 assets

A performance directly linked to the sanitary situation

Net rental income: €71.0 m (-13.6%)

-€14.0 m 2021 rent reliefs (expenses over the period)
-€6.4 m of doubtful debts
-€2,5 m 2020 rent reliefs (streamlined)

H1 2021 rent collection rate: 70.0%

RETAIL

Roll-out of the asset management strategy

Espace Saint Quentin (78)

ASSURANCES

€1 bn partnership of retail assets owned by Altarea

(51%-49%)

Retail parks & railway stations

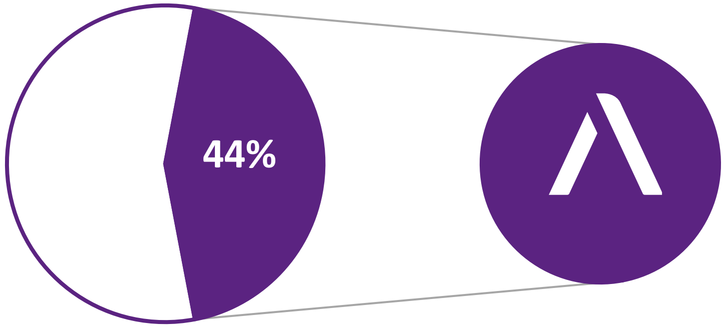
Capitalising on Altarea's expertise with an optimised capital allocation

Allianz Real Estate

Allianz appoints Altarea Commerce as manager of Espace Saint Quentin to step up its attractiveness

60,000 sqm - 130 retailers
(Carrefour, H&M, Go Sport…)

12 million visitors/year



Value of the 42 assets under management
€5.2 bn

Group share
€2,3 bn*

** Proforma of Crédit Agricole Assurances partnership.*

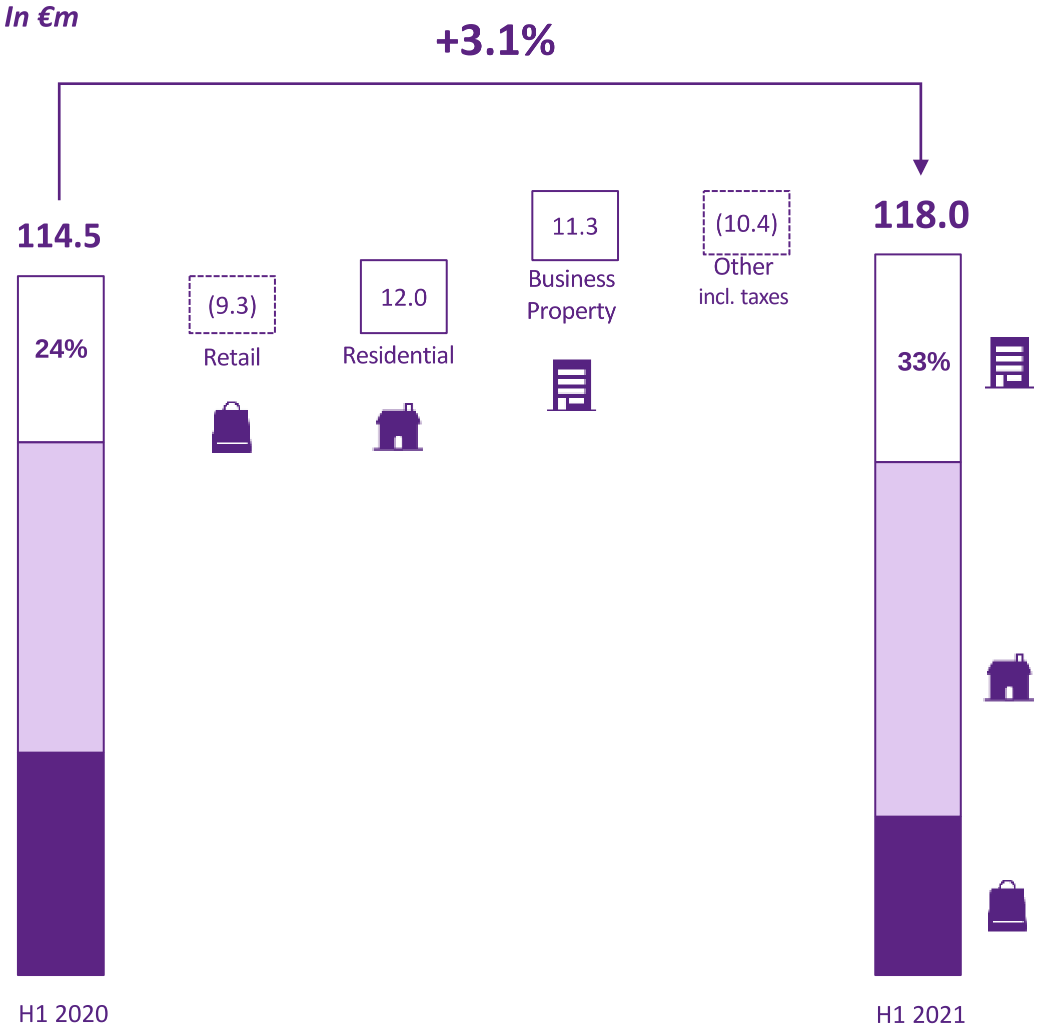
2.
Financial performance

RICHELIEU – Paris (75)

Key figures as of June 30, 2021

Consolidated revenue	€1,424 m	+2.9% vs. 30/06/2020	
Funds from operations (FFO)	€118.0 m	+3.1% vs. 30/06/2020	6.75 €/share (-1.1%)
LTV	33.9%	+0.9 pt vs. 31/12/2020	
Going concern NAV	€2,582 m	+1.8% vs. 31/12/2020 excl. dividend	149.1 €/share (+1.5%)

Group share FFO : €118.0 m (+3.1%)



Business property

€34.4 m

(+64%)

Disposal

of 15% of Bridge

Residential

€61.9 m (+18%)

Volume effect

(on revenues, 2020 block sales)

Margin effect

(cost reduction and client mix H1 2021)

Retail

€29.4 m

(-22%)

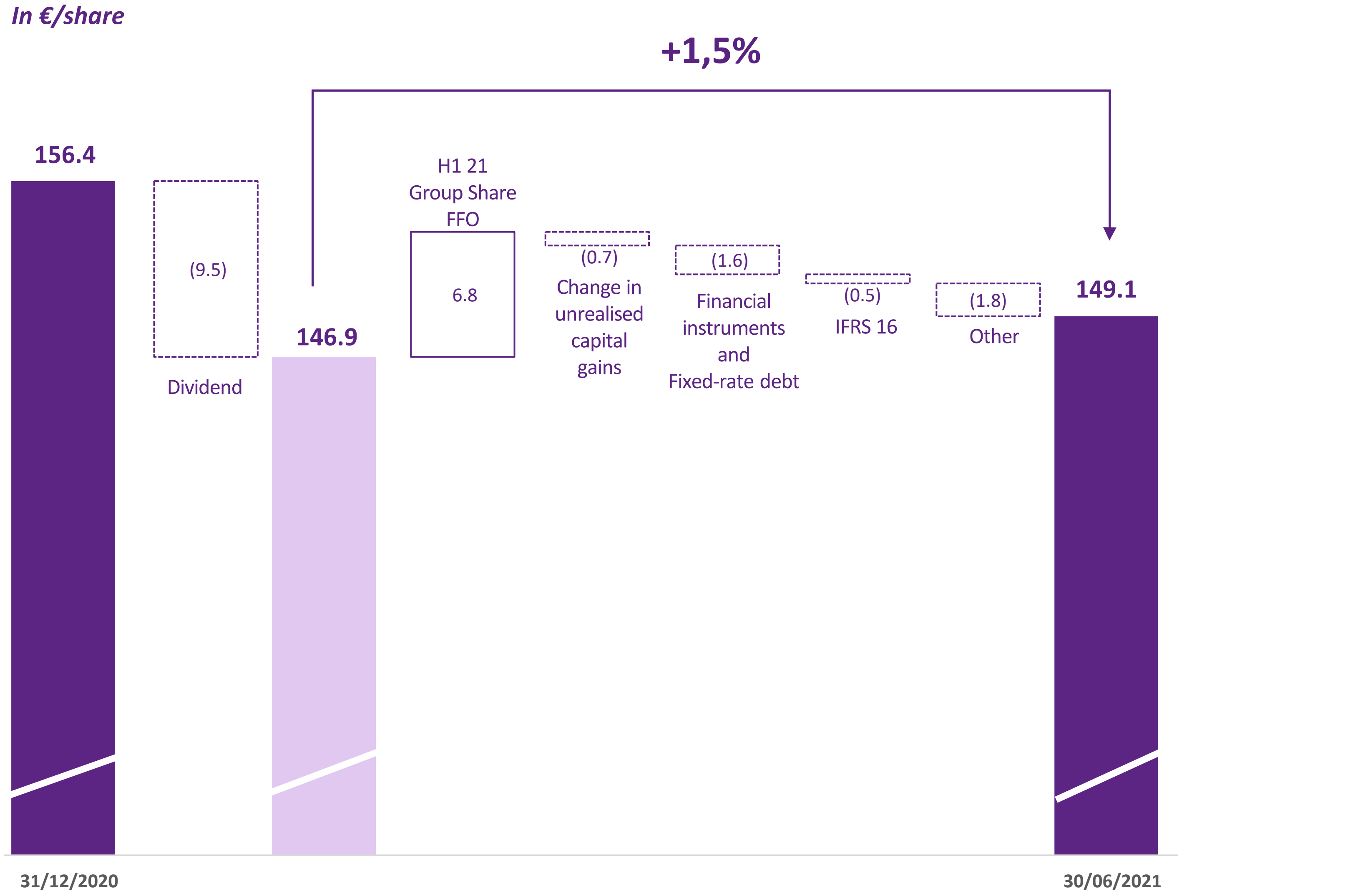
Health crisis impact

stronger than in H1 2020

A resilient diversified model

Group Share FFO is also composed of Other Corporate FFO with (€7,7 m) in 2021.

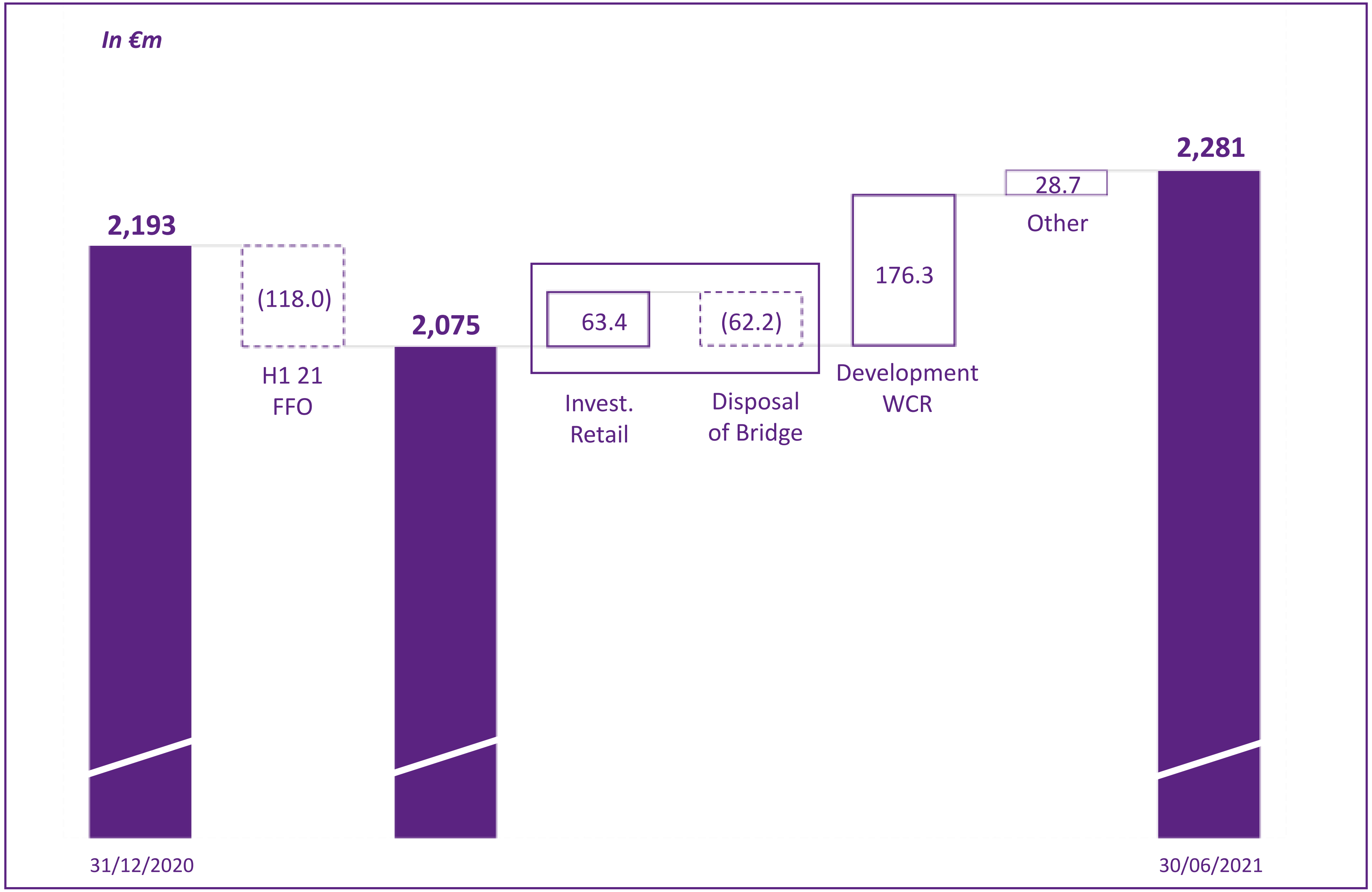
Going concern NAV: €149,1 /share (+1.5% vs 31/12/2020 post 2020-dividend)



Stabilisation of Retail assets value

Property development unrealised capital gains steady vs. 31/12/2020

Net debt: €2,281 m



Slight increase in net debt
(+€88.3 m)

as a result to the change in the Development WCR due to the evolution of the client mix

Enhanced financial structure

Liquidity: €2.9 bn

Debt: no major maturities before 2024

Duration: 5 years and 5 months (+4 months)

Average cost: 1.79% (-15 bps)

Strong credit ratios
vs 31/12/2020

LTV	**33.9%**	+90 bps
ICR	**7.5x**	+0.2x
Net Debt/ EBITDA	**6.0x**	+0.1x

Reinforcement of consolidated equity
+€149 m *at end July 2021*

+€75.0 m
via the script dividend (92% subscription rate)

+€7.8 m
via FCPE (employee mutual fund)

+€66.6 m
in minority equity via Cap3000 partnership

Investment Grade rating confirmed by S&P Global

post Primonial acquisition announcement

3.
2021
Outlook

L'ECOQUARTIER DU CANAL – Nancy (54)

FFO growth confirmed for 2021

Provided that the health situation does not deteriorate significantly

and retail rent collection progressively reverts to normal

Altarea confirms the resumption of its FFO growth for the full year 2021

Appendices and glossary

Disclaimer

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This presentation is accompanied by a press release, the business review and the consolidated financial statements, available for download on the Finance page of Altarea's site, altarea.com, heading finance.

H1 2021 Income statement

In €m	Retail	Residential	Business Property	Other Corporate	Funds from operations (FFO)	Changes in value, estimated expenses and transaction costs	TOTAL
Revenue	**96.7**	**1,208.7**	**118.4**	**0.1**	**1,424.0**	**–**	**1,424.0**
Change vs. 30/06/2020	*(11.8)%*	*+12.5%*	*(40.6)%*	*n.a.*	*2.9%*		
Net rental income	71.0	–	–	–	71.0	–	71.0
Net property income	0.0	93.7	7.6	–	101.3	(0.0)	101.3
External services	9.2	5.3	6.4	0.1	21.0	–	21.0
Net revenue	**80.3**	**99.0**	**14.1**	**0.1**	**193.4**	**(0.0)**	**193.4**
Change vs. 30/06/2020	*(11.8)%*	*6.0%*	*7.6%*	*n.a.*	*(2.1)%*		
Own work capitalised and production held in inventory	6.1	83.2	3.3	–	92.7	–	92.7
Operating expenses	(22.5)	(101.0)	(10.1)	(7.8)	(141.5)	(11.5)	(153.0)
Net overhead expenses	**(16.4)**	**(17.8)**	**(6.8)**	**(7.8)**	**(48.8)**	**(11.5)**	**(60.3)**
Share of equity-method affiliates	0.9	4.4	40.2	*n.a.*	45.5	(3.9)	41.6
Income/loss on sale of assets Retail						(1.3)	(1.3)
Change in value, estimated expenses and transaction costs – Retail						2.8	2.8
Calculated expenses and transaction costs – Residential						(10.7)	(10.7)
Calculated expenses and transaction costs - Business Property						0.8	0.8
Other provisions Corporate						(9.8)	(9.8)
Operating income	**64.8**	**85.6**	**47.5**	**(7.7)**	**190.1**	**(33.7)**	**156.5**
Change vs. 30/06/2020	*(13.9)%*	*17.9%*	*42.0%*	*n.a.*	*5.0%*		
Net borrowing costs	(13.7)	(6.8)	(4.6)	–	(25.2)	(2.8)	(28.0)
Other financial results	(4.9)	(2.3)	(1.6)	–	(8.8)		(14.5)
Gains/losses in the value of financial instruments	–	–	–	–	–	0.9	0.9
Proceeds from the disposal of investments	–	–	–	–	–	0.3	0.3
Corporate income tax	(1.5)	(6.2)	(6.9)	–	(14.6)	13.9	(0.7)
Net income	**44.6**	**70.3**	**34.4**	**(7.7)**	**141.5**	**(27.1)**	**114.4**
Non-controlling interests	(15.2)	(8.4)	0.1	–	(23.5)	12.6	(11.0)
NET INCOME, Group share	**29.4**	**61.9**	**34.5**	**(7.7)**	**118.0**	**(14.5)**	**103.5**
Change vs. 30/06/2020	*(21.7)%*	*18.1%*	*60.4%*	*n.a.*	*3.1%*		
Diluted average number of shares					*17,479,992*		
Net income, Group share per share					**6.75**		
Change vs. 30/06/2020					*(1.1)%*		

Net asset value (NAV)

	30/06/2021				31/12/2020	
	In €m	Change	€/share	Change	In €m	€/share
Consolidated equity, Group share	**1,706.3**		**98.5**		**1,758.5**	**101.8**
Other unrealized capital gains	818.5				867.0	
Deferred tax on the balance sheet for non-SIIC assets[a]	18.2				20.9	
Fixed-rate market value of debt	(77.5)				(58.6)	
Effective tax for unrealised capital gains on non-SIIC assets[b]	(23.4)				(24.8)	
Optimisation of transfert duties[b]	98.1				166.2	
Partners' share[c]	(17.5)				(18.3)	
NNNAV (NAV liquidation)	**2,522.5**	**(4.1)%**	**145.7**	**(4.4)%**	**2,631.3**	**152.3**
Estimated transfert duties and selling fees	60.2				72.0	
Partners' share[c]	(0.5)				(0.5)	
Going concern NAV (fully diluted)	**2,582.2**	**(4.5)%**	**149.1**	**(4.7)%**	**2,702.7**	**156.4**
Number of diluted shares:	*17,315,116*				*17,275,839*	

(a) International assets.

(b) Depending on disposal structuring (asset deal or securities deal)

(c) Maximum dilution of 120,000 shares.

Loan To Value

In €m	30/06/2021	31/12/2020
Gross debt	3,357	3,470
Cash and cash equivalents	(1,076)	(1,277)
Consolidated net debt	**2,281**	**2,193**
Retail at value (FC) [a]	4,023	3,982
Retail at value (EM securities), other [b]	176	212
Investment properties valued at cost [c]	230	213
Business Property investments [d]	214	276
Enterprise value of Property Development	2,078	1,969
Market value of assets	**6,721**	**6,651**
Ratio LTV	**33.9%**	**33.0%**

(a) Market value (including transfer taxes) of shopping centres in operation recognised according to the fully consolidated method.
(b) Market value (including transfer taxes) of shares of equity-method affiliates carrying shopping centres and other retail assets.
(c) Net book value of investment properties in development valued at cost.
(d) Market value (including transfer taxes) of shares in equity method affiliates holding investments and other Office Property assets.

Balance sheet (1/2)

In €m	30/06/2021	31/12/2020
NON-CURRENT ASSETS	**5,090.3**	**5,132.2**
Intangible assets	333.8	330.4
o/w Goodwill	209.4	209.4
o/w Brands	105.4	105.4
o/w Other intangible assets	19.0	15.7
Property plant and equipment	27.3	26.1
Right-of-use on tangible and intangible fixed assets	134.0	140.3
Investment properties	4,092.8	4,024.6
o/w Investment properties in operation at fair value	3,695.9	3,649.0
o/w Investment properties under development and under construction at cost	228.0	211.1
o/w Right-of use on Investment properties	168.9	164.6
Securities and investments in equity affiliates	460.7	579.6
Non-current financial assets	16.1	12.6
Deferred taxes assets	25.7	18.5
CURRENT ASSETS	**3,741.5**	**3,817.8**
Net inventories and work in progress	874.8	859.3
Contract assets	682.0	741.2
Trade and other receivables	976.1	828.0
Income credit	11.7	11.4
Current assets	36.5	22.0
Derivative financial instruments	7.3	1.1
Cash and cash equivalents	1,075.9	1,277.5
Assets held for sale	77.4	77.4
TOTAL ASSETS	**8,831.8**	**8,950.0**

Balance sheet (2/2)

In €m	30/06/2021	31/12/2020
EQUITY	**2,729.1**	**2,716.7**
Equity attributable to Altarea SCA shareholders	**1,706.3**	**1,758.5**
Capital	264.7	264.0
Other paid-in capital	130.8	233.8
Reserves	1,207.2	1,568.5
Income associated with Altarea SCA shareholders	103.5	(307.7)
Equity attributable to minority shareholders of subsidiaries	**1,022.8**	**958.2**
Reserves associated with minority shareholders of subsidiaries	788.3	979.1
Other equity components, Subordinated Perpetual Notes	223.5	195.1
Income associated with minority shareholders of subsidiaries	11.0	(216.0)
NON-CURRENT LIABILITIES	**3,018.7**	**2,630.5**
Non-current borrowings and financial liabilities	2,888.1	2,500.2
o/w Participating loans and advances from associates	*60.0*	*71.3*
o/w Bond issues	*1,721.8*	*1,720.4*
o/w Borrowings from lending establishments	*687.9*	*379.4*
o/w Negotiable European Medium-Term Note	*110.0*	*25.0*
o/w Lease liabilities	*143.9*	*149.4*
o/w Contractual fees on investment properties	*164.5*	*154.8*
Long-term provisions	31.6	24.0
Deposits and security interests received	38.3	36.6
Deferred tax liability	60.7	69.7
CURRENT LIABILITIES	**3,084.1**	**3,602.8**
Current borrowings and financial liabilities	957.7	1,569.8
o/w Bond issues	*30.3*	*254.6*
o/w Borrowings from lending establishments	*21.0*	*458.9*
o/w Negotiable European Commercial Paper	*783.0*	*628.0*
o/w Bank overdrafts	*2.6*	*3.9*
o/w Advances from Group shareholders and partners	*90.5*	*199.4*
o/w Lease liabilities	*8.0*	*1.1*
o/w Contractual fees on investment properties	*22.3*	*24.0*
Derivative financial instruments	28.9	36.3
Contract liabilities	166.1	177.3
Trade and other payables	1,749.5	1,798.4
Tax due	14.9	21.0
Debts to Altarea SCA shareholders and minority shareholders of subsidiaries	167.0	0.0
TOTAL LIABILITIES	**8,831.8**	**8,950.0**

Glossary

- **Appraisal value – Retail:** Value of portfolio assets including transfer duties (at 100% or Group Share)
- **Average total cost of the debt:** Average total cost including related fees (commitment fees, CNU, etc.)
- **Backlog - Residential Development:** Revenue (excl. tax) from notarised sales to be recognised on a percentage-of-completion basis and individual and block reservations to be notarised
- **Backlog Business property Development:** Notarised sales not yet recognised on a percentage-of-completion basis, new orders not yet notarised (signed PDAs) and fees to be received from third parties on signed contracts
- **FFO (Funds From Operations):** Operating income after the impact of the net borrowing costs, corporate income tax paid and minority interests, for all Group activities. Group share
- **Financial vacancy:** Estimated rental value (ERV) of vacant units as a percentage of total estimated rental value. France and International
- **Going Concern NAV (Net asset value):** market value of equity with a view to continuing the business taking into account the potential dilution from its status as an SCA (partnership limited by shares). NAV = Going Concern NAV unless otherwise specified
- **ICR (Interest-Coverage-Ratio):** Operating income/Net borrowing costs ("Funds from operations" column)
- **Liquidity:** cash and cash-equivalent (marketable securities, certificates of deposit, credit balances) plus drawing rights on bank credits (RCF, overdraft facility)
- **LTV (Loan to Value):** Net bond and bank debt/Restated value of assets including transfer duties
- **Net debt:** Bond and bank debt, net of cash and cash equivalents
- **Net debt / EBITDA:** Net bond and bank debt / FFO operating income
- **Net rental income:** The Group now reports net rents charged including the contribution to the marketing fund, the rebilling of work and investments as lessor
- **New orders Business Property:** New orders incl. VAT at 100%, with the exception of jointly controlled operations (equity accounted) for which new orders are shown in Group share
- **New orders (reservations) Residential:** New orders net of withdrawals at 100%, with the exception of jointly controlled operations (Group share). € incl. tax
- **Pipeline (in potential value): Residential:** Properties for sale + future offering including VAT. **Business property:** potential market value excluding duties at date of sale for investment projects (at 100%), excluding VAT on off-plan/PDC signed or estimated for other development projects (at 100% or pro rata for co-developments) and capitalised delegated management contracts
- **Tenant sales:** Change in merchant sales on the basis of the period stated
- **The exit rate** (or “capitalisation rate”): is used by appraisers to capitalise rents in the terminal period of their DCF models It reflects the fundamental medium to long term quality of assets