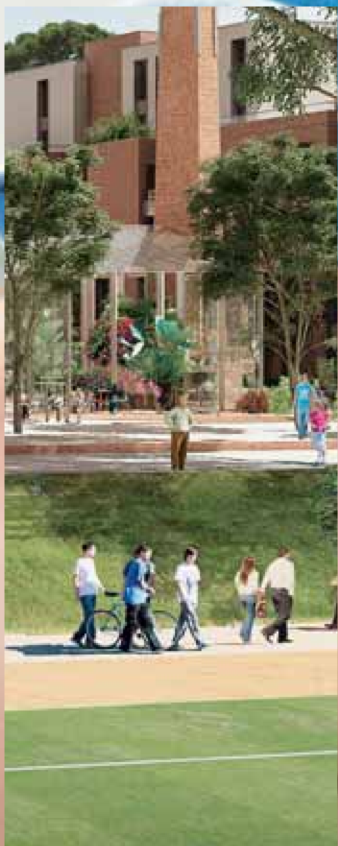
COMMITTED TO TRANSFORMING THE CITY

2021 UNIVERSAL REGISTRATION DOCUMENT

ANNUAL FINANCIAL REPORT



ALTAREA

CONTENTS

STRATEGIC REPORT

In the introduction to the 2021 Universal Registration Document, Altarea presents the strategic report resulting from its integrated strategic report (ROI), available in full on altarea.com.

For the past six years, the Group has been committed to an integrated reporting approach inspired by its CSR road map "Tous engagés !" (We are all involved), which was developed around the three concepts of City, Customers, Talents, and the reference framework of the International Integrated Reporting Council (IIRC).

Prepared in a collaborative manner, thanks to the mobilisation of our various Group departments, it highlights the Group's vision, business model, performance and strategy, in the service of value creation for stakeholders and regions.

A detailed summary is presented at each chapter entry.

UNIVERSAL REGISTRATION DOCUMENT

Including the annual financial report

2021

The Universal Registration Document was filed on 29 April 2022 with the French Financial Markets Authority (AMF), as the competent authority according to EU Regulation 2017/1129, without prior approval per Article 9 of the same regulation.

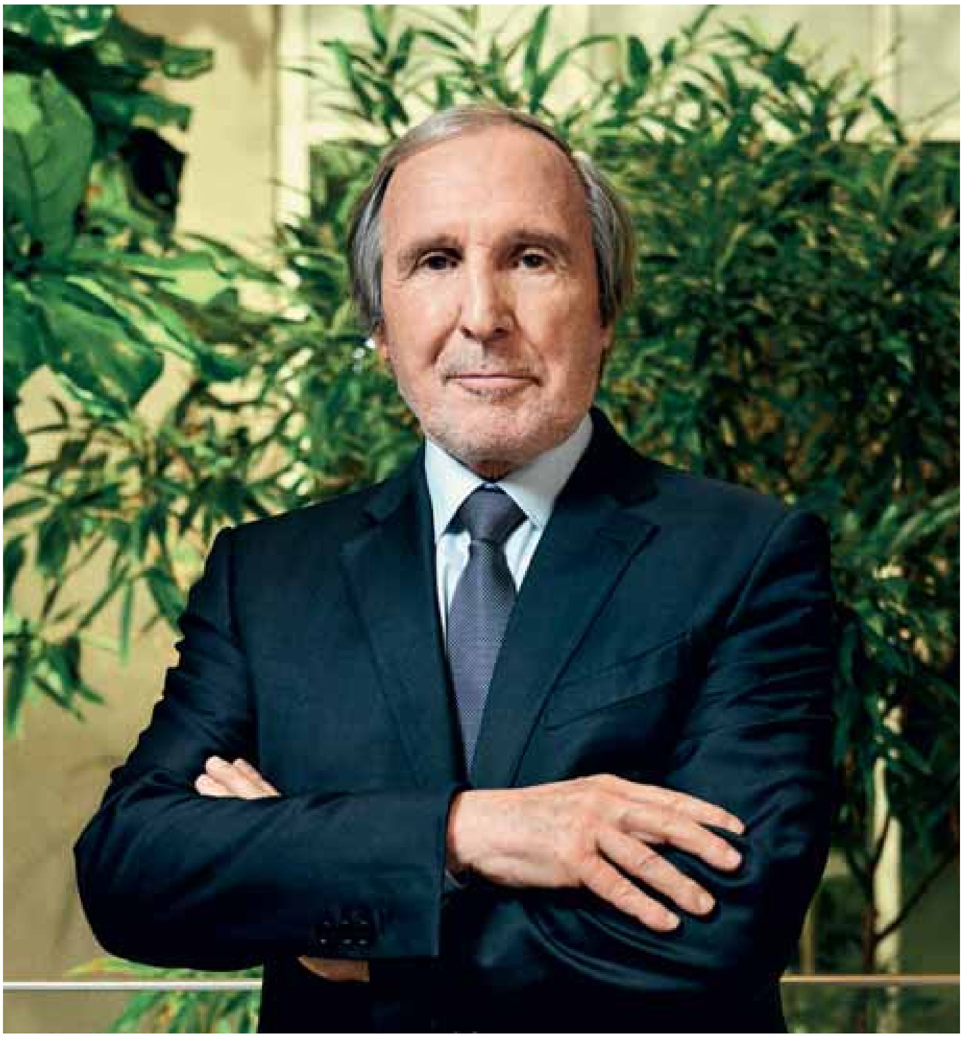
The Universal Registration Document may be used for the purposes of a public offering of financial securities or the admission of financial securities to trading on a regulated market if it is supplemented by a prospectus and, where applicable, a summary and all the amendments made to the Universal Registration Document. The resulting package is approved by the AMF in accordance with Regulation (EU) 2017/1129.

This document is a translation into English of the Universal Registration Document issued in French, available on the Company's website.

STRATEGIC REPORT

OUR AMBITION: TO MAKE ALTAREA THE BEST POSSIBLE REAL ESTATE COMPANY

In 2021, **ALAIN TARAVELLA** was twice named "Professional of the Year" at the Immoweek "Pierres d'Or" awards and the "Trophées Logement et Territoires."



A paradigm shift: this will be my main memory of 2021. The year was marked by structural transformations for all Altarea's business lines, transformations that were accelerated by the health crisis. I am thinking in particular of the significant movements of populations away from metropolitan areas and city centres to medium-sized cities and city outskirts, and the development of remote working, with new expectations of what an office should be. Consumption habits have also changed profoundly. Experiences must be ever more omnichannel, fresh and responsible.
At the start of 2022, while we can expect the health situation to return to normal, we are seeing signs of resurgent inflation and a possible rise in interest rates. These developments mean that, for the first time in a decade, housing will have a key role as a formidable bulwark against inflation.
Another major issue is the urgent need for action on climate, where the pressure has been ramped up another notch. The entry into force of new standards such as RE2020 should accelerate the large-scale decarbonisation of our business sector.

Faced with these challenges, we approach the future with a clear and ambitious strategic vision, reflected in four main priorities.

First, after a robust performance in 2021, we must continue our growth trajectory in order to achieve a significant increase in our revenue. This will mean a big increase in Residential income, accelerating our development in fast-growing markets such as Logistics and Business property in the regions and Residential in mid-sized cities, and continuing to innovate in our Retail business. Also, Altarea's ample liquid assets mean we can seize any external growth opportunities as they arise in our various business lines: urban transformation, property asset management, professional services and distribution of real estate products.

"THE DECARBONISATION OF ALL AREAS OF REAL ESTATE IS OUR BIGGEST CHALLENGE FOR THE NEXT TEN YEARS."

Alain Taravella, Chairman and Founder of Altarea

"ALTAREA ENJOYS A HEALTHY FINANCIAL POSITION AND HAS SUBSTANTIAL RESOURCES TO FINANCE ITS NEXT GROWTH CYCLE."

Second objective: to be an exemplary company in terms of decarbonisation while maintaining our growth targets. In 2021, the Group received several awards in this area, a great recognition of the progress already made! We now want to step up a gear, particularly in the area of housing development in 2022. It is with this in mind that we have set up ongoing training for all employees in CSR and the challenges of climate change.

Initiated ten years ago, employee share ownership is another strategic priority for Altarea, for a simple reason: by participating in the growth of the company, employees feel even more engaged, which directly benefits our customers and the Group as a whole. And commitment will be crucial if we are to successfully meet the challenges and transformations that await us.

Innovation is another key element, essential if we are to remain relevant and attractive in fast changing markets. Look at the health and well-being commitments made by Cogedim in 2021 for "goods that do good": no one had done this before. It is up to us to continue to innovate relentlessly in all our business lines in order to be the best real estate company, a company committed to the common good, creating value and capable of building the city of tomorrow.

MORE AGILE THAN EVER IN A CONTRASTING ENVIRONMENT

In 2021, the business environment remained complicated, unstable and skewed by the Covid-19 pandemic, despite an economic rebound in the second half of the year. In this context, the Altarea Group has nevertheless managed to continue its growth trajectory, demonstrating a great ability to adapt in its various markets.

2021 was heavily affected by events in 2020. Firstly, in Residential, in 2020 we actively targeted block sales to safeguard volumes in a very uncertain environment. This meant that inventories were low in 2021, at the same time as the issuance of building permits stalled for several months. We quickly adopted a strategy to maximise the value of each sale, while working intensively on all stages of the production cycle, which has paid off.

Concerning Business property, companies have continued to question the number of square meters they will need in the future with the development of remote work. Despite this lack of visibility, especially in the Paris Region, Altarea managed to place two flagship projects in La Défense, with its Eria and Bellini buildings. We also accelerated significantly in the more dynamic markets of logistics and business property in the regions.

The Retail business was penalised by measures that restricted operations until the end of June. After that, the introduction of the health pass at certain sites and restaurants temporarily impacted footfall in our shopping centres, without however derailing the gradual return of confidence.

We owe this strong performance, above all to the combativeness and agility of our teams throughout a demanding year: this is a big source of satisfaction and pride for 2021 and a decisive asset for the Group's future. Another source of pride: the extraordinary track record of projects in 2021. I am thinking, among others, of Bridge, Orange's new global headquarters, the launch of works on the Toulouse Guillaumet mixed-use district and the Emlyon Business School campus. We also inaugurated the new Montparnasse station and the Cœur de Quartier Montaudran in Toulouse. And I would like to take my hat off to our Histoire & Patrimoine brand, which achieved an exceptional performance.

As things seem to be improving, and new horizons loom into view for 2022, we intend to continue this momentum.

In Residential, the Group's main objective will be to increase production by strengthening its presence in new territories, such as the outskirts of major cities, coastal areas and medium-sized cities. We are also going to step up the roll-out of our health and well-being offering and strengthen our activity in managed residences for students and seniors.

In Retail, I am seeing promising signs of a rebound in the market, in particular encouraging footfall, good revenues and, above all, astonishing pace of sales, signs of the continuing vitality of physical retail. This year, our priorities will be to develop the asset management strategy on behalf of third parties, as we have done for Espace Saint-Quentin since 2021, new innovative products and services, travel retail, and urban logistics projects.

In Business property, we will be stepping on the accelerator in regional cities and in logistics. We also want to build up in the education sector.

Throughout France, Altarea will continue to develop attractive mixed-use neighbourhoods in 2022, as we have done – or are in the process of doing – in Bezons, Issy-les-Moulineaux, Bobigny, Toulouse, Annecy, as well as Nantes and Sartrouville in partnership with Carrefour. We believe more than ever that the city of tomorrow must be a "quarter-hour city", pleasant to live in, respectful of the environment, inclusive… a city where people can be happy!

"WE ARE SEEING AN INCREASING APPETITE FOR RESIDENTIAL, AMONG INDIVIDUALS AND INVESTORS."

Jacques Ehrmann, Group Chief Executive Officer, Altarea

ALTAREA IN BRIEF

Today, Altarea is the leading property developer in France. Our performance is based on a solid integrated multi-brand model and a unique platform of property skills for building and transforming the city.

ALTAREA

ALTAREA COMMERCE

RESIDENTIAL

ALTAREA ENTREPRISE

ALTAREA SOLUTIONS & SERVICES

COGEDIM

COGEDIMclub® RÉSIDENCES SENIORS

HISTOIRE & PATRIMOINE

Pitch immo

SEVERINI PIERRES & LOISIRS PATRIMOINE D'EXCEPTION

Woodeum

€3 bn
revenue

No. 2
Residential developer
€3 bn in new orders

€5.3 bn
Retail assets under management of which
€2.4 bn Group share

No. 1
business property developer (head offices, offices, campuses, hotels, logistics)

No. 1
developer of large mixed-use urban projects
15 projects in development

CLIENTS

No. 2
in the ranking of the HCG customer relationship – Les Echos

"Customer Service of the Year" Award for Cogedim
for the 5th consecutive year

47,000
direct, indirect and induced jobs supported in France

EMPLOYEES

Top Employer 2022
(International certification that recognises excellence in HR practices)

1,996
employees

CLIMATE

Confirmation of Green Star 5* status at GRESB
(non-financial rating agency) for the 6th consecutive year

–67.3%
in CO_2 emissions across the portfolio, since 2010

2021 IN REVIEW

Altarea certified Top Employer France

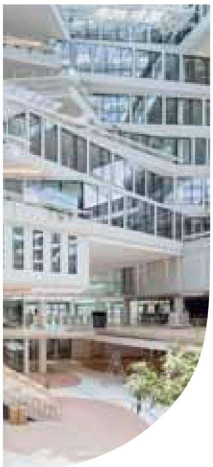
JANUARY

Partnership signed with Carrefour for the transformation and redevelopment of property assets.

FEBRUARY

Pitch Immo announces its participation in the creation of the international arts campus in Fontainebleau

MARCH



Handover of keys to Bridge, Orange's new registered office in Issy-les-Moulineaux

MARCH

Planting of the first tree of the future Guillaumet district in Toulouse

APRIL

Launch of the new incentive agreement, incorporating extra-financial criteria for the first time

JUNE

Cogedim makes ten commitments for "goods that do good"

JUNE

Signature of a strategic retail partnership with Crédit Agricole Assurances

JUNE

Announcement of the entry into exclusive negotiations for the acquisition of the Primonial (1) Group

JUNE

(1) On 2 March 2022, Altarea informed the market that the acquisition of the Primonial Group could not be completed on the agreed conditions.

Opening of CORSO at CAP3000, in Saint-Laurent-du-Var

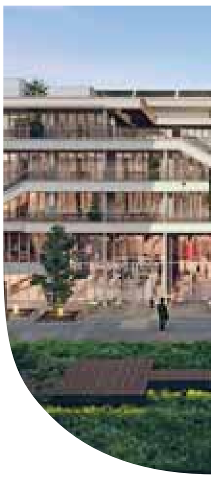
JULY

Inauguration of the Montparnasse station

SEPTEMBER

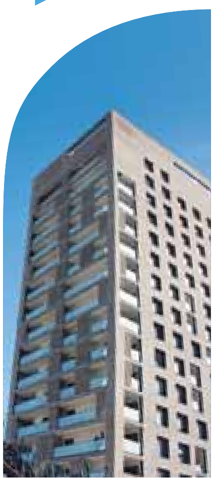
Planting of 1st tree in the future Emlyon Business School campus

SEPTEMBER



Foundation stone laid for the renovation of the Motte-Cordonnier brewery in Armentières

OCTOBER



Inauguration of the Cœur de Quartier Montaudran in Toulouse

OCTOBER

"Customer Service of the Year" Award for Cogedim for the 5th consecutive year

NOVEMBER

Altarea No. 1 in the Challenges-Statista "Climate Champions" ranking

NOVEMBER

Capital increase

DECEMBER

EXPERT AND AGILE **GOVERNANCE**

ORGANISATION

SUPERVISORY BOARD

CONTROL

MANAGEMENT

DEFINING AND LEADING THE STRATEGY

EXECUTIVE COMMITTEE

IMPLEMENTING AND DISSEMINATING THE STRATEGY/MOBILISATION OF EMPLOYEES

- Initiates operational solutions to achieve strategic objectives
- Enhances strategy through business vision and expertise

CROSS-FUNCTIONAL COMMITTEES

- Bring new knowledge into the business lines
- Feed the strategy by sharing experiences (finance, HR, CIO, CSR, innovation)

MANAGERS COMMITTEE

- Shares best practice
- Ensures internal synergies

CODIR

- Ensures operational management by brand

In practical terms, the management and control functions are independent:

- Overall responsibility lies with the Management – embodied by Alain Taravella, Chairman and Founder. Alongside him, Jacques Ehrmann is the Group's Chief Executive Officer and a member of the Executive Committee.
- The Supervisory Board, chaired by Christian de Gournay, oversees the Company's commitments and management.

EXECUTIVE COMMITTEE

"Our shared ambition is to make Altarea the best real estate company: a company committed to the common good and creating value"

Alain Taravella
Chairman and Founder of Altarea, Manager

"Altarea is characterised above all by an extraordinary power/agility combination, which is reflected in its ability to constantly adapt and seize new growth opportunities"

Jacques Ehrmann
Group Chief Executive Officer, Altarea

"By beating its financial targets for 2021, Altarea has confirmed its position as a leader in urban transformation, a huge market where the Group is developing a €19 billion plus pipeline of projects"

Éric Dumas
Chief Financial Officer, Altarea

"Histoire & Patrimoine is working to bring together heritage protection and housing policy. A mission that aligns the individual interest of our customers with the general interest of all French people"

Rodolphe Albert
Chairman, Histoire & Patrimoine

"Altarea has a responsibility to act in the face of the climate emergency. This is why we are accelerating the Group's low-carbon trajectory to decarbonise our business by the year 2030"

Nathalie Bardin
Director of Strategic Marketing, CSR and Innovation, Altarea

"The changes in business property make Altarea Entreprise's offer more relevant than ever: flexible, collaborative serviced offices in the heart of cities, always with high architectural and environmental standards"

Adrien Blanc
Chairman, Altarea Entreprise

"Innovation is an ongoing process for Altarea Commerce. We are meeting new challenges to support changes in society, distribution and consumption patterns"

Ludovic Castillo
Chairman of the Management Board, Altarea Commerce

"Our teams place the satisfaction of our end customers and partners – retailers, cities and investors – at the heart of what they do"

Rodrigo Clare
Deputy CEO, Assets & Finance, Altarea Commerce

"Cogedim is a landmark company in new real estate, committed to housing that takes care of its residents and the planet. This is the meaning of the ten commitments we made in June 2021"

Vincent Ego
General Manager Housing and Commercial Property Regions, Cogedim

"At Altarea, employee satisfaction and customer satisfaction are equally important and at the heart of our strategy. The Top Employer certification reflects the excellence of our HR practices."

Karine Marchand
Director of Human Resources, Altarea

"Proximity, people, quality of life, sustainable development: four pillars that define Pitch Immo's identity and underpin our ambitious growth strategy"

Alexis Moreau
Chief Executive Officer, Pitch Immo

A ROBUST STRATEGY FOR BUILDING THE FUTURE

In 2021, Altarea returned excellent financial results, up 15%, well above its guidance of +10%. Fundamentally, our business lines focus on urban transformation and fulfilling our strong commitment to combating climate change. The COVID crisis confirmed the fundamentals and the huge scale of the market where we operate, with a distribution capacity for physical property of over €3 billion annually to individuals and institutional investors.

In Residential, in an increasingly competitive environment, the teams proved their agility by retargeting sales on individual customers and delivering a seventh successive year of rising profits. Our strategy is based on a multi-brand multi-product model, applied not only to the big cities but also for some years now to mid-sized cities in particularly dynamic regions. The structural growth in new housing, strong demand from individuals and institutionals and the protection offered by investment in housing as inflation returns, pointing to a continuing strong growth outlook for this business over the medium term.

In new and renovated Business property, Altarea is France's leading developer thanks to the breadth of its range, even though the expansion of remote working raises questions about the future of the office sector. The Group is based on a regional strategy focused on Grand Paris and major cities in France's regions and a product range covering all business areas, with strong ambitions for development in the logistics sector. We also offer a diverse range of interventions as developer or co-investor in high-potential assets with a view to sale post-development.

In Retail, rental income turned out better than expected in 2021, thanks to extra work on monitoring and relaunching and enhanced support for brands. We continued to steadily roll out our asset management strategy with Altarea's major long-standing institutional partners. Volumes under management are €5.3 billion, of which 55% on behalf of third parties and just 45% on its own account.

"THE SUPERVISORY BOARD WILL MONITOR AND SUPPORT THE DEPLOYMENT OF THE GROUP'S CSR STRATEGY, IN PARTICULAR ON DECARBONISATION ISSUES."

Christian de Gournay,
Chairman of the Altarea Supervisory Board

THE SUPERVISORY BOARD

The Supervisory Board, chaired by Christian de Gournay, exercises control over the management of the company and its financial statements, as well as risk management control. It has an advisory role with regard to investment commitment and management compensation decisions. Three specialised committees are also set up: Audit Committee, Investment Committee and Compensation Committee.

KEY FIGURES

14
members

33%
independence rate

62 years
average age

8 years
average seniority

42%
women

2
employee representatives

98%
attendance rate

SKILLS

The members bring to the Supervisory Board skills that reflect the variety of the Group's expertise, business lines and activities and are necessary for its task of exercising permanent control over the management of the company. They closely monitor developments needed to ensure Altarea's continued growth.

MAIN SKILLS:

Strategy and project development: 13

Public relations: 7

Audit and risks: 11

Customer solutions/ new expectations: 7

Law and tax: 10

Environment: 6

Property, urbanism, architecture: 11

Company management: 10

Finance: 9

IN A CHANGING ENVIRONMENT, **UNIQUE ASSETS**

TRENDS

Transformation of regions

22
French metropolises house 29% of the population over 2% of the territory

+8.4%
Average house price increase in medium-sized cities in 2021 (vs +7% across France)

Housing pressure and inequality

4 million
people are poorly housed or homeless in France

500,000
housing units per year are needed by 2030 to meet the needs of French people

Change in urban lifestyles

98%
of employees want to continue remote work once the health crisis is over

13.4%
Share of online retail sales in France

Climate change and environmental challenges

67%
of greenhouse gas emissions in France come from cities

1/4
of greenhouse gas emissions worldwide are due to the energy used by buildings and construction

CHALLENGES AND OPPORTUNITIES

CHALLENGES…

Risk that urban units, offices or shopping centres will lose their appeal

Need for property projects to be acceptable by elected officials and local residents

An unprecedented climate emergency and tougher environmental regulations

RESPONSES…

- **Customer dialogue**
- **Quality, comfort and green value**
- **Innovation**

- **Mixed-use harmonious projects with a positive impact on the regions**
- **Citizen consultations**

- **Reduction of direct and indirect carbon footprint from buildings**
- **Resilience and adaptability of buildings**
- **Summer comfort**

OUR STRENGTHS

1 A unique skills platform

- Presence in the whole real estate chain: both as a REIT and developer in the residential, offices and retail segments
- Integrating multiple skills to develop a mixed-used and complementary offering
- Global vision of BtoB issues and needs as well as BtoC, source of trust and customer satisfaction

2 A financial and commercial power

- Financial capacity enabling the Group to manage large-scale projects
- A land bank and complementarity of the retail, residential and business property cycles
- Legal and financial structure favouring a short and agile decision-making circuit
- Quality of customer relationships, products appropriate to all moments in life and personalisation of the offer

3 An entrepreneur's DNA

- A truly meaningful ambition to "make the city differently", which requires commitment, audacity and creativity
- Strong sense of belonging among employees, associated with the fruits of growth
- Active innovation policy, both internal and external

4 "Tous engagés" (We are all involved), our CSR approach

- A business model based on strong convictions, the core of the Group's CSR approach
- Positioned as a public interest partner for cities and those who live there

A STRATEGY TO SUPPORT **URBAN TRANSFORMATION**

The transformation of the city is a huge market on which Altarea, the leading property developer in France, wants to continue its growth based on an integrated model, multi-brand expertise and a unique skills platform. Altarea's strategy consists of developing mixed-use real estate products in an economic equation linking growth and social, social and environmental responsibility, with a long -term vision.

RETAIL

Strengthening the asset management strategy

Continuing business in five segments with high potential: shopping centres, travel retail in railway stations, convenience stores, retail parks, shopping-leisure centres

Repositioning assets to better support the transformation of retail

Development of new products and innovative services for retailers and end customers

Development of new activities (urban logistics, mixed-use projects)

BUSINESS PROPERTY

Significant share of restructuring or transformation

Role as investor, developer and service provider

Development of activity in the regions

Offices that are user-focused, flexible and scalable

Development of new activities (logistics, education)

RESIDENTIAL

Products tailored
to all times of life for all customers (first-time buyers, investors, seniors, students, professionals, etc.)

Development of product innovation
in line with new consumer habits and climate change challenges

Partnership approach
with communities, social landlords, etc.

Development in medium-sized cities
and the outskirts of major cities

Emphasis on customer relations
and a personalised offer

Reversibility
from offices to residential units

Promoting social diversity
with social and intergenerational housing (partnership with Habitat & Humanisme)

LARGE MIXED-USE URBAN PROJECTS

Unique and tailor-made
projects that respond to the urban context and the needs of communities and their residents

Hybrid approach
through projects that combine housing, retail and offices

Mutual enrichment of activities and brands,
seeking synergies to meet societal expectations of proximity and to create social ties and quality of life

Comprehensive approach
at the neighbourhood level that allows energy, services, and shared spaces optimisation

Designing reversible and adaptable
buildings, less subject to obsolescence

Transformation of commercial spaces or brownfield sites
in new neighbourhoods

CORPORATE SOCIAL RESPONSIBILITY

A CSR approach for cities, our customers, our talents, accelerating transformation

TOUS ENGAGÉS!

FOR CITIES

- Develop desirable urban projects with a positive impact
- Develop a resilient, low-carbon city
- Preserve natural spaces and promote nature in the city
- Promote the circular economy

FOR OUR CUSTOMERS

- Listen to our customers and deliver customer satisfaction
- Develop a desirable and comfortable city
- Be a beacon of best practice in our business lines
- Enhance green value by rolling out ambitious certifications

FOR OUR TALENT

- Support skills development
- Foster well-being in the working environment
- Encourage internal mobility and continue training

OUR BUSINESS MODEL

OUR STRENGTHS

FINANCIAL AND COMMERCIAL STRENGTH

A solid balance sheet:
- Equity: €3.5 bn
- Liquidity: €3.4 bn

Diversified and complementary sources of revenue:
- Operating income 2021: €405 million, of which 44% Residential, 38% Retail, 18% Business property,
- Leading property developer in France
- 800 projects under development

SKILLS PLATFORM

- 1,996 employees
- 293 hires in 2021
- 100% of employees trained in 2021

ENTREPRENEURIAL DNA

- Alain Taravella holds 44.70% of Group shares
- 47.5% employee shareholders

RESPONSIBILITY AND COMMITMENT

- "Tous engagés", the CSR approach structured around three pillars: Cities/Customers/Talents
- A CSR performance recognised by GRESB Green Star* status with a score of over 90/100
- A training course on CSR and climate change for all employees

OUR VALUE CREATION

ROBUSTNESS OF RESULTS

- Revenue: €3 bn
- FFO: €264.4 m

CONTRIBUTION TO THE NATIONAL ECONOMY

- Salaries and expenses: €176.1 m
- Purchases: €2.8 bn
- Project pipeline value: €19.4 bn
- 47,000 direct, indirect and induced jobs supported in France
- Youth employment: 303 work-study students and interns in 2021

ACCELERATING SECTOR TRANSFORMATIONS

- Digitisation
- Participation defining labels/ certifications
- Second-largest user of wood for Residential in France

OFFER QUALITY AND CUSTOMER SATISFACTION

- Residential: 1.29 reserve per unit delivered, 12 programmes given Pyramides awards, Cogedim awarded best "Customer Service of the Year" for the 5th consecutive year
- Company: SIMI Grand Prix for Bridge

CONTROL OF THE ENVIRONMENTAL FOOTPRINT

- 100% of projects have quality and/or environmental certification after an ambitious initiative
- 99% of projects under development are less than 500 m from public transport
- −67.3% CO_2 emissions in Retail assets under management since 2010

TRANSFORMATION
OF REGIONS

PRESSURE ON HOUSING
AND INEQUALITY

ALTAREA COMMERCE

ENTREPRENEUR
FOR THE RETAIL
OF TOMORROW

ALTAREA ENTREPRISE

BUILDING THE OFFICE
OF TOMORROW

COGEDIMclub®
RÉSIDENCES SENIORS

OFFERING ADAPTED
UNITS IN CITY CENTRES
TO SENIORS

DEVELOPING
MIXED-USE
NEIGHBOURHOODS

LIVE

WORK

TRANSFORMING
THE CITY

DIVERSITY

INCLUSION

NATURE

DECARBONISATION

LEISURE

CONSUME

CULTIVATE

HISTOIRE & PATRIMOINE

GIVING
NEW LIFE
TO HERITAGE

Woodeum

CONTRIBUTING
TO THE LOW-
CARBON CITY

ALTAREA
SOLUTIONS
& SERVICES

A FULL RANGE
OF SERVICES
FOR RESIDENTIAL
CUSTOMERS

COGEDIM

Pitch immo

SEVERINI
PIERRES & LOISIRS
PATRIMOINE D'EXCEPTION

DESIGNING HOUSING
FOR EVERYONE

CLIMATE CHANGE
AND ENVIRONMENTAL CHALLENGES

CHANGE
IN URBAN LIFESTYLES

FINANCIAL AND EXTRA-FINANCIAL **PERFORMANCE**

POWER OF THE REAL ESTATE PLATFORM MODEL

€3 bn
Turnover
▼ **(–0.9%)**

€405 m
Operating income
▼ **(+9%)**

€264.4 m
FFO Group share
▼ **(+14.8%)**

A SOLID FINANCIAL MODEL

TO SUPPORT FUTURE GROWTH

€3.4 bn
Available cash

€1.6 bn
Net debt Sharp decrease in debt
▼ **(–€547 m)**

24.1%
Loan to value
▼ **(–8.9 pt)**

URBAN TRANSFORMATION:

A HUGE MARKET WITH STRENGTHENED FUNDAMENTALS

€19.4 bn
Project pipeline value

48,200
Residential units

800
projects

14
Retail projects

15
large mixed-use projects

54
Business property projects

9
Logistics projects

47,000
direct, indirect and induced jobs supported in France

100%
of neighbourhood projects have an ecological diagnosis

15
large mixed-use projects

Green Star 5*
Green Star 5* status confirmed at GRESB for the 6th consecutive year

100%
of Retail sites have a biodiversity action plan

-67.3%
CO_2 emissions on Retail assets under management

76%
of Business property projects are multi-use

99%
of projects under development are less than 500 m from public transport

72%
of purchases by Residential projects are local

No. 2
in the ranking of the HCG customer relationship – Les Echos

Winner
of "Customer Service of the Year" award: Cogedim honoured for the 5th consecutive year

100%
took at least one training programme in 2021

294
work-study students

53%
of positions filled by mobility

PROFILE AND OUTLOOK BY ACTIVITY

RESIDENTIAL

Thanks to its multi-brand and multi-product offering, Altarea is present in all the fast-growth regions of France, delivering a relevant offer to all market segments and all types of customers (primarily first-time buyers, individual investors, institutional investors, social landlords, managed residences, services, etc.).

No. 2
Developer in France
(nearly 11,500 units)

€3 bn
in new orders (–9%)

Sales:
56% Individuals
44% Institutional

61% Entry-level and mid-range
20% High-end
12% Serviced residences
7% Renovation

A strategy of conquest

€13.3 bn
pipeline value

715 projects
48,200 units

BUSINESS PROPERTY

Thanks to its diversified model and limited risk (developer and/or investor), Altarea has become a major player in France, in new projects or complex restructurings. Historically active in the Grand Paris area, the Group is accelerating its development in major regional cities, both in Business property and Logistics.

No. 1
Developer in France

€5 bn
pipeline value

88% in office
12% in Logistics

63 projects

16 projects
in the Paris Region

47 projects
in other regions

RETAIL

Altarea Commerce is a designer, developer, investor and asset manager, focusing its investments on five types of high-potential assets (shopping centres, travel retail in railway stations, convenience stores, retail parks, shopping centres, etc. shopping-leisure centres), which match consumer aspirations (wide choice, efficient product mix, leisure and catering offer, customer services, redesigned customer experience).

€5.3 bn
42 assets under management

€2.4 bn
Group share 36 assets

€162.3 m
Net rent

€1.1 bn
pipeline by value

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4 projects
extension/creation projects

---

10 projects
proximity

1
BUSINESS REVIEW

1.1. Altarea today: an unrivalled platform of skills to support urban transformation

1.1.1 Urban transformation: a huge market

The health crisis linked to the COVID pandemic has highlighted the need to thoroughly rethink the urban planning of major cities and accelerated the obsolescence of a large number of real estate infrastructures, which must be transformed to become more resilient (energy performance, reversibility, mixed use, new consumption, etc.). Urban transformation is more than ever a vast and growing market.

Altarea's expertise lies in developing real estate products that integrate all these challenges into a complex economic equation. The complementary nature of the Group's operating brands[1] offer a full range of real estate solutions (Retail, Residential, Business property) that enable cities to play a key role in their transformation, either at the level of a building or on the scale of entire neighbourhoods.

1.1.2 Altarea, the leading property developer in France

With nearly 800 secured projects at the end of December 2021, Altarea is developing the largest portfolio of real estate projects in France representing a potential value[2] of more than €19.4 billion in all categories of product.

Secured pipeline *(by product)*	**Surface area** *(m²)*[(a)]	**Potential value** *(€ millions)*[(b)]
Residential	2,699,200	13,278
Business Property	1,390,400	5,050
Retail	170,100	1,072
TOTAL	**4,259,700**	**19,400**

(a) Retail: m² of GLA created. Residential: SHAB offer for sale and portfolio. Business Property: floor space or surface area.

(b) Market value at delivery date. Retail: potential market value including transfer duties of projects on delivery (net rental income capitalised at a market rate) at 100%, and revenue excluding tax for development projects. Residential: offer for sale + portfolio incl. tax. Business property: potential market value excl. transfer duties on the date of disposal for investment projects (at 100%), amount excl. tax of off-plan sales/PDC for the other development programmes (at 100%, or Group share for jointly owned projects), and capitalised delegated project management fees.

These projects are carried mostly in a "developer" business model (development for sale).

Leadership on large mixed-use projects

These new urban centres, which are veritable condensed version of the city in all its components, avoid the artificialization of the soil by densification and reconversion of brown field sites.

At the end of 2021, Altarea was managing 15 large mixed-use projects representing a value of around €4.0 billion (935,000 m² and nearly 10,500 residential units).

Activity in large mixed-use projects was particularly strong in 2021. Altarea:

- delivered Cœur de Ville in Bezons, a 65,000 m² Eco-district, 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;
- inaugurated the Cœur de Quartier Montaudran within the Toulouse Aerospace large mixed-use 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;
- inaugurated the first phase of the Fischer district, called "Jardin au Cœur", in Schiltigheim in the Strasbourg Eurometropolis. The transformation of this industrial site into an ambitious mixed-use project will eventually include 610 housing units and 4,000 m² of commercial premises and street-front activities, including a Lidl store, a "Simone Veil" school group which opened for the academic year beginning September 2021, cultural facilities and services and leisure activities;
- started work on the Quartier Guillaumet in Toulouse, which is scheduled for delivery 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[3] label, it also aiming for HQE Aménagement and BiodiverCity® certifications (nature will constitute more than 40% of the project's total surface area);

(1) Cogedim, Pitch Immo, Histoire & Patrimoine, Severini, Woodeum, Altarea Commerce, Altarea Entreprise, Cogedim Club, Altarea Solutions et Services.

(2) Potential value = market value at delivery date. Retail: potential market value including transfer duties of projects on delivery (net rents capitalised at a market rate) at 100%, and revenue excluding tax for development projects. Residential: offer for sale and portfolio including 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, near stable year-on-year.

(3) 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.

- completed the first part of the work on the Bobigny-Cœur de Ville project by demolishing the former Bobigny 2 shopping centre to develop a renewed city centre with new pedestrian paths, housing and shops on the ground floor, passes and green public spaces covering a surface area of 104,000 m^2. Altarea is committed to making Cœur de Ville a blueprint for progress on the energy transition and climate change.

The Group has also secured the development of several new major projects, including the Tours Aillaud, known as the "Cloud Towers" in Nanterre, an urban renewal project in Sartrouville and the redevelopment of part of the former NTN-SNR industrial site in Annecy. Altarea was also chosen to carry out an ambitious urban renewal project on the old "Pépinières" site in Rouen. This is a brown field site of 500 housing units that have fallen out of use for several years. Cogedim and Virgil are partnering with the City of Rouen, the Métropole Rouen Normandie and Rouen Habitat to build an ambitious urban renewal project, creating a new mixed-use neighbourhood of 600 housing units as well as a high-quality landscaped and environmental park of one hectare, the "Jardin des Pépinières" with more than 400 trees, which will form a "green lung".

1.1.3 Altarea, one of the most committed players in the real estate sector

The Group's CSR approach "Tous engagés !" has been promoting an entrepreneurial vision of the sustainable city for several years, based on three convictions: working as a public interest partner for cities and regions; placing customers at the heart of actions in all business lines; capitalising on the excellence of talent. This four-fold strategy (Climate, Customers, Employees, Community) was strengthened and accelerated in 2021 to promote responsible growth.

In 2021, Altarea maintained its awards for nonfinancial performance (GRESB, Top Employer, Customer Service):

- GRESB[1] 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.

- Customer Service of the Year 2022 award for the fifth year running;

For the 5th year in a row, Cogedim received the "Customer Service of the Year Award for 2022" in the "Property Development" category created in 2018. Since 2007, this distinction rewards French companies that place the quality of the customer relationship at the centre of their concerns. The customer experience has become a hallmark of Cogedim, which this year launched its ten commitments promoting health, well-being and eco-responsibility for the construction of homes that take care of their residents.

- Certified Top Employer 2022 for the second consecutive year;

The "Top Employer" certification rewards Altarea's human resources policy by assessing and rating six major HR areas divided into 20 themes (such as talent management strategy, work environment, Talent Acquisition, training and skills development, well-being at work, or diversity and inclusion). The Group's score increased by five points compared to 2020.

This commitment to employee satisfaction is confirmed by the results of the first internal employee engagement survey conducted by Kantar. Of the 86% of respondents, 96% said they were optimistic about the Group's future and 82% said they were ready to recommend the Group.

Altarea accelerates and strengthens its climate commitments

In 2021, the Group is strengthening its commitment to the fight against climate change with two key approaches for the decarbonisation of its activities:

- for portfolio assets, Altarea is aiming for carbon neutrality by 2030 (Scopes 1 and 2);
- for Business property and Residential development projects, Altarea is committed to a low-carbon city, in particular by producing residential units that is half as carbon intensive by 2031 as in 2021 (Scope 3).

The Group aims to reduce its carbon footprint by 37% by 2030 for all its activities.

Altarea takes the top spot in the 2021 "Climate Champions" ranking published by Challenges-Statista.

Moreover, after coming 13th in the previous edition, Altarea Group took 1st place in the 2021 "Climate Champions" ranking published by Challenges and Statista, all sectors combined[2]. 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 67.3%. A leader in urban transformation, it has also reduced its energy consumption by 57.8% in and is increasingly using renewable electricity contracts.

Altarea involves its employees in CSR performance with a nonfinancial incentive scheme

In its new incentive agreement for 2021-2023, Altarea added four nonfinancial criteria to its financial criteria (FFO, NAV) aligned with the Group's strategy: on Climate, employees were to follow a training course certifying CSR issues; on Employees, some management positions were to be filled by women and some vacant or newly created positions were to be transferred or promoted internally; on Customers, Cogedim's net promoter score (NPS) was expected to improve compared to 2020.

(1) 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.

(2) 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.

1.2 Business

1.2.1 Retail

1.2.1.1 An Asset Management Strategy

The Group's strategy is to increase the volume of retail outlets under management (€5.3 billion at the end of 2021) and to continue holding stakes in certain assets (€2.4 billion Group share[(1)]). Altarea's capital exposure represents 45% of the value of assets under management.

This strategy allows it to extract the full value from its operational know-how for the volumes under management, while generating strong yield on its share of the investment.

1.2.1.2 Assets under management

Value of managed assets

Figures at 100%	No.	GLA *(in m²)*	Value *(€m)*[(b)]	Chge 2020
Assets managed on behalf of third parties[(a)]	6	114,700	586	
Assets managed in partnership	36	827,100	4,689	
ASSETS UNDER MANAGEMENT	**42**	**941,800**	**5,275**	**+6%**
o/w Group share[(c)]				2,383

(a) Assets held entirely by third parties who entrusted Altarea with a management mandate for an initial period of three to five years, renewable.
(b) Appraisal value including transfer duties.
(c) Post partnerships with Crédit Agricole Assurances (Alta Retail Parks closed at the end of 2021 and Alta Infrastructures closed at the beginning of 2022).

The value of assets under management increased by +6% (+1.6% compared to 2019). This increase is due to:

- the winning of the asset management mandate for the Espace Saint-Quentin shopping centre (60,000 m² asset located in Montigny-le-Bretonneux) awarded by Allianz Real Estate[(2)];
- the delivery of the last phase of the Paris-Montparnasse station on schedule and on budget and without interruption of operation;
- the overall stability in the value of other assets under management (of which +0.15% on the share held).

Types asses under management

At 100% *(€ millions)*	31/12/2021		31/12/2020	
Regional shopping centres	2,859	54%	2,880	58%
Travel retail	554	10%	471	9%
Retail parks	874	17%	869	17%
Convenience stores	403	8%	397	8%
Assets managed on behalf of third parties	586	11%	363	7%
TOTAL	**5,275**	**100%**	**4,980**	**100%**

Average property exit rates[(3)]

At 100%	31/12/2021	31/12/2020
Regional shopping centres	5.01%	4.93%
Retail parks	5.70%	5.70%
Convenience stores	5.95%	5.92%
WEIGHTED AVERAGE	**5.24%**	**5.18%**

(1) Post partnerships with Crédit Agricole Assurances (Alta Retail Parks signed at the end of 2021 and Alta Infrastructures signed at the beginning of 2022).

(2) Altarea already manages 5 assets held in partnership with Allianz since 2013 (Bercy Village, Toulouse Gramont, the shops in Gare de l'Est station, the Espace Chanteraines in Gennevilliers, and Avenue83 in Toulon-La Valette).

(3) 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 quality of the asset in the medium and long term. NB: since the retail outlets are operated under concession, there is no capitalisation rate (full ownership rate equivalents are below 5%).

1.2.1.3 Main events 2021

Partnerships with Crédit Agricole Assurances for a total of €1.0 billion in retail

These partnerships (51% for Altarea and 49% for Crédit Agricole Assurances) relate to two types of long-term performing assets: retail parks on one hand and transit shops in stations on the other.

- ***Alta Retail Parks*** covers nine French retail parks[(1)] held by Altarea.

This asset category proved its resilience during the health crisis with its open-air format and efficient cost structure, which enabled retailers to offer consumers a particularly interesting price/product mix. The fight against urban sprawl limits scope for creating new assets and makes existing leading sites particularly attractive for retailers seeking larger units at competitive prices.

- ***Alta Infrastructures*** covers retail outlets at Paris-Montparnasse station and at five Italian railway stations owned by Altarea.

Under concession until 2052, the Paris-Montparnasse station has undergone in recent years an exemplary restructuring by Altarea in close coordination with SNCF Gares & Connexions. Internationally, the partnership covers five italian railway stations[(2)] under concession until June 2041 some of which are subjected to extension. This partnership may subsequently create new opportunities to invest in European railway stations.

Altarea will continue to manage all these assets.

The retail park partnership was closed in December 2021 and the partnership on travel retail in railway stations in early 2022.

Allianz Real Estate grants the asset management contract of Espace St-Quentin to Altarea Commerce

Allianz Real Estate awarded Altarea the management of the Espace-Quentin shopping centre[(3)]. The centre has a surface area of 60,000 m² and is located in the centre of Montigny-le-Bretonneux (Yvelines). The objective is to redevelop it and create a space for new brands in line with customer expectations.

Two iconic deliveries

Paris-Montparnasse railway station: a demonstration of how Altarea manages major complex projects

After four-year extensive restructuring work, the Paris-Montparnasse station was delivered on time 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, 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 four levels (18,200 m² GLA) to meet the expectations of travellers, commuters and the needs of local residents. The station redevelopment project has received *BREEAM In-Use* certification and stood out for its optimised energy consumption and prioritised natural light.

CAP3000: innovation and customer service at heart

The restructuring-extension of this leading centre on the Côte d'Azur took six years. The project aimed to open the centre to the sea and to develop a catering & lifestyle offer to meet the new expectations of retailers and customers. The centre has almost doubled in size to reach a surface area of 135,000 m², including 5,000 m² of panoramic terraces with a sea view.

CAP3000 now offers 300 shops and 25 restaurants, including:

- a new premium, luxury, designer mall with Le Corso, an exclusive universe with carefully selected trends and brands and new concepts focused on omnichannel, innovation and support for retailers, such as Capsule@CAP3000 and my eshop@CAP3000, the first shopping centre marketplace;
- an exceptional well-being and sports offer (Club Metropolitan fitness & spa, cryotherapy, etc.).

CAP3000 offers a constantly renewed customer experience, in line with trends, able to attract both a large local customer base and international visitors (20%). The average visit time has more than doubled (from 47 minutes to 1 hour and 43 minutes), and the centre even attracts younger customers and families.

After the extension, CAP3000 became the first shopping centre in the world to receive the BiodiverCity and BREEAM "Excellent" labels and Altarea Commerce received the CNCC's 2020 Trophy for this project. With 4,000 jobs, CAP3000 is today the fourth-biggest employer in Alpes-Maritimes.

(1) Les Portes de Brest Guipavas, Family Village Costières Sud in Nîmes, Family Village Les Hunaudières in Le Mans-Ruaudin, Les Portes d'Ambresis in Villeparisis, Castorama in Pierrelaye, Thiais Village in Thiais, Family Village in Limoges, Family Village and Le Village de brands in Aubergenville. A total of 212,000 m², 30 million visitors per year, gross rental income of €30 million giving revenue of €548 million incl. tax at the end of 2019.

(2) Milan-Porte Garibaldi, Rome-Ostiense, Turin-Porte Susa, Padua, Naples-Afragola.

(3) Altarea already manages five assets held in partnership with Allianz since 2013 (Bercy Village, Toulouse Gramont, the shops in Gare de l'Est station, the Espace Chanteraines in Gennevilliers, and Avenue83 in Toulon-La Valette).

1.2.1.4 Operation

A succession of "stop and go"

In France, the year was marked by a succession of restrictive measures that mainly impacted the second quarter (curfews, closures depending on shopping centre size, region and type of retail store) and by the implementation of the health pass[1] in the summer.

Each time these measures were eased, the performance of the shopping centres recovered sharply with a clear increase in the average shopping basket compared to 2019 (increase of 1% in retailer revenue[2] between July and December 2021 despite footfall[3] down 13% in the same period).

Dynamic leasing activity and improvement in vacancies

Rental activity was very dynamic throughout 2021, including for restaurants and leisure activities, with 325 leases signed for a guaranteed minimum rent of €33 million.

This performance was achieved both on sites in operation and on projects under development (30% of the leases signed during the year concerned CAP3000, the Paris-Montparnasse station and stores in large mixed-use projects). Renewed or relet leases have kept almost the same rent price.

Altarea also innovated by signing exceptional leases (13% of new leases during the year) with partners offering innovative concepts such as The North Face, Waterdrop, 727 Sailsbag, Mercedes, Iris Galerie and City Geek. The diversity of the assets managed by the Group makes it possible to reach both independent and local tenants, who have a strong presence in mixed-use projects, as well as national and international retailers seeking to develop their geographical coverage.

As a result, vacancies improved sharply and stood at 2.9% at the end of 2021 (-1.3 points vs 2020), close to pre-crisis levels.

Consolidated net rental income

France and International	*(€ millions)*	Chge
NET RENTAL INCOME AT 31 DECEMBER 2020	**159.3**	
Disposals/partnerships	(2.5)	
Deliveries	9.0	
Like-for-like change (o/w COVID impact)	(3.3)	
NET RENTAL INCOME AT 31 DECEMBER 2021	**162.5**	**+2.0%**

Net rental income for 2021 includes the following impacts:

- €(12.5) million in reductions granted in 2021 recognised as expenses of the period;
- €(4.2) million in deferred payments, related to the 2021 impact of the 2020 renegotiations, spread over the residual term of the leases;
- €(11.8) million in accrual for bad debts.

The cumulative sum of these impacts represents €28.5 million, compared to €29.1 million in 2020 and €6.3 million in 2019.

The rent collection rate is 88.3%[4].

(1) Verification of the health passport at the entrance to shopping centres from 16 August concerned five sites until the measure was completely lifted at the end of September 2021.

(2) Cumulative change in retailer revenue from July to December 2021 vs 2019, at constant surface areas.

(3) Cumulative change in the number of visitors, measured by Quantaflow for equipped shopping centres, and by counting cars for retail parks (excluding travel stores) from July to December 2021 vs 2019 in France.

(4) Rents and charges collected (€285.9 m) in relation to rent and charges paid (€323.7 m) for the year 2021 (85.7% in the first quarter, 80.1% in the second quarter, 94.0% in the third quarter and 92.5% in the fourth quarter).

Lease expiration schedule

Lease end date	At 100% *(€ millions)*	% of total	3-year termination option	% of total
Expired	6.2	2.4%	6.3	2.5%
2021	8.0	3.1%	8.0	3.1%
2022	7.5	2.9%	23.6	9.2%
2023	9.6	3.8%	31.9	12.5%
2024	16.9	6.6%	35.8	14.0%
2025	22.9	9.0%	31.8	12.5%
2026	32.5	12.7%	36.9	14.5%
2027	23.2	9.1%	19.1	7.5%
2028	26.8	10.5%	20.8	8.1%
2029	27.7	10.8%	8.1	3.2%
2030	24.6	9.6%	13.7	5.4%
> 2030	49.4	19.3%	19.3	7.6%
TOTAL	**255.3**	**100%**	**255.3**	**100%**

Pipeline as at 31 December 2021

The Group's pipeline is broken down into two types of projects:

- the development or expansion of assets under a fully-owned "investor" model or under partnership;
- the development of Retail assets in the context of large mixed-use projects intended to be sold under a "developer" model.

Pipeline Retail	GLA *(in m^2)*	Potential value *(€ millions)*[(a)]
Creations/expansions (four projects)	85,100	783
Large mixed-use projects (ten projects)	85,000	289
TOTAL	**170,100**	**1,072**

(a) Retail – Creations/expansions: potential market value including duties on projects on delivery, at 100%. Retail component – Large Mixed-use projects: revenue excl. VAT or potential value including transfer duties.

Altarea is developing 4 creation/expansion projects, of which the two main ones are Ferney-Voltaire near the Swiss border and the Paris Austerlitz train station.

Concerning this last project, the request for the cancellation of the building permit relating to the redevelopment project of the Paris Austerlitz station district has been rejected by the Administrative Court of Appeal of Paris in November 2021, an appeal was lodged with the Council of State following the rejection.of. As a consequence, Altarea plans to start work in the first half of 2023.

In terms of large mixed-use projects, Altarea delivered the shops in the new "Cœur de Ville" district in Bezons and some of the shops in the Fisher district in Strasbourg, in 2021

Assets under management at publication date[1]

Asset and type	GLA (in m²)	Gross rents (€ millions)	Values (€ millions)	Group share	Value GS (€ millions)
CAP3000 (Nice)	105,600			33%	
Espace Gramont (Toulouse)	56,700			51%	
Avenue 83 (Toulon-La Valette)	53,500			51%	
Qwartz (Villeneuve-la-Garenne)	43,300			100%	
Sant Cugat (Barcelona, Spain)	43,000			100%	
Bercy Village (Paris)	23,500			51%	
Large shopping centres (6 assets)	**325,600**	**124**	**2,648**		**1,381**
Montparnasse station – Phases 1, 2 & 3 (Paris)	18,200			51%	
Gare de l'Est (Paris)	6,800			51%	
Italian railway stations (five assets)*	8,600			51%	
Oxygen (Belvédère 92)	2,900			100%	
Travel retail (8 assets)	**36,500**	**47**	**554**		**285**
Family Village (Le Mans – Ruaudin)**	30,500			51%	
Family Village (Limoges)**	29,000			51%	
Family Village (Nîmes)**	28,800			51%	
Les Portes de Brest Guipavas (Brest)**	28,600			51%	
Family Village (Aubergenville)**	27,800			51%	
Espace Chanteraines (Gennevilliers)	23,700			51%	
Thiais Village (Thiais)**	22,800			51%	
Les Portes d'Ambresis (Villeparisis)**	20,300			51%	
La Vigie (Strasbourg)	18,200			100%	
Marques Avenue A13 (Aubergenville)**	12,900			51%	
Pierrelaye**	10,000			51%	
Retail parks (11 assets)	**252,600**	**37**	**726**		**392**
-X% Massy	18,400			100%	
Grand Place (Lille)	8,300			100%	
Les Essarts-Le-Roi	11,000			100%	
Miscellaneous (2 assets)	13,100			100%	
Convenience stores (5 assets)	**50,800**	**9**	**135**		**135**
Jointly controlled assets[a] (30 assets)	**665,500**	**217**	**4,063**		**2,193**
Le Due Torri (Bergamo – Stezzano, Italy) – GC	30,900			25%	
La Corte Lombarda (Bellinzago, Italy)	21,200			25%	
Carré de Soie (Lyon) – RP	51,000			50%	
Le Parks (Paris) – Prox	33,300			25%	
Reflets Compans (Toulouse) – Prox	14,000			25%	
Jas de Bouffan (Aix-en-Provence) – Prox	9,800			18%	
Miscellaneous	1,400			49%	
Equity-method assets[b] (6 assets)	**161,600**	**38**	**626**		**190**
TOTAL PORTFOLIO ASSETS (36 ASSETS)	**827,100**	**255**	**4,689**		**2,383**
Third-party asset management[c] (6 assets)	**114,700**	**36**	**586**		
TOTAL ASSETS UNDER MANAGEMENT (42 ASSETS)	**941,800**	**291**	**5,275**		

(a) Assets in which Altarea holds shares and over which the Group exercises operational control. Fully consolidated in the consolidated financial statements.
(b) Assets in which Altarea is not the majority shareholder, but for which Altarea exercises joint operational control or a significant influence. Consolidated using the equity method in the consolidated financial statements.
(c) Assets held entirely by third parties who entrusted Altarea with a management mandate for an initial period of three to five years, renewable.
** Assets included in the Alta Infrastructures partnership signed in early 2022 and ** assets in the Alta Retail parks partnership signed in late 2021.*

(1) Post partnerships with Crédit Agricole Assurances (Alta Retail Parks signed at the end of 2021 and Alta Infrastructures signed at the beginning of 2022).

1.2.2 Residential

1.2.2.1 Strategy

Altarea is the second-largest residential developer in France[1] 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 multifamily 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[2]. Cogedim is structured to reach a potential annual sales of 11,000 units in the future.

Pitch Immo ("closer to go further") has a market position around four values: people at the heart (improving the regional network for greater proximity), local integration (tailored programs developed with local stakeholders), quality of life and CSR (outdoor spaces and green spaces, air quality, and NF Habitat, HQE and Energy$^+$Carbon$^-$ certifications). The brand **Severini** (specialized in the Aquitaine region) reports to Pitch Immo operationally. In total, Pitch Immo has potential sales of 4,000 units per year.

Histoire & Patrimoine ("Historical places for your stories") is the Group's brand specialising in renovation and urban restoration. The expertise of Histoire & Patrimoine focuses on historical buildings, exceptional 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 specializing in the development and management of housing for active seniors, offering apartments for rent, with personalised services and events, for the comfort and well-being of their occupants.

Woodeum ("100% committed to the planet and your well-being") is the brand specializing in the construction of CLT solid wood and low-carbon housing. The construction technologies developed by Woodeum contribute to reduce the carbon footprint and construction nuisance of buildings, while offering exceptional comfort of use. Woodeum is structured to reach potential sales of 2,000 annual units in the future.

The Group's various brands operate 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**: Altarea designs residences for active seniors (without daily medical supervision), tourist residences and student residences with city-centre locations and a range of *à la carte* services. At the end of 2021, the Group manages, under the Cogedim Club® brand, 24 senior residences (almost 2,050 units) and is developing 27 projects, of which 13 are currently under construction (nearly 2,300 units in total, of which 1,150 are in progress);
- **Renovation of historical sites**: under the Histoire & Patrimoine brand, the Group has a range of products for Historical Monuments, Malraux Law properties and Real Estate Tax schemes;
- **Sales in dismemberment of ownership**: the Group is developing programmes under a French Government policy known as social rental usufruct. This additional offering, whilst meeting the need for low-cost housing in high-demand areas and thereby helping out local communities, provides an alternative investment product for private investors;
- **Timber housing development** under the brand Woodeum, leader in carbon-free development in France and a 50%-owned subsidiary of the Group.

The Group has also developed **Altarea Solutions & Services**, an in-house value-added service platform to support its customers and partners through their real estate project (commercial support, financing brokerage, rental management, etc.). At the end of 2021, the Group was already managing, as part of its property management activity, more than 15,140 units spread over 370 buildings, and more than 6,000 units as part of its rental management offering.

(1) 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.

(2) 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.

1.2.2.2 Activity of the year

Supply challenges

At the beginning of 2021, business continued to be impacted by delays in commercial launches. This was a result of the COVID-19 pandemic, difficulties in obtaining building permits, massive block sales in 2020 have reduced the available supply.

The shortage has gradually improved, particularly at the end of the year without, however, returning to the levels achieved in 2018 and 2019. This gradual recovery occurred due to the effort made throughout whole product life cycle (signing of sales agreements, obtaining/clearing building permits and commercial launches).

Supply[1]

Supply	2021	2020	Chge
(€m incl. VAT)	5,502	4,693	+17%
In units	21,471	19,374	+11%

Procurement rose sharply compared to 2020 (+17% in value and +11% in volume) exceeding the expansion in 2019 (+7% in value and +4% in volume).

Part of this increase was achieved through the extension of national coverage. Altarea opened offices in Tours, Rouen, Caen, Angers, Rennes, Dijon, Clermont-Ferrand, Mulhouse, Metz and strengthened its presence in Lille, Strasbourg, La Rochelle and Amiens. This strategy has enabled the firm to benefit from the favourable momentum of these regions.

Building permits and land acquisitions

In 2021	No. projects	Units
Building permits filed	233	17,981
Building permits obtained	146	12,057
Land acquisitions	138	11,523

During 2021, the Group filed building permits for nearly 18,000 units. This leading indicator allows to anticipate significant growth in future supply.

Land acquisitions correspond to building permits obtained and cleared during the year.

Commercial launches (retail sales)

Launches	2021	2020	Chge
Units	7,241	5,307	+36%
No. projects	166	110	+51%

Commercial launches to Individual client saw strong growth (+36% in number of units), in line with the reorientation of the commercial strategy towards this customer segment.

Properties for sale

The offer for sale at the end of December 2021 (value of units available for reservation) amounted to €1,742 million including tax, up 11% compared to 2020.

The available supply is gradually approaching its pre-COVID level (average monthly supply in the fourth quarter 2021 reached 91% of the level of the first quarter 2020) and is expected to grow throughout 2022.

(1) Preliminary sale agreements for land signed and valued as potential residential new orders (incl. tax).

New orders[1]

New orders	2021	%	2020	%	Chge
Individuals – Residential buyers	667 €m	22%	609 €m	18%	+10%
Individuals – Investment	1,031 €m	34%	724 €m	22%	+42%
Block sales	1,340 €m	44%	2,019 €m	60%	-34%
TOTAL IN VALUE INCLUDING VAT	**3,038 €M**		**3,353 €M**		**-9%**
Individuals – Residential buyers	1,945 units	17%	1,622 units	13%	+20%
Individuals – Investment	3,866 units	33%	2,605 units	22%	+48%
Block sales	5,710 units	50%	7,702 units	65%	-26%
TOTAL IN UNITS	**11,521 UNITS**		**11,929 UNITS**		**-3%**

In 2021, Residential Real Estate confirmed its status as a safe haven with:

- the growing appetite of institutional investors (vacant accommodation, intermediate rental housing and managed residences);
- the return of demand from Individuals (successful commercial launches and increase in sales, particularly in rental investment).

Demand for new housing remains more than ever driven by real estate fundamentals: demographic growth, level of available savings and changes in housing expectations.

In 2021, Altarea's commercial strategy consisted in redirecting the available offering towards Individuals, where new orders increased by 27% in value, driven by rental investments (+42% in value). Individuals are back in the majority with 56% of sales in 2021, compared to 40% in 2020. At the same time, the Group reduced the percentage of institutional sales and diversified its customer portfolio (Gecina, M&G, In'li, LaSalle and La Française).

New orders by product range

In units	2021	%	2020	%	Chge
Entry-level/mid-range	7,072	61%	7,625	64%	-7%
High-end	2,280	20%	3,169	27%	-28%
Serviced Residences	1,397	12%	614	5%	x2.3
Renovation/Rehabilitation	772	7%	521	4%	+48%
TOTAL	**11,521**		**11,929**		**-3%**

Notarised sales

(€ millions incl. VAT)	2021	%	2020	%	Chge
Individuals	1,609	55%	1,965	53%	-18%
Block sales	1,298	45%	1,768	47%	-27%
TOTAL	**2,907**		**3,733**		**-22%**

The year 2020 was marked by heavy notarisations of block sales (€1.7 billion).

In 2021, notarised sales fell in direct proportion to the overall level of new orders and the shift in the customer mix towards Individuals, for whom the financing arrangements and the granularity of the transactions mean longer times to completion.

Deliveries and projects under construction

In 2021, the progress of building sites resumed its pre-COVID rate, and more than 12,019 units spread over 153 programs were delivered in 2021 (compared to 7,768 in 2020 for 91 programs).

At the end of 2021, 334 projects were under construction in France, for nearly 27,000 units.

Revenue by% of completion

Revenue by percentage-of-completion is calculated based on both percentage of sales realised (notarised sales) and the technical completion of the programmes (progress of construction sites).

(€ millions excl. VAT)	2021	%	2020	%	Chge
Entry-level/mid-range	1,595	64%	1,578	66%	+1%
High-end	667	27%	694	29%	-4%
Serviced Residences	95	4%	42	2%	x2.3
Renovation/Rehabilitation	128	5%	92	4%	+39%
TOTAL	**2,485**		**2,407**		**+3%**

Residential revenue by% of completion increased by +3.2% compared to 2020 and +8.8% compared to 2019. This increase is the result of the return to normal in terms of technical progress, even though the level of notarised sales is lower than in 2020.

(1) *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).*

1.2.2.3 Outlooks

Project pipeline

The pipeline of projects under development is composed of:

- properties for sale (units available for sale); and
- the land portfolio, which includes projects secured under a preliminary sale agreement (most of which are unilateral) before the commercial launch. Theey become properties for sale when they are launched on the market.

Potential revenue *(€m incl. VAT)*	31/12/2021	No. of months	31/12/2020	Chge
Properties for sale	1,742	7	1,563	+11%
Future offering	11,536	46	11,235	+3%
PIPELINE	**13,278**	**53**	**12,798**	**+4%**
In no. of transactions	*715*		*550*	*+30%*
In no. of units	*48,200*		*49,515*	*-3%*
In m²	*2,699,200*		*2,772,800*	*-3%*

Backlog

Backlog is a leading indicator of potential revenue, which includes:

- notarised sales, not yet recognised: units that have been regularised at the notary's office, to be recognised as revenue according to technical progress;
- new orders (units sold) that are not yet regularised.

(€ millions excl. VAT)	31/12/2021	31/12/2020	Chge
Notarised revenue not recognised	1,987	2,252	-12%
Revenues reserved but not notarised	1,733	1,709	1%
BACKLOG	**3,720**	**3,962**	**-6%**
o/w equity-method (Group share)	*270*	*324*	*ns*
Number of months	**18**	**20**	

Management of real estate commitments

Commitments Committee meetings are used to assess particularly the financial, legal, administrative, technical and commercial risks related to real estate commitments.

Each transaction undergoes at least three committee reviews, which may be supplemented by update reviews, ensuring constant and regular monitoring of the transactions.

These procedures are applied to all of the Group's subsidiaries and Property Development brands.

End of December 2021:

- 45% of units for sale relate to projects in which the land has not yet been acquired and in which the amounts committed correspond to studies, advertising, and reservation fees (or guarantees) paid within the purchase agreement on land;
- 55% of the offer is linked to programs in which the land is already acquired. The stock amount of finished products is not significant (2% of total offer).

This breakdown of operations by stage of completion reflects the criteria implemented by the Group:

- the choice to prioritise unilateral preliminary sale agreements rather than bilateral sale and purchase agreements;
- agreement required from the Commitments Committee at each stage of the transaction;
- strong pre-letting required prior to the acquisition of the land;
- abandonment or renegotiation of projects having generated inadequate pre-letting rates.

1.2.3 Business property

1.2.3.1 Strategy

A developer/investor/asset manager model

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

- mainly as a **developer**[(1)] 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**[(2)], for high-potential assets (prime location) in view of their sale once redevelopment has been completed[(3)].

The Group is systematically the developer of projects in which it is also co-investor and Manager[(4)].

Altarea 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, Altarea works on capital-intensive projects (generally under partnership), or alternatively as a service provider to support large investors and users;
- **large regional cities**: Altarea 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

Altarea has an offer covering all commercial property products:

- **offices**: head offices, multi-occupant buildings, high-rise buildings, covering all sizes (from 1,500 m^2 to 70,000 m^2), all ranges (from prime to opportunist) and all regions;
- **hotels**: all categories (from 1 to 4 stars), up to 700 rooms, in city centres or near transport hubs, independently or as part of large mixed-use projects;
- **logistics**: XXL platforms for distributors or e-commerce players, multi-user hub, last mile urban logistics;
- **campus and school**: on behalf of higher education institutions (Grandes Écoles) or vocational schools (private and public).

All of the Group's operations incorporate the highest level of environmental requirements and low-carbon performance, as well as a modular approach that allows easy conversion between uses.

1.2.3.2 Pipeline

As the leading business property developer in France, Altarea manages a portfolio of 63 projects with a potential value estimated at close to €5.0 billion at the end of 2021 (at 100%).

At 31/12/2021	No.	Surface area *(m^2)* at 100%	Revenue excl. VAT *(€ millions)*	Potential value at 100% *(€ millions excl. VAT)*
Investments[(a)]	8	469,700	682	2,958
Property development of off-plan sales contracts[(b)]	53	885,300	1,992	1,992
DPM[(c)]	2	35,400	100	100
TOTAL	**63**	**1,390,400**	**2,774**	**5,050**
o/w Offices	54	699,800	2,269	4,450
o/w Logistics	9	690,600	505	600
o/w Regions	47	974,000	1,692	2,041
o/w Paris Region	16	416,400	1,082	3,009

(a) Potential value: market value excluding transfer duties at the date of sale, held directly or via AltaFund.
(b) Projects intended for "100% external" customers only. Potential value: revenue (excl. VAT) from signed or estimated property development or off-plan sale contracts, at 100%.
(c) Revenue excl. VAT = Potential value: capitalised fees for delegated projects.

The investment operations consist of eight projects with a potential value of nearly €3.0 billion at 100% (nearly €1.1 billion Group share) and for a cost price of approximately €2.5 billion at 100% (nearly €850 million excluding tax, Group share).

(1) This development activity does not present any commercial risk: Altarea carries only a measured amount of technical risk.
(2) AltaFund is a discretionary investment fund, created in 2011, of which Altarea is one of the contributors alongside leading institutional investors.
(3) Resold rented or not.
(4) Through marketing, sale, asset and fund management contracts.

1.2.3.3 Activity of the year

After a year in 2020 marked by delays in deliveries and delays in certain projects due to the sanitary situation and a wait-and-see attitude by operators in the face of the development of remote working, 2021 shows a strong recovery in activity at all levels of the production cycle, in Grand Paris and in the regions, and for all product categories developed by the Group (offices, head offices, university campuses, logistics platforms, hotels, etc.).

Grand Paris

The Group has made significant progress, particularly in major investment projects, with:

- the sale of 15% of **Bridge** to Crédit Agricole Assurances. This 58,000 m^2 building delivered in March 2021 is fully let to Orange and is used as its global head office. Altarea still holds 10% of this emblematic asset, which will be sold in 2022;
- the signing of a preliminary sale agreement for **Bellini** in Paris-La Défense to Swiss Life Asset Management, which will set up the head office of Swiss Life France in this iconic 18,000 m^2 building. Work began at the end of 2021 for delivery in 2024;
- the leasing of **Eria** in La Défense, whose 26,000 m^2 are entirely leased to Campus Cyber, a project supported by the French government, which was looking for a central and functional location to house public and private cybersecurity players. This building was inaugurated by Bruno Le Maire, Minister of the Economy, Finance and Recovery in February 2022;
- signing of the **Louis le Grand** project in Paris as a co-investment with JP Morgan Global Alternatives, which consists of the restructuring of seven office buildings totalling 14,000 m^2;
- the delivery of a 5,000 m^2 university campus for **ICAM** (Institut Catholique des Arts et Métiers) in Lieusaint-Sénart in Seine-et-Marne, by Pitch Immo.

Regional cities

As the leading Business property developer in the regions, Altarea has been able to capitalise on its know-how to meet the expectations of this fast-growing market. 2021 confirms this trend, with:

- **3 projects sold:**
  - **Hexahub Occitanie** in Béziers, part of the Méridienne mixed development zone (ZAC), a logistics platform comprising five hangars with a total area of 50,000 m^2, acquired by Barings Asset Management and whose work began at the end of 2021,
  - the **#Community** building in Mérignac near Bordeaux for Groupama, acquired in an off-plan sale by Atream as part of an institutional club deal that is part of a recently launched SRI Real Estate certification initiative,
  - a 6,000 m^2 building in Villeurbanne sold to Sytral (mixed transport association for the Rhône and the Lyon urban area);
- **8 new projects secured:**
  - 2 office projects in Lyon: ***42 Deruelle***, which aims to transform the former head office of the Caisse d'Épargne Rhône-Alpes (CERA) in Lyon Part-Dieu into a mixed-use office building with 87 residential units on the upper floors and shops on the ground floor and a 6,400 m^2 building for the Inpact Group,
  - 3 projects in Aix-en-Provence totalling 20,000 m^2, including a project for Alstom, which will host its local teams, an R&D laboratory and industrial workshops in two buildings of 6,500 m^2 in total,
  - 3 new logistics operations covering nearly 105,000 m^2 in Nantes and Angers, including the off-plan lease to Logeos of a 38,000 m^2 platform, confirming the Group's growing expertise in this booming real estate sector;
- **8 deliveries** (totalling 125,000 m^2), including:
  - ***Eknow***, in Nantes, an office building sold to BNP Paribas REIM which will host the regional teams of Generali Vie, Keyence and Siemens. This building is part of a 16,000 m^2 mixed-use project, also developing 5,000 m^2 of vacant residential units and a residence for young workers,
  - an office complex and a Renault car dealer for Renault group in Marseille-Michelet as part of a large residential project delivered by Cogedim,
  - the **Orange Tolosa** campus in Balma near Toulouse, delivered by Pitch Immo, which accommodates 1,250 Orange employees on a single site. Built on a former logistics platform, the campus has benefited from a nature-friendly approach, and has been certified HQE® Commercial buildings, rating: Excellent. Well-connected and communicated, the campus has been awarded the Effinergie + and R2S level 2-star certification, proposing comfortable and dynamic workspaces with natural light,
  - **Quais des Caps** (47,000 m^2) in the Bassins à Flot district in Bordeaux, is composed of four buildings: Cap Leeuwin with 5,500 m^2 of office space, a 124-room hotel and hotel residence, Cap Comorin, Cap Horn and Cap de Bonne Espérance, which hosts a UGC cinema this summer and retail stores;
- **the launch of the EmLyon Business School.**

Developed over 30,000 m^2, including 7,000 m^2 of collaborative and experiential spaces, the campus will be delivered at the end of 2023 and will open in 2024, welcoming students to the Gerland area in the heart of Lyon's 7th district. The campus will be exemplary in the environmental field. A large park of 9,000 m^2 will allow nature and biodiversity to be reintroduced to a former industrial wasteland. This bioclimatic building allows the optimisation of building energy consumption. The building aims to achieve HQE Excellent and BREEAM® Very Good certifications.

Property Development backlog

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

(€ millions)	31/12/2021	31/12/2020	Chge
Off-plan, PDC	415	468	
o/w equity-method	*53*	*31*	
Fees (DPM)	10	11	
TOTAL	**425**	**479**	**-11%**

The backlog includes €344 million incl. tax from off-plan and PDC contracts signed in 2021, compared to €161 million in 2020.

Commitments

(€ millions) Group share	Investment	Property Development	Total
Already paid out	**147**	**59**	**206**
o/w not let or not sold	*57*	-	
To be paid out	**297**	**-**	**297**
o/w not let or not sold	*87*	-	
TOTAL COMMITMENTS	**444**	**59**	**503**

For investment projects, the Group's commitments correspond to the obligations of equity contributions in operations.

As **for new developments**, commitments are limited to the amount of studies for projects being arranged. Regarding projects under construction, financial commitments are covered by calls for funds (except "blank" transactions).

Pipeline at 31 December 2021

		Property Development			
	Surface area *(m²)*	Type	Revenue *(€ millions excl. VAT)*[a]	Potential value at 100% *(€ millions excl. VAT)*[b]	Progress[c]
Landscape (La Défense)	70,100	Invest			To be delivered
Tour Eria (La Défense)	26,600	Invest			Delivered/let
Bellini (La Défense)	18,100	Invest			Under construction/ Sold
42 Deruelle (Lyon)	22,700	Invest			Secured
Bollène (Lyon)	260,000	Invest			Secured
PRD-Montparnasse (Paris)	56,200	Invest			Secured/let
Louis le Grand	13,900	Invest			Secured
Saussure (Paris)	2,100	Invest			Secured
Investments (8 projects)	**469,700**		**682**	**2,958**	
Belvédère (Bordeaux)	50,200	off-plan sale			Under construction
Cœur de Ville – Hugo Building (Issy-les-Mx)	25,700	PDC			Under construction
Amazing Amazones – EuroNantes (Nantes)	19,100	off-plan sale			Under construction
Cœur de Ville – Leclerc & Vernet (Issy-les-Mx)	15,200	PDC			Under construction
Bobigny-La Place	9,800	off-plan sale			Under construction
Adriana (Marseille)	9,700	off-plan sale			Under construction
Gravity (Lyon)	4,800	off-plan sale			Under construction
Villeurbanne	13,000	off-plan sale			Under construction
emlyon Business School (Lyon)	29,400	PDC			Under construction
Cœur d'Orly (Orly)	30,700	PDC			Secured
Haute Borne (Villeneuve d'Ascq)	11,900	off-plan sale			Secured
Cambacerès (Montpellier)	10,000	off-plan sale			Secured
Other Office projects (33 projects)	*225,300*	*PDC/Off-plan*			
Technoparc (Collegien – Greater Paris)	11,800	off-plan sale			Under construction
Hexahub Occitanie (Béziers)	50,400	PDC			Under construction
Hexahub Paris Region (Seine et Marne)	68,200	PDC			Secured
Puceul (Nantes)	37,600	Off-plan lease			Secured
Other Logistics projects (4 projects)	*262,500*	*PDC/Off-plan*			*Secured*
"100% external" property development (53 projects)	**885,300**		**1,992**	**1,992**	
DPM (2 projects)	**35,400**	**DPM**	**100**	**100**	
TOTAL PROPERTY DEVELOPMENT PORTFOLIO (63 PROJECTS)	**1,390,400**		**2,774**	**5,050**	

(a) PDC/Off-plan: amount excluding tax of contracts signed or estimated at 100%. DPM: capitalised fees.
(b) Potential value: market value excluding project rights. Investments: potential value at disposal date for investment projects (at 100%). Projects intended for "100% external" customers (off-plan/PDC): amount excluding VAT of contracts signed or estimated (at 100%, or in proportion for projects under joint control). DPM: contracts, capitalised fees.
(c) Secured projects: projects either fully or partly authorised, where the land has been acquired or for which contracts have been exchanged, but on which construction has not yet begun.

1.3 Consolidated results

1.3.1 Consolidated results at 31 December 2021

Altarea's revenue amounted to €3,030 million, almost stable year-on-year. Recurring net income (FFO) Group share, at €264.4 million, increased by €34.1 million compared to 2020 (*i.e.* +14.8%), with positive contribution from all businesses:

- +€3.4 million in Retail (or +4.5%);
- +€1.9 million in Residential (or +1.5%);
- +€26.6 million in Business Property (or +83.0%), helped, as expected, by 2020 income carried forward linked to the sale of 15% of Bridge at the beginning of 2021 and by the ramp-up of activity in regional cities;
- +€2.2 million other miscellaneous.

Per share, the FFO Group share was €14.35 (+9.3%) after taking into account the dilutive effect of the shares created in 2021[(1)] and the application of IAS 33[(2)].

In M€	Retail	Residential	Business Property	Other (Corporate)	Funds from operations (FFO)	Changes in value, estimated expenses and transaction costs	TOTAL
Revenue	**216.8**	**2498.0**	**314.9**	**0.1**	**3,029.8**	**–**	**3,029.8**
Change vs. 31/12/2020	*+0.2%*	*+3.4%*	*-25.5%*	*n.a.*	*-0.9%*		*-0.9%*
Net rent	162.5	–	–	–	162.5	–	162.5
Property margin	(1.0)	204.0	34.2	(0.1)	237.1	0.1	237.2
External services	23.8	13.3	9.8	0.1	46.9	–	46.9
Net income	**185.3**	**217.3**	**44.0**	**0.0**	**446.6**	**0.1**	**446.7**
Change vs. 31/12/2020	*+4.5%*	*+2.3%*	*+56.0%*	*n.a.*	*+6.9%*		
Own work capitalised and production held in inventory	8.6	177.7	10.3	–	196.6	–	196.6
Operating expenses	(45.6)	(227.3)	(26.2)	(1.8)	(300.9)	(30.6)	(331.5)
Net overhead expenses	**(37.0)**	**(49.6)**	**(15.8)**	**(1.8)**	**(104.3)**	**(30.6)**	**(134.9)**
Share of equity-method affiliates	3.8	12.0	46.9	n.a.	62.6	(5.2)	57.5
Income/loss on sale of assets Retail						(1.2)	(1.2)
Change in value, estimated expenses and transaction costs – Retail						17.3	17.3
Calculated expenses and transaction costs – Residential						(20.5)	(20.5)
Calculated expenses and transaction costs – Business Property						1.0	1.0
Other provisions Corporate						(20.1)	(20.1)
Operating income	**152.1**	**179.6**	**75.0**	**(1.8)**	**404.9**	**(59.2)**	**345.8**
Change vs. 31/12/2020	*+2.6%*	*+1.5%*	*+49.0%*	*n.a.*	*+9.0%*		
Net borrowing costs	(26.2)	(13.4)	(9.5)	–	(49.2)	(5.4)	(54.6)
Other financial results	(13.0)	(5.0)	(2.2)	–	(20.1)	(8.6)	(28.7)
Gains/losses in the value of financial instruments	–	–	–	–	–	5.7	5.7
Proceeds from the disposal of investments	–	–	–	–	–	7.9	7.9
Corporate income tax	(1.5)	(13.6)	(4.9)	–	(20.1)	6.2	(13.9)
Net result	**111.4**	**147.6**	**58.4**	**(1.8)**	**315.6**	**(53.4)**	**262.1**
Non-controlling interests	(33.5)	(17.9)	0.2	–	(51.2)	0.7	(50.5)
NET INCOME, GROUP SHARE	**77.9**	**129.7**	**58.6**	**(1.8)**	**264.4**	**(52.7)**	**211.6**
Change vs. 31/12/2020	*+4.5%*	*+1.5%*	*+83.0%*	*n.a.*	*+14.8%*		
Diluted average number of shares					18,424,086		
NET INCOME, GROUP SHARE PER SHARE					**14.35**		
Change vs. 31/12/2020					*+9.3%*		

(1) *Creation of 3,017,432 shares (60,580 for the FCPE, 482,385 to pay the 2020 scrip dividend, 2,435,190 in respect of the cash capital increase with preferential subscription rights and 39,277 for the Reuilly acquisition).*

(2) *Retrospective correction of the average number of shares to take account of the preferential subscription rights assimilated to a bonus share issue to shareholders. The average number of shares reported in 2020 (17,081,054) has been adjusted to 17,539,018, equivalent to FFO per share in 2020 of €13.13 rather than the reported figure of €13.48.*

1.3.1.1 FFO[1]

FFO Retail

(€ millions)	2021	2020	Change
Rental income	186.7	184.9	
Expenses (including bad debt)	(24.2)	(25.6)	
Net rent	**162.5**	**159.3**	**+2.0%**
% of rental income	*87.0%*	*86.2%*	
External services	23.8	17.9	
Own work capitalised & production	8.6	5.6	
Operating expenses	(45.6)	(38.0)	
Contribution of EM associates	3.8	3.4	
Property margin	(1.0)	0.1	
Operating income – Retail	**152.1**	**148.2**	**+2.6%**
Net borrowing costs	(26.2)	(30.0)	
Other financial results	(13.0)	(2.4)	
Corporate income taxes	(1.5)	(6.0)	
Non-controlling interests	(33.5)	(35.3)	
FFO RETAIL	**77.9**	**74.5**	**+4.5%**

The increase in retail FFO is mainly due to the increase in net rental income of +€3.2 million, which is explained by scope effects and the gradual return to a stable situation.

FFO Residential

(€ millions)	2021	2020	Change
Revenue by% of completion	2,484.7	2,406.9	+3.2%
Cost of sales and other expenses	(2,280.7)	(2,204.5)	
Net property income	**204.0**	**202.3**	**+0.8%**
% of revenue	*8.2%*	*8.4%*	
External services	13.3	10.1	
Production held in inventory	177.7	163.0	
Operating expenses	(227.3)	(209.1)	
Contribution of EM associates	12.0	10.8	
Operating income – Residential	**179.6**	**177.0**	**+1.5%**
% of revenue	*7.2%*	*7.4%*	
Net borrowing costs	(13.4)	(11.6)	
Other financial results	(5.0)	(3.8)	
Corporate income taxes	(13.6)	(12.5)	
Non-controlling interests	(17.9)	(21.3)	
FFO RESIDENTIAL	**129.7**	**127.8**	**+1.5%**

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

The operating margin was almost stable: the still significant contribution of block sales at lower margins notarised in 2020 was partially offset by transactions launched in 2021 at higher margins.

In total, the Residential operating income increased by +1.5% over the year and by +5.8% compared to 2019.

(1) Funds from operations (FFO): net profit excluding changes in value, estimated expenses, transaction fees and changes in differed tax. Group share.

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 associates: profits made on partnership investment projects.

(€ millions)	2021	2020	Change
Revenue by% of completion	305.2	416.5	-26.7%
Cost of sales and other expenses	(271.0)	(394.5)	
Net property income Business	**34.42**	**22.0**	**55.5%**
% of revenue	*11.2%*	*5.3%*	
External services	9.8	6.2	
Production held in inventory	10.3	13.9	
Operating expenses	(26.2)	(29.4)	
Contribution of EM associates	46.9	37.6	
Operating income – Business	**75.0**	**50.3**	**+49.0%**
% of revenue + ext. serv.	*23.8%*	*11.9%*	
Net borrowing costs	(9.5)	(9.0)	
Other financial results	(2.2)	(1.5)	
Corporate income taxes	(4.9)	(8.1)	
Non-controlling interests	0.2	0.2	
FFO BUSINESS PROPERTY	**58.6**	**32.0**	**+83.0%**

Although revenue was down (-26.7%), the real estate margin increased by +€12.2 million (+55.5%), driven by the ramp-up of the Business property business in the regions.

As expected, Business Property FFO booked the profits from several deliveries postponed from 2020, including the sale of 15% of Bridge (the balance of this project should be sold in 2022).

As a result, the Business Property FFO amounted to €58.6 million, up +83.0%.

1.3.1.2 FFO per share

The FFO Group share came out at €14.35/share (+9.3%). FFO growth in 2021 (+14.8%) largely offset the dilutive effect of the creation of new shares[(1)] and application of IAS 33[(2)]. The average number of shares in 2021 was thus 18,424,086 compared to 17,539,018 in 2020 (+5.1%).

1.3.1.3 Dividend per share

Altarea will propose to the Annual General Meeting called to approve the 2021 financial statements on 24 May 2022, the payment of a dividend of €9.75 per share[(3)] (vs €9.50 in 2020[(4)]) in respect of the current financial year.

(1) Creation of 3,017,432 shares (60,580 for the FCPE, 482,385 to pay the 2020 scrip dividend, 2,435,190 in respect of the cash capital increase with preferential subscription rights and 39,277 for the Reuilly acquisition).

(2) Retrospective correction of the average number of shares to take account of the preferential subscription rights assimilated to a bonus share issue to shareholders. The average number of shares reported in 2020 (17,081,054) has been adjusted to 17,539,018, equivalent to FFO per share in 2020 of €13.13 rather than the reported figure of €13.48.

(3) Decision of the Supervisory Board on 16 November 2021.

(4) An increase of +2.6% compared to 2020, and +17% in amount (from €166.1 million for 2020 to €196.1 million for 2021).

1.3.2 Net asset value (NAV)

1.3.2.1 Going concern NAV (fully diluted)[1] at €157.4/share

	31/12/2021				31/12/2020	
NAV – Group	*(€ millions)*	**Chge**	*€/share*	**Chge**	*(€millions)*	*€/share*
Consolidated equity, Group share	**2,236.3**		**110.2**		**1,758.5**	**101.8**
Other unrealised capital gains	874.3				867.0	
Deferred tax on the balance sheet for non-SIIC assets[a]	19.4				20.9	
Fixed-rate market value of debt	(34.7)				(58.6)	
Effective tax for unrealised capital gains on non-SIIC assets[b]	(26.6)				(24.8)	
Optimisation of transfer duties[b]	83.1				86.6	
Partners' share[c]	(18.5)				(18.3)	
NNNAV (NAV LIQUIDATION)	**3,133.2**	**+19.1%**	**154.4**	**+1.4%**	**2,631.3**	**152.3**
Estimated transfer duties and selling fees	62.4				72.0	
Partners' share[c]	(0.4)				(0.5)	
GOING CONCERN NAV (FULLY DILUTED)	**3,195.2**	**+18.2%**	**157.4**	**+0.6%**	**2,702.7**	**156.4**
Number of diluted shares:	*20,293,271*				*17,275,839*	

(a) International assets.
(b) Depending on disposal structuring (asset deal or securities deal).
(c) Maximum dilution of 120,000 shares.

At 31 December 2021, shareholders' equity increased as a result of capital transactions as well as the profits generated during the financial year. Other unrealised capital gains (Property Development, Asset Management, Business Property Investment) were virtually stable compared to 2020 despite the improvement in results and outlook.

1.3.2.2 Change in going concern NAV (fully diluted)

After taking into account the dilutive impact of the capital increases of €-1.9/share[2], the diluted net asset value increased by 0.6% to €157.4/share.

Going concern NAV (fully diluted)	*in €m*	*€/share*
NAV at 31 December 2020	**2,702.7**	**156.4**
Capital increases (dilutive impact)	432.9	(1.9)
Dividend	(166.1)	(9.50)
FFO Group share 2021	264.4	14.35
Property Development & Asset management	4.2	0.2
Retail	26.5	1.3
Financial Instruments	(10.5)	(0.5)
IFRS 16[a]	(14.5)	(0.7)
Deferred tax	(7.1)	(0.3)
Transaction costs[b]	(14.9)	(0.7)
Others[c]	(22.5)	(1.1)
NAV AT 31 DECEMBER 2021	**3,195.2**	**157.4**
vs. 31 December 2020	*+18.2%*	*+0.6%*

(a) Depreciation of right-of-use assets.
(b) Including Primonial costs.
(c) Including depreciation, IFRS2 expense, change in value of fixed-rate debt and partners' share.

(1) Market value of equity view of maintaining the Group's activity and considering the potential dilutive effect resulting from the partnership limited by shares (SCA) status.
(2) Creation of 3,017,432 shares (60,580 for the FCPE, 482,385 for the payment of the 2020 dividend in shares, 2,435,190 for the capital increase with preferential subscription rights and 39,277 for the Reuilly acquisition).

1.3.2.3 Calculation basis

Asset valuation

Investment properties

Property assets are represented at their appraisal value in the Group's IFRS statements (Investment properties).

Retail assets are assessed by Cushman & Wakefield and Jones Lang LaSalle. The value of the portfolio breaks down by appraiser as follows:

Appraiser	Portfolio	% of value, incl. transfer duties
Jones Lang LaSalle	France & International	43%
Cushman & Wakefield	France & International	56%
CBRE	France	1%

The appraisers use two methods:

- discounting cash flows (DCF method), with resale value at the end of the period;
- capitalisation of net rental income, based on a rate of return that includes the site's characteristics and rental income (taking into account variable rent and market rent of vacant premises, adjusted for all charges incumbent upon the owner).

These valuations are conducted in line with the criteria set out in the Red Book – Appraisal and Valuation Standards, published by the Royal Institution of Chartered Surveyors. The surveyors' assignments were all carried out in accordance with the recommendations of the COB/AMF "Barthès de Ruyter working group" and comply fully with the instructions of the Appraisal Charter of Real Estate Valuation (Charte de l'Expertise en Évaluation Immobilière) updated in 2017. Surveyors are paid lump-sum compensation based on the size and complexity of the appraised properties. Compensation is therefore totally independent of the results of the valuation assessment.

Other assets

The unrealised capital gains on other assets consist of:

- the Residential and Business Property Development divisions (Cogedim, Pitch Immo, Histoire & Patrimoine and Severini);
- the Business Property Investment division (AltaFund, Bridge and the Issy Cœur de Ville offices); and
- Retail Asset Management (Altarea France) and Business Property (Altarea Entreprise Management) divisions.

These assets are appraised once per year by external appraisers on annual closing: Retail Asset management (Altarea France) is valued by Accuracy, the Property Development division (Residential and Business property) and the Business Property Investment division & Asset management division are valued by appraisers Accuracy and 8Advisory.

The method used by Accuracy uses the discounted cash flow method (DCF) in conjunction with a terminal value based on normalised cash flow. Accuracy provides a range of values calculated using different scenarios. In addition to its DCF valuation, Accuracy also provides a valuation based on listed peer group comparables.

8Advisory uses a multi-criteria DCF-based approach, an approach using multiples from listed peer Group and multiples from comparable transactions when these can be based on relevant transactions.

Tax

Most of Altarea's Property Portfolio is not subject to capital gains tax under the SIIC regime. The exceptions are a limited number of assets which are not SIIC-eligible due to their ownership method, and assets owned outside France. For these assets, capital gains taxes on disposals are deducted directly from the consolidated financial statements at the standard tax rate in the host country, based on the difference between the market value and taxes value of the property assets.

Altarea took into account the ownership methods of non-SIIC assets to determine Going Concern NAV after tax, since the tax reflects the tax that would effectively be paid if the securities of the Company were sold or if the assets were sold building by building.

Transfer taxes

Investment properties have been recognised in the IFRS consolidated financial statements at appraisal value excluding transfer taxes. To calculate Going Concern NAV, however, transfer duties were added back in the same amount. In Altarea's NNNAV, duties are deducted either on the basis of a transfer of securities or building by building based on the legal status of the organisation holding the asset.

Partners' share

The partners' share represents the maximum dilution provided for under the Group's Articles of Association in the case of liquidation by a partner (where the General Partner would be granted 120,000 shares).

1.4 Financial resources

1.4.1 2021 highlights

New financing

In 2021, the Group signed a Green Loan in club deal format with a term of 7 years to refinance the mortgage of CAP3000, up to EUR 350 million.

€990 million equity raised

To date, the Group has raised nearly €1 billion since 1 January 2021, in various forms:

- €**350.1** million *via* a capital increase with preferential subscription rights, resulting in the issue of 2,435,190 new shares at a subscription price of €143.75 per share;

At the end of the subscription period, which closed on 2 December 2021, total demand was €434 million, *i.e.* a subscription rate of 124%:

- 2,371,236 new shares were subscribed on an irreducible basis, representing 97.4% of the new shares to be issued,
- and the request on a reducible basis related to 649,995 new shares and was consequently partially allocated, in the amount of 63,954 new shares.

  At the end of the settlement-delivery, the share capital of Altarea amounted to nearly €310 million, composed of 20,293,271 shares, broken down as follows:

	Number of voting rights and shares			
Shareholder	**theoretical**		**actual**	
Founders concert[a]	9,065,267	44.7%	9,065,267	45.1%
Enhanced Concert[b]	**9,117,534**	**44.9%**	**9,117,534**	**45.3%**
Crédit Agricole Assurances	5,003,929	24.7%	5,003,929	24.9%
ABP (APG)	1,438,606	7.1%	1,438,606	7.2%
Opus Inv. and C. de Gournay	329,278	1.6%	329,278	1.6%
BPCE VIE	202,932	1.0%	202,932	1.0%
SOGECAP	204,543	1.0%	204,543	1.0%
Treasury Shares	175,201	0.9%	-	-
Public (including FCPE)	3,821,248	18.8%	3,821,248	19.0%
TOTAL	**20,293,271**	**100%**	**20,118,070**	**100%**

(a) Alain Taravella and Jacques Nicolet, founders of the Group, acting in concert, as well as members of their families and the companies they control (AltaGroupe, Altager, Alta Patrimoine and Everspeed).
(b) Concert existing between the founders, defined above, and Jacques Ehrmann.

- €**75.0** million for the 2020 partial scrip dividend which was hugely successful, attracting a subscription rate of 91.59%, resulting in the creation of 482,385 new shares on 26 July;
- €**7.8** million[1] from the FCPE (employee mutual fund) which subscribed to a reserved capital increase (resulting in the creation of 60,580 new shares) testifying to the commitment of the Group's employees.
- €**5.2** million for the acquisition of the Reuilly urban logistics site (Paris 12th arrondissement) partially paid in securities;
- €**66.6** million through the Alta Blue (CAP3000 partnership) capital increase, recognised in minority equity;
- €**485** million[2] as part of the partnerships signed with Crédit Agricole Assurances for a billion euros in Retail assets *via* two funds (Alta Retail parks signed in December 2021 and Alta Infrastructures signed in early 2022), owned 51% by Altarea and 49% by Crédit Agricole Assurances.

(1) Average subscription of €5,843 per employee subscribing.
(2) Including €215 m in 2022.

1.4.2 Available cash

At 31 December 2021, Altarea had available cash of €3,429 million (€3,378 million at 31 December 2020). Available cash breaks down as follows:

Available *(€ millions)*	Cash	Unused credit facilities	Total
At Corporate level	1,068	1,196	2,264
At project level	814	351	1,165
TOTAL	**1,882**	**1,547**	**3,429**

Unused credit lines at corporate level consist of €1,159 million in RCFs[(1)] with an average maturity of two years and ten months, and a single maturity of €50 million within the next 12 months.

Given the Group's liquidity and the continued access to the market in the short-term, as of 31 December 2021 no RCF was drawn. The Group does not intend to draw on corporate RCFs for several months.

1.4.3 Short and medium-term financing

The Group has two NEU CP programmes[(2)] (issues up to one year) and two NEU MTN programmes[(3)] (issues in excess of one year) for the companies Altarea and Altareit.

As of 31 December 2021, the total outstanding was €759 million with an average maturity of 7 months, with the following breakdown:

(€ millions)	Neu CP	Neu MTN	Total
Altarea	280	70	350
Altareit	292	117	409
TOTAL	**572**	**187**	**759**

1.4.4 Net debt[(4)]

Change in net debt in 2021

(€ millions)	
Net debt at 31/12/2020	**2,193**
Capital increase	(357)
Net dividend	117
FFO	(265)
Sub-total	**1,688**
Alta Blue capital increase	(67)
Capex	107
Disposals & partnerships (retail parks, Bridge, etc.)	(328)
WCR Property Development	120
Other financial items	105
Others	21
NET DEBT AT 31/12/2021	**1,646**

(1) Revolving credit facilities (confirmed credit facilities), excluding Primonial acquisition loan.
(2) NEU CP (negotiable European commercial paper).
(3) NEU MTN (negotiable European medium term note).
(4) Net bank and bond debt.

Net debt structure

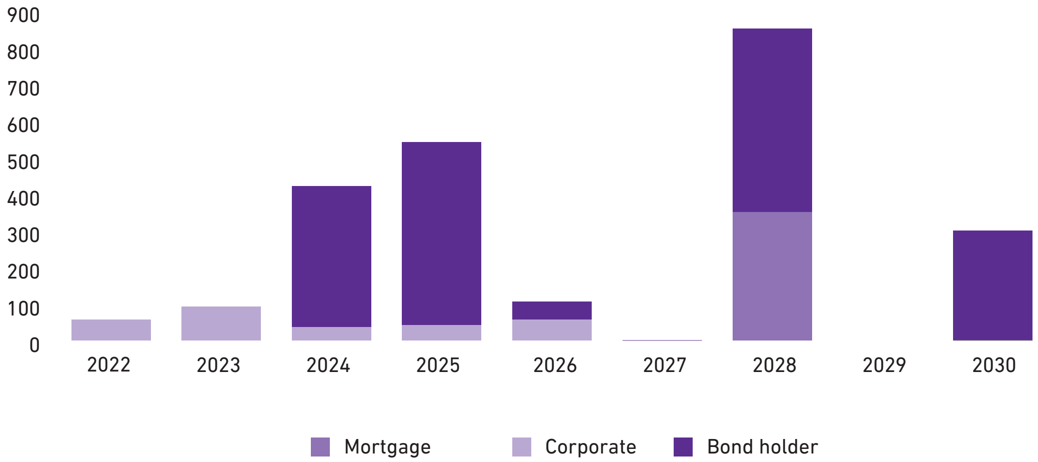
(€ millions)	31/12/2021	31/12/2020
Corporate and bank debt	276	274
Credit markets[a]	2,508	2,628
Mortgage debt	348	401
Debt on property development	138	167
TOTAL GROSS DEBT	**3,270**	**3,470**
Cash and cash equivalents	(1,625)	(1,277)
TOTAL NET DEBT	**1,646**	**2,193**

(a) This debt includes bond debt and €759 million in NEU CTP and NEU MTN.

Average gross duration[1] is four years and six months, compared to five years and one month at 31 December 2020.

Long-term debt by maturity[2]

The chart below (in €m) presents Group's debt by maturity.



Long-term debt maturities over the next 12 months are limited to €56 million (maturity of a term loan of €50 million in July 2022 and a €6 million repayment on a term loan due in January 2026).

The maturities in 2028 include the CAP3000 mortgage loan of €350 million granted in June 2021.

Hedging: nominal amount and average rate

The hedging profile of interest rate swaps is as follows:

In progress at end	Fixed-rate payer swaps[a]	Floating-rate payer swaps[a]	Fixed-rate debt *(€ millions)*[a]	Coverage rate[b]
2022	500	700	1,798	76%
2023	500	700	1,798	78%
2024	1,025	700	2,332	105%
2025	1,025	300	2,338	130%
2026	525	300	1,338	108%

(a) After hedging, prorata consolidation.
(b) Annual coverage of long-term debt (excluding NEU CP, NEU MTM and property development debt).

In addition, the Group has €262.5 million in out-of-the-money interest rate options (caps), expiring in 2028.

In December 2021, the Group executed a €525 million rate swap program (with a 7-year maturity).

Average cost of debt: 1.80%[3] (-14 bps)

The decrease in the average cost of debt (*versus* 1.94% at 31 December 2020) is the result of the dynamic management of the swap portfolio and debt rotation, taking advantage of the fall in interest rates and credit spreads in 2021.

(1) Excluding NEU CP, Property Development debt.
(2) Excluding NEU CP, NEU MTN, Property Development debt.
(3) Including related fees (commitment fees, non-use fees, etc.).

1.4.5 Financial ratings and ratios

Credit rating

On 30 June 2021, the rating agency S&P Global confirmed its Investment Grade rating of the Altarea Group with a rating of BBB- and negative outlook. This rating was confirmed by the agency on 18 March 2022.

Loan to Value (LTV)

The LTV ratio compares consolidated net bond and bank debt to the consolidated market value of Group assets.

As of 31 December 2021, it stands at 24.1% (33.0% as of 31 December 2020).

(€ millions)	31/12/2021	31/12/2020
Gross debt	3,271	3,470
Cash and cash equivalents	(1,626)	(1,277)
Consolidated net debt	**1,646**	**2,193**
Retail at value (FC)[a]	4,064	3,982
Retail at value (EM securities), other[b]	193	212
Investment properties valued at cost[c]	205	213
Business Property investments[d]	220	276
Enterprise value of Property Development	2,135	1,969
Market value of assets	**6,816**	**6,651**
LTV RATIO	**24.1%**	**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 Business Property assets.

Net Debt to EBITDA ratio[1]

At 31 December 2021, the Net Debt to EBITDA ratio stood at 4.1x, compared with 5.9x at 31 December 2020.

Covenants

	Covenant	31/12/2021	31/12/2020	Delta
LTV[a]	≤ 60%	24.1%	33.0%	-8.9 pts
ICR[b]	≥ 2.0 x	8.2x	7.3x	+0.9 x

(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").

At 31 December 2021, the financial position of the Group fully satisfied all of the covenants of its various credit contracts.

(1) Trailing Operating income FFO over twelve months compared to net bond and bank debt.

2

CONSOLIDATED FINANCIAL STATEMENTS 2021

2.1 Financial Statements

Consolidated balance sheet

(€ millions)	Note	31/12/2021	31/12/2020
Non-current assets		**5,170.8**	**5,132.2**
Intangible assets	7.2	332.5	330.4
o/w Goodwill		*209.4*	*209.4*
o/w Brands		*105.4*	*105.4*
o/w Other intangible assets		*17.7*	*15.7*
Property, plant and equipment		27.8	26.1
Right-of-use on intangible assets and property, plant and equipment	7.3	128.4	140.3
Investment properties	7.1	4,176.8	4,024.6
o/w Investment properties in operation at fair value		*3,814.5*	*3,649.0*
o/w Investment properties under development and under construction at cost		*192.8*	*211.1*
o/w Right-of use on Investment properties		*169.6*	*164.6*
Securities and investments in equity affiliates	4.5	459.4	579.6
Non-current financial assets	4.6	22.0	12.6
Deferred taxes assets	5.3	24.1	18.5
Current assets		**4,188.5**	**3,817.8**
Net inventories and work in progress	7.4	922.6	859.3
Contract assets	7.4	714.1	741.2
Trade and other receivables	7.4	858.2	828.0
Income credit		19.5	11.4
Current assets	4.6	28.3	22.0
Derivative financial instruments	8	12.0	1.1
Cash and cash equivalents	6.2	1,625.5	1,277.5
Assets held for sale	7.1	8.3	77.4
TOTAL ASSETS		**9,359.4**	**8,950.0**

(€ millions)	Note	31/12/2021	31/12/2020
Equity		**3,543.6**	**2,716.7**
Equity attributable to Altarea SCA shareholders		**2,236.2**	**1,758.5**
Share capital	6.1	310.1	264.0
Other paid-in capital		513.9	233.8
Reserves		1,200.5	1,568.5
Income associated with Altarea SCA shareholders		211.6	(307.7)
Equity attributable to minority shareholders of subsidiaries		**1,307.4**	**958.2**
Reserves associated with minority shareholders of subsidiaries		1,033.4	979.1
Other equity components, Subordinated Perpetual Notes		223.5	195.1
Income associated with minority shareholders of subsidiaries		50.5	(216.0)
Non-current liabilities		**3,036.5**	**2,630.5**
Non-current borrowings and financial liabilities	6.2	2,891.7	2,500.2
o/w Participating loans and advances from associates		*59.3*	*71.3*
o/w Bond issues		*1,723.2*	*1,720.4*
o/w Borrowings from lending establishments		*681.7*	*379.4*
o/w Negotiable European Medium Term Note		*122.0*	*25.0*
o/w Lease liabilities		*138.2*	*149.4*
o/w Contractual fees on investment properties		*167.2*	*154.8*
Long-term provisions	6.3	36.8	24.0
Deposits and security interests received		38.7	36.6
Deferred tax liability	5.3	69.4	69.7
Current liabilities		**2,779.2**	**3,602.8**
Current borrowings and financial liabilities	6.2	838.5	1,569.8
o/w Bond issues		*26.2*	*254.6*
o/w Borrowings from lending establishments		*67.4*	*458.9*
o/w Negotiable European Commercial Paper		*637.0*	*628.0*
o/w Bank overdrafts		*13.6*	*3.9*
o/w Advances from Group shareholders and partners		*75.6*	*199.4*
o/w Lease liabilities		*16.1*	*1.1*
o/w Contractual fees on investment properties		*2.6*	*24.0*
Derivative financial instruments	8	16.7	36.3
Contract liabilities	7.4	168.1	177.3
Trade and other payables	7.4	1,740.6	1,798.4
Tax due		15.2	21.0
TOTAL LIABILITIES		**9,359.4**	**8,950.0**

Statement of consolidated comprehensive income

(€ millions)	Note	31/12/2021	31/12/2020
Rental income		186.7	184.9
Property expenses		(1.9)	(1.9)
Unrecoverable rental expenses		(8.9)	(8.7)
Expenses re-invoiced to tenants		*55.1*	*53.4*
Rental expenses		*(64.0)*	*(62.2)*
Other expenses		(1.6)	1.2
Net charge to provisions for current assets		(11.8)	(16.1)
Net rental income	5.1	**162.5**	**159.3**
Revenue		2,796.2	2,837.0
Cost of sales		(2,446.5)	(2,496.4)
Other income		(102.4)	(107.0)
Net charge to provisions for current assets		(10.1)	(9.2)
Amortisation of customer relationships		–	(0.6)
Net property income	5.1	**237.2**	**223.8**
External services		46.9	34.3
Own work capitalised and production held in inventory		196.6	182.5
Personnel costs		(253.6)	(225.3)
Other overhead expenses		(68.1)	(71.5)
Depreciation expenses on operating assets		(29.5)	(31.8)
Net overhead expenses		**(107.6)**	**(111.9)**
Other income and expenses		(9.8)	0.4
Depreciation expenses		(0.2)	(1.9)
Transaction costs		(14.9)	(2.3)
Others		**(24.9)**	**(3.8)**
Proceeds from disposal of investment assets		8.9	380.3
Carrying amount of assets sold		(10.2)	(385.0)
Net gain/(loss) on disposal of investment assets		**(1.3)**	**(4.7)**
Change in value of investment properties	7.1	39.9	(580.7)
Net impairment losses on investment properties measured at cost		(4.8)	(59.8)
Net impairment losses on other non-current assets		(1.2)	(0.1)
Net charge to provisions for risks and contingencies		(11.5)	1.6
Impairment of goodwill		–	(1.0)
OPERATING INCOME BEFORE THE SHARE OF NET INCOME OF EQUITY-METHOD AFFILIATES		**288.3**	**(377.4)**
Share in earnings of equity-method affiliates	4.5	19.1	50.2
OPERATING INCOME AFTER THE SHARE OF NET INCOME OF EQUITY-METHOD AFFILIATES		**307.4**	**(327.2)**
Net borrowing costs	5.2	(54.6)	(68.8)
Financial expenses		*(68.5)*	*(75.8)*
Financial income		*13.9*	*7.0*
Other financial results	5.2	(28.7)	(17.1)
Change in value and income from disposal of financial instruments	5.2	5.7	(56.5)
Net gain/(loss) on disposal of investments		46.2	0.8
Profit before tax		**276.1**	**(468.8)**
Corporate income tax	5.3	(13.9)	(54.9)
NET INCOME		**262.1**	**(523.8)**
o/w attributable to shareholders of Altarea SCA		**211.6**	**(307.7)**
o/w attributable to minority interests in subsidiaries		50.5	(216.0)
Average number of undiluted shares[a]		18,024,260	17,308,818
Net Income per share attributable to shareholders of Altarea SCA *(€)*	**5.4**	**11.74**	**(17.78)**
Diluted average number of shares[a]		18,424,086	17,539,018
Diluted net income per share attributable to shareholders of Altarea SCA *(€)*	**5.4**	**11.49**	**(17.55)**

(a) In accordance with IAS 33, the weighted average number of shares (diluted and undiluted) is retrospectively adjusted to take into account the capital increase with preferential subscription rights that took place in December 2021.

Other comprehensive income

(€ millions)	31/12/2021	31/12/2020
NET INCOME	**262.1**	**(523.8)**
Actuarial differences on defined-benefit pension plans[(a)]	3.2	0.3
o/w Taxes	*(0.7)*	*(0.2)*
Subtotal of comprehensive income items that may not be reclassified to profit	**3.2**	**0.3**
OTHER COMPREHENSIVE INCOME	**3.2**	**0.3**
CONSOLIDATED COMPREHENSIVE INCOME	**265.3**	**(523.5)**
o/w Net comprehensive income attributable to Altarea SCA shareholders	*214.8*	*(307.4)*
o/w Net comprehensive income attributable to minority interests in subsidiaries	*50.5*	*(216.0)*

(a) Actuarial differences are impacted by the inclusion of changes in interest rates and the Group's common social base.

Consolidated cash flows statement

(€ millions)	Note	31/12/2021	31/12/2020
Cash flow from operating activities			
Total consolidated net income		**262.1**	**(523.8)**
Elimination of income tax expense (income)	5.3	13.9	549
Elimination of net interest expense (income) and dividends	5.2	83.1	85.5
Net income before tax and before net interest expense (income)		**359.2**	**(383.3)**
Elimination of share in earnings of equity-method affiliates	4.5	(19.1)	(50.2)
Elimination of depreciation and impairment		47.6	34.9
Elimination of value adjustments	7.1/5.2	(40.8)	697.0
Elimination of net gains/(losses) on disposals[1]		(45.1)	3.7
Estimated income and expenses associated with share-based payments	6.1	23.4	12.5
Net cash flow		**325.2**	**314.6**
Tax paid		(34.7)	(13.7)
Impact of change in operational working capital requirement (WCR)	7.4	(76.5)	144.0
CASH FLOW FROM OPERATIONS		**214.0**	**444.9**
Cash flow from investment activities			
Net acquisitions of assets and capitalised expenditures	7.1	(106.6)	(125.7)
Gross investments in equity affiliates	4.5	(59.3)	(79.9)
Acquisitions of consolidated companies, net of cash acquired	4.3	(17.7)	(6.0)
Other changes in Group structure		0.2	2.0
Increase in loans and advances		(35.9)	(146.8)
Sale of non-current assets and reimbursement of advances and down payments[1]		12.0	340.1
Disposals of equity affiliates	4.5	67.1	47.3
Disposals of consolidated companies, net of cash transferred	4.3	134.2	4.8
Reduction in loans and other financial investments		21.4	28.4
Net change in investments and derivative financial instruments	5.2	(18.2)	(72.8)
Dividends received		125.3	34.2
Interest income on loans		8.8	7.5
CASH FLOW FROM INVESTMENT ACTIVITIES		**131.3**	**33.2**
Cash flow from financing activities			
Capital increase[2]		357.9	7.6
Subordinated Perpetual Notes[3]		28.4	–
Share of minority interests in the capital increase of subsidiaries[4]		211.3	–
Dividends paid to Altarea SCA shareholders	6.1	(91.0)	(90.0)
Dividends paid to minority shareholders of subsidiaries		(25.5)	(10.9)
Issuance of borrowings and other financial liabilities	6.2	1,564.2	1,827.0
Repayment of borrowings and other financial liabilities	6.2	(1,914.8)	(1,667.5)
Repayment of lease liabilities	6.2	(17.8)	(6.3)
Net sales (purchases) of treasury shares	6.1	(31.3)	(5.9)
Net change in security deposits and guarantees received		2.0	(0.2)
Interest paid on financial debts		(90.4)	(86.0)
CASH FLOW FROM FINANCING ACTIVITIES		**(6.9)**	**(32.0)**
CHANGE IN CASH BALANCE		**338.4**	**446.1**
Cash balance at the beginning of the year	6.2	**1,273.6**	**827.5**
Cash and cash equivalents		1,277.5	830.2
Bank overdrafts		(3.9)	(2.7)
Cash balance at period-end	6.2	**1,612.0**	**1,273.6**
Cash and cash equivalents		1,625.5	1,277.5
Bank overdrafts		(13.6)	(3.9)

(1) Proceeds on disposals included in the calculation of net cash flow are presented net of transaction costs. Likewise, disposals of property assets are presented net of transaction costs in the cash flow from investment activities.
(2) See Changes in consolidated equity.
(3) This is the additional subscription of Subordinated Perpetual Notes subscribed by a non-controlling shareholder of a subsidiary.
(4) This relates to the minority shareholders' subscriptions to the capital increase of subsidiary Alta Blue, which owns the CAP3000 shopping centre via its subsidiary Aldeta, and Crédit Agricole Assurance Group's investment in several centres, via a reserved capital increase and sale of shares.

Changes in consolidated equity

(€ millions)	Share capital	Other paid-in capital	Elimination of treasury shares	Reserves and retained earnings	Equity attributable to Altarea SCA shareholders	Equity attributable to minority shareholders of subsidiaries	Equity
AT 1 JANUARY 2020	**255.2**	**311.8**	**(33.1)**	**1,610.6**	**2,144.4**	**1,191.1**	**3,335.5**
Net Income	–	–	–	*(307.7)*	*(307.7)*	*(216.0)*	*(523.8)*
Actuarial difference relating to pension obligations	–	–	–	*0.3*	*0.3*	*(0.0)*	*0.3*
Comprehensive income	**–**	**–**	**–**	**(307.4)**	**(307.4)**	**(216.0)**	**(523.5)**
Dividend distribution	–	*(138.1)*	–	*(13.2)*	*(151.4)*	*(19.5)*	*(170.9)*
Capital increase	*8.8*	*60.2*	–	*(0.0)*	68.9	*0.0*	*69.0*
Measurement of share-based payments	–	–	–	*9.1*	*9.1*	*0.0*	*9.1*
Elimination of treasury shares	–	–	*9.2*	*(10.9)*	*(1.8)*	–	*(1.8)*
Transactions with shareholders	**8.8**	**(78.0)**	**9.2**	**(15.1)**	**(75.1)**	**(19.5)**	**(94.6)**
Changes in ownership interests without taking or losing control of subsidiaries	–	–	–	(3.6)	(3.6)	2.6	(0.9)
Changes in ownership interests associated with taking or losing control of subsidiaries	–	–	–	–	–	–	–
Others	–	–	–	0.2	0.2	(0.0)	0.2
AS OF 31 DECEMBER 2020	**264.0**	**233.8**	**(23.9)**	**1,284.7**	**1,758.5**	**958.2**	**2,716.7**
Net Income	–	–	–	*211.6*	*211.6*	*50.5*	*262.1*
Actuarial difference relating to pension obligations	–	–	–	*3.2*	*3.2*	*0.0*	*3.2*
Comprehensive income	**–**	**–**	**–**	**214.8**	**214.8**	**50.5**	**265.3**
Dividend distribution	–	*(106.7)*	–	*(59.4)*	*(166.1)*	*(25.4)*	*(191.5)*
Capital increase	*46.1*	*386.8*	–	0.0	432.9[a]	*38.3*[b]	*471.2*
Subordinated Perpetual Notes	–	–	–	–	–	*28.4*[c]	*28.4*
Measurement of share-based payments	–	–	–	*17.4*	*17.4*	*0.0*	*17.4*
Elimination of treasury shares	–	–	*(9.8)*	*(15.9)*	*(25.7)*	–	*(25.7)*
Transactions with shareholders	**46.1**	**280.1**	**(9.8)**	**(57.9)**	**258.5**	**41.3**	**299.8**
Changes in ownership interests without taking or losing control of subsidiaries	–	–	–	2.6	2.6	257.1[d]	259.6
Changes in ownership interests associated with taking or losing control of subsidiaries	–	–	–	–	–	–	–
Others	0.0	–	–	1.8	1.8	0.4	2.2
AS OF 31 DECEMBER 2021	**310.1**	**513.9**	**(33.8)**	**1,446.0**	**2,236.2**	**1,307.4**	**3,543.6**

(a) Capital increase linked to the FCPE and option for payment of the dividend in shares for €82.8 million; Altarea SCA capital increase related to the Reuilly transaction for an amount of €5.2 million; and capital increase of 10 December 2021 for €344.9 million.
(b) The share of minority interests in the capital increase of the subsidiary Altablue.
(c) Additional subscription of Subordinated Perpetual Notes recognised in equity attributable to a minority shareholder of a subsidiary.
(d) Impact of the acquisition of Crédit Agricole Assurance in the capital of several retail parks, which resulted in an increase in the share of minority interests of €258.5 million, including the capital increase reserved to minority shareholders for €172.7 million.

The notes constitute an integral part of the consolidated financial statements.

2.2 Notes – Consolidated income statement by segment

	31/12/2021			31/12/2020		
(€ millions)	Financial resources funds from operations (FFO)	Changes in value. estimated expenses and transaction costs	Total	Financial resources funds from operations (FFO)	Changes in value. estimated expenses and transaction costs	Total
Rental income	186.7	–	186.7	184.9	–	184.9
Other expenses	(24.2)	–	(24.2)	(25.6)	–	(25.6)
Net rental income	**162.5**	**–**	**162.5**	**159.3**	**–**	**159.3**
External services	23.8	–	23.8	17.9	–	17.9
Own work capitalised and production held in inventory	8.6	–	8.6	5.6	–	5.6
Operating expenses	(45.6)	(6.7)	(52.4)	(38.0)	(5.1)	(43.1)
Net overhead expenses	**(13.2)**	**(6.7)**	**(20.0)**	**(14.5)**	**(5.1)**	**(19.6)**
Share of equity-method affiliates	**3.8**	**(3.0)**	**0.8**	**3.4**	**(15.8)**	**(12.4)**
Net allowances for depreciation and impairment	**–**	**(12.8)**	**(12.8)**	**–**	**(4.0)**	**(4.0)**
Income/loss on sale of assets	**(1.0)**	**(1.2)**	**(2.2)**	**0.1**	**(4.6)**	**(4.6)**
Income/loss in the value of investment property	**–**	**33.1**	**33.1**	**–**	**(642.1)**	**(642.1)**
Transaction costs	**–**	**(3.0)**	**(3.0)**	**–**	**(1.6)**	**(1.6)**
Operating income – Retail	**152.1**	**6.4**	**158.4**	**148.2**	**(673.3)**	**(525.1)**
Revenue	2,484.7	–	2,484.7	2,406.9	–	2,406.9
Cost of sales and other expenses	(2,280.7)	–	(2,280.7)	(2,204.5)	(0.6)	(2,205.1)
Net property income	**204.0**	**–**	**204.0**	**202.3**	**(0.6)**	**201.7**
External services	13.3	–	13.3	10.1	–	10.1
Production held in inventory	177.7	–	177.7	163.0	–	163.0
Operating expenses	(227.3)	(20.9)	(248.1)	(209.1)	(12.6)	(221.7)
Net overhead expenses	**(36.3)**	**(20.9)**	**(57.2)**	**(36.1)**	**(12.6)**	**(48.6)**
Share of equity-method affiliates	**12.0**	**(0.6)**	**11.4**	**10.8**	**(2.5)**	**8.3**
Net allowances for depreciation and impairment	**–**	**(20.5)**	**(20.5)**	**–**	**(19.0)**	**(19.0)**
Transaction costs	**–**	**–**	**–**	**–**	**(0.0)**	**(0.0)**
Operating income – Residential	**179.6**	**(42.0)**	**137.7**	**177.0**	**(34.7)**	**142.3**
Revenue	305.2	–	305.2	416.5	–	416.5
Cost of sales and other expenses	(271.0)	–	(271.0)	(394.5)	–	(394.5)
Net property income	**34.2**	**–**	**34.2**	**22.0**	**–**	**22.0**
External services	9.8	–	9.8	6.2	–	6.2
Production held in inventory	10.3	–	10.3	13.9	–	13.9
Operating expenses	(26.2)	(5.2)	(31.3)	(29.4)	(3.0)	(32.4)
Net overhead expenses	**(6.1)**	**(5.2)**	**(11.2)**	**(9.3)**	**(3.0)**	**(12.3)**
Share of equity-method affiliates	**46.9**	**(1.5)**	**45.3**	**37.6**	**17.0**	**54.6**
Net allowances for depreciation and impairment	**–**	**(1.0)**	**(1.0)**	**–**	**(1.4)**	**(1.4)**
Income/loss in the value of investment property	**–**	**2.0**	**2.0**	**–**	**1.7**	**1.7**
Transaction costs	**–**	**–**	**–**	**–**	**–**	**–**
Operating income – Business property	**75.0**	**(5.7)**	**69.3**	**50.3**	**14.3**	**64.6**
Others (Corporate)	(1.8)	(17.9)	(19.7)	(4.0)	(4.3)	(8.3)
OPERATING INCOME	**404.9**	**(59.2)**	**345.8**	**371.6**	**(698.0)**	**(326.4)**
Net borrowing costs	**(49.2)**	**(5.4)**	**(54.6)**	**(50.6)**	**(18.2)**	**(68.8)**
Other financial results	**(20.1)**	**(8.6)**	**(28.7)**	**(7.7)**	**(9.5)**	**(17.1)**
Change in value and income from disposal of financial instruments	**–**	**5.7**	**5.7**	**–**	**(56.5)**	**(56.5)**
Net gain/(loss) on disposal of investments	**–**	**7.9**	**7.9**	**–**	**(0.0)**	**(0.0)**
PROFIT BEFORE TAX	**335.7**	**(59.6)**	**276.1**	**313.3**	**(782.2)**	**(468.8)**
Corporate income tax	(20.1)	6.2	(13.9)	(26.6)	(28.4)	(54.9)
NET INCOME	**315.6**	**(53.4)**	**262.1**	**286.8**	**(810.5)**	**(523.8)**
Non-controlling interests	(51.2)	0.7	(50.5)	(56.5)	272.5	216.0
NET INCOME. GROUP SHARE	**264.4**	**(52.7)**	**211.6**	**230.3**	**(538.1)**	**(307.7)**
Diluted average number of shares[(a)]	18,424,086	18,424,086	18,424,086	17,539,018	17,539,018	17,539,018
NET INCOME PER SHARE (€/SHARE) GROUP SHARE	**14.35**	**(2.86)**	**11.49**	**13.13**	**(30.68)**	**(17.55)**

(a) In accordance with IAS 33, the weighted average number of shares (diluted and undiluted) is retrospectively adjusted to take into account the capital increase with preferential subscription rights that took place in December 2021.

2.3 Other information attached to the consolidated financial statements

DETAILED SUMMARY

NOTE 1 COMPANY INFORMATION

Altarea is a *Société en commandite par actions* (a French partnership limited by shares), the shares of which are traded on the Euronext Paris regulated market, (Compartment A). The registered office is located at 87 rue de Richelieu in Paris (France).

Altarea chose the SIIC corporate form (*Société d'Investissement Immobilier Cotée*) as of 1 January 2005.

As both a developer and investor, the Group is present in the three main real estate markets (Retail, Residential and Business property), making it the leader in major mixed-use urban renewal projects in France. The Group has the required expertise in each sector to design, develop, market, manage and exploit made-to-measure property products.

Altarea controls the company Altareit, whose shares are admitted to trading on the regulated market Euronext Paris, Compartment B.

Altarea presents its financial statements and accompanying notes in millions of euros, to one decimal point.

The consolidated financial statements for the year ended 31 December 2021 were approved by the Management on 22 February 2022 having been examined by the Audit Committee and the Supervisory Board.

NOTE 2 ACCOUNTING PRINCIPLES AND METHODS

2.1 Accounting standards applied by the Company

The accounting principles used in the preparation of the consolidated financial statements for the year are compliant with the IASB's IFRS standards and interpretations as adopted by the European Union as at 31 December 2021 and available on the following website:

http://ec.europa.eu/internal_market/accounting/ias_fr.htm#adopted-commission.

The accounting principles adopted on 31 December 2021 are the same as those used for the consolidated financial statements at 31 December 2020, with the exception of changes to the standards and interpretations adopted by the European Union applicable at 1 January 2021.

The information relating to the financial year ended 31 December 2020, presented in the Universal Registration Document filed with the AMF on 19 March 2021 under number D.21-0158 is incorporated by reference.

Accounting standards, interpretations and amendments applicable as from the financial year beginning on 1 January 2021:

- Amendments to IFRS 9, IAS 39 and IFRS 7: Interest rate benchmark reform (IBOR) – Phase 2;
- Amendment to IFRS 16 – Rent concessions – Extension of the initial provisions;

These amendments have no impact for the Group.

- IFRIC decision on cloud computing: configuration and adaptation costs (no impact for the Group);
- IFRIC decision on the allocation of benefits to periods of service (IAS 19): For all defined benefit plans whose benefits are:
  - Subject to the employee's presence at the retirement age,
  - Depending on the employee's length of service at that retirement age,
  - Capped at a specified number of consecutive years of service.

The IFRIC recommends the straight-line allocation of benefits over the entire period preceding the retirement age up to the moment the cap is reached, *i.e.* starting at the date at which each year of service counts toward the accumulation benefits (previously the allocation was made on a straight-line basis over the employee's entire period of employment, *i.e.* from the date of hiring to the date of retirement). The accounting methods for actuarial gains and losses and past service costs remain unchanged.

This decision has no material impact on the Group's financial statements.

Accounting standards and interpretations adopted as early as at 31 December 2021, whose application is mandatory for periods starting on 1 January 2022 or later:

None

Accounting standards and interpretations published and mandatory after 31 December 2021:

- Amendment to IAS 37 – Clarifying costs to include when assessing whether a contract is onerous;
- Amendment of IFRS 3 – Amendment of the conceptual framework;
- Annual improvements to IFRS – 2018-2020 cycle (IFRS 1, IFRS 9, IAS 41, IFRS 16);
- Amendment to IAS 16 – Recognition of revenue generated before commissioning.

Other essential standards and interpretations adopted by the IASB approved in 2021 or not yet approved by the European Union:

- Amendment to IAS 1 – Classification of liabilities as current or non-current;
- Amendment to IAS 1 – Presentation of Financial Statements;
- Amendment to IAS 8 – Definition of an accounting estimate;
- Amendment to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction;
- Amendment to IFRS 17 – Insurance contracts.

2.2 Main estimations and judgements

Management reviews its estimates and assumptions on a regular basis using its past experience and various other factors deemed reasonable in the circumstances. These estimates represent the basis for its assessment of the carrying amount of income or the classification of expense items and assets and liabilities. They have an impact on the amount of income and expense items and on the carrying amount of assets and liabilities. It is conceivable that the actual amounts may subsequently differ from the estimates adopted.

The accounting estimates for the financial statements at 31 December 2021 were made in the context of the COVID-19 health crisis. The Group has taken into account reliable information available to it at the date of preparation of the consolidated financial statements regarding the impact of this crisis.

The main items that require estimates at the closing date based on assumptions about the future, and for which there is significant risk of a material change in value from that recorded on the balance sheet, concern the following:

Measurement of intangible assets not subject to amortisation:

- measurement of goodwill and brands (please see note 2.4.7 "Monitoring the value of non-current assets (excluding financial assets and investment property) and losses of value" and 7.2 "Intangible assets and goodwill").

Measurements of other assets and liabilities:

- measurement of investment properties (see Notes 2.4.5 "Investment properties" and 7.1 "Investment properties").

The methodologies used by appraisers are identical to those used for the year 2020, with the inclusion of the following clauses on the current context:

Jones Lang LaSalle:

"The pandemic and the measures taken to combat COVID-19 continue to affect economies and property markets around the world. However, at the valuation date, some property markets have reopened and transaction volumes and other relevant activities are returning to levels where there is a sufficiently market activity on which to base valuations. As a result, and for the avoidance of doubt, our valuation is not signalled as subject to a "material valuation uncertainty" as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards. This explanatory note has been included to ensure transparency and to provide further information on the market environment in which the value opinion was prepared. Given the rapid changes that market conditions may undergo in response to changes in the management or future spread of COVID-19, we stress the importance of the valuation date.

Given the unknowns on the future impact that COVID-19 could have on the real estate market, as well as on the operational practices of investors, users and operators, and on temporary or permanent changes in behaviour, we recommend that you regularly update the appraisals contained in this report. In this context, it is important to keep in mind that the definition of Market Value requires that the buyer and the seller act 'knowledgeably, prudently and without compulsion'."

Cushman & Wakefield (C&W):

"The coronavirus (COVID-19) epidemic, declared a "Global pandemic" by the World Health Organisation on 11 March 2020, continues to affect economies and real estate markets worldwide. However, as of the valuation date, the real estate markets are back for the most part, with sufficient transaction volumes and market data on which to base our value opinion. Therefore – and for the avoidance of doubt – our valuation is not presented as being subject to 'significant valuation uncertainty' as defined by VPS 3 and VPGA 10 of the RICS Global Valuation Standards."

- Measurement of trade receivables (see notes 2.4.10 "Financial assets and liabilities" and 7.4.2 "Trade and other operating receivables");
- measurement of inventories (see Note 2.4.8 "Inventories");
- measurement of deferred tax assets (see Notes 2.4.16 "Taxes" and 5.3 "Corporate income Tax");
- measurement of share-based payments (see Notes 2.4.12 "Share-based payments" and 6.1 "Equity");
- measurement of rights of use, lease liabilities and contractual fees on investment property (see notes 2.4.18 "Leases", 7.3 "Right-of-use on tangible and intangible fixed assets" and 7.1 "Investment properties");
- measurement of financial instruments (see Note 8 "Financial risk management").

Operating income estimates

- Measurement of net property income and services using the percentage-of-completion method (see Note 2.4.17 "Revenue and revenue-related expenses");
- measurement of net rental income (see Notes 2.4.17 "Revenue and revenue-related expenses" and 5.1.1 "Net rental income").

Non-current assets held for sale and discontinued operations

In accordance with the provisions of IFRS 5, the Group determines whether the criteria used to determine whether an asset or a group of assets should be classified as held for sale or if an operation is to be discontinued are met (see Note 2.4.6 "Non-current assets held for sale and discontinued operations" and 7.1 "Investment properties").

Climate risks

The Group's current exposure to the consequences of short-term climate change is limited. Consequently, at this stage, the effects of climate change have not significantly impacted the financial statements.

2.3 Other principles for presenting the financial statements

Transactions eliminated in the consolidated financial statements

Balance sheet balances and income and expenses arising from intragroup transactions are eliminated when the consolidated financial statements are prepared.

Balance sheet classification

In accordance with IAS 1, the Company presents its assets and liabilities by distinguishing between current and non-current items.

Assets which must be realised, consumed or disposed of within the scope of the normal operating cycle or within 12 months following closure, are classed as "current assets", as well as the assets held with a view to disposal and cash or cash equivalents. All other assets are classified as "non-current assets".

Liabilities which have to be paid within the scope of the normal operating cycle or within 12 months following closure are classified as "current liabilities", as well as the share of provisions arising from the normal operating cycle of the activity concerned due in less than one year.

Deferred taxes are always shown as non-current assets or liabilities.

2.4 Accounting principles and methods of the Company

2.4.1 Equity investments of the Company and consolidation methods

For consolidation, the following standards apply:

- IFRS 10 – Consolidated Financial Statements;
- IFRS 11 – Joint Arrangements;
- IFRS 12 – Disclosure of interests in other entities;
- IAS 28 – Investments in associates and joint ventures.

IFRS 10 defines control as follows: "An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee". The Company has power over an investee when it has existing substantive rights that give it the current ability to direct the relevant activities, defined as activities that significantly affect the investee's returns.

As the assessment of control in accordance with IFRS 10 requires a significant amount of judgement, the Company has developed a framework for analysing the governance of entities related to the Company, particularly when there are partnership situations governed by broad contractual arrangements including, where applicable, the shareholding structure, Articles of Association, shareholder pacts, purchase and sale agreements, the regulatory governance framework, etc. The facts and circumstances of each entity are also taken into account to assess the Company's ability to direct the relevant activities of these entities.

In this regard, within the limit of the protective rights granted to the JV partners:

- Altablue and Aldeta, jointly held along with two other institutional partners, are considered to be controlled by the Group. These companies hold the CAP3000 shopping centre located near Nice;
- Alta Crp Gennevilliers, Alta Crp La Valette, Alta Gramont, Toulouse Gramont, Bercy Village and Société d'Aménagement de la Gare de l'Est, jointly held with another institutional partner, are considered to be controlled by the Group;
- the companies Alta Crp Aubergenville, Alta Crp Guipavas, Limoges Invest, Retail Park les Vignobles, Alta Crp Ruaudin, Centre Commercial de Thiais, TECI et Compagnie, Alta Pierrelaye, have been jointly held with an institutional partner since December 2021 and are still considered to be controlled by the Group.

In accordance with IFRS 10, ad *hoc entities are* consolidated when, in substance, the relation between the Company and the entity is such that the Company is considered to exercise control over the latter.

Controlled entities

Controlled subsidiaries are fully consolidated. All intragroup balances and transactions as well as income and expense from internal transactions and dividends are eliminated.

Any modification in the Company's interest in a subsidiary not resulting in a loss of control is recognised in equity. If the Company loses the control over a subsidiary, the assets and liabilities and equity of this former subsidiary are derecognised. Any gain or loss resulting from this loss of control is recognised in profit or loss. Any Interest retained in the former subsidiary is recognised at fair value on the date of loss of control according to the recognition method required under IFRS 11, IAS 28 or IFRS 9.

Entities subject to joint control

According to IFRS 11, companies are subject to joint control when important decisions about the relevant activities require the unanimous consent of the parties sharing control.

Joint control may be exercised through joint operation or a joint venture. According to IFRS 11, the joint operation is distinguished by the existence of directly held rights to certain assets and direct obligations for certain liabilities of the entity, whereas the joint venture confers a right to the entity's net assets. For joint operations, the Company records, in its accounts, the assets, liabilities, income and expenses relating to its interests in the joint operation. For joint ventures, the Company's interest in the entity's net assets is recognised according to the equity method described in IAS 28.

Investments in joint operations or joint ventures are presented in accordance with IFRS 12.

Entities subject to significant influence

In accordance with IAS 28, the equity method also applies to all associates in which the Company exercises a significant influence without possessing control, which is considered to exist when the percentage of voting rights held is greater than or equal to 20%. Each investment is analysed, regardless of the percentage of interest held, taking into account the facts and circumstances in order to determine if the Company has a significant influence, including, when appropriate, Articles of Association, shareholder pacts, commitments to buy and to sell, and other relevant matters.

According to the equity method, the Company's interest in the associate is initially recognised at the acquisition cost of its proportionate share of the investee's net assets, which is then increased or decreased to reflect changes subsequent to the acquisition. Goodwill arising on an associate, if unimpaired, is included in the carrying amount of the investment. The Group's proportionate share of the entity's profit or loss for the period is shown under the "Share in earnings of equity-method affiliates" line item in the income statement. These investments are presented in the balance sheet under "Securities and investments in equity-method affiliates and non-consolidated interests" with the corresponding investment-related receivables.

The financial statements of associates are prepared for the same accounting period as those for the parent company. If necessary, corrections are made to achieve consistency with the Group's accounting policies.

Investments in associates are presented in accordance with IFRS 12.

2.4.2 Business combinations and goodwill

Business combinations are accounted for in accordance with the acquisition method of IFRS 3 as amended: upon initial consolidation of an entity of which the Group has acquired control, the assets and liabilities as well as identifiable contingent liabilities are recognised at their fair value at the acquisition date. Intangible assets are specifically identified whenever they are separable from the acquired entity or result from legal or contractual rights. Therefore, when control of an entity is acquired, the difference between the acquisition cost and the acquirer's proportionate interest in the fair value of the entity's identifiable assets, liabilities and contingent liabilities at the acquisition date is classified as goodwill representing future economic benefits resulting from assets that are not individually identified and separately recognised. The acquisition cost is the amount of the consideration transferred including, where applicable, any price supplements at their fair value. Costs directly related to the acquisition are recorded as an expense for the period they were incurred.

Goodwill:

- goodwill is recognised on the balance sheet and must be tested for impairment at least once a year;
- negative goodwill is recognised directly in income.

The standard allows a period of 12 months from the acquisition date for final measurement of the acquisition; any adjustments and measurements made must reflect facts and circumstances that existed as of the acquisition date. As such, after the measurement period, any contingent consideration is recognised in net income for the year unless it is in the form of an equity instrument.

Acquisitions or disposals of securities in an entity that remains controlled before and after these transactions are now considered as transactions between shareholders recognised directly in equity: they have no effect on either goodwill or income. In the event of loss of control, the residual interest is measured at fair value and the gain or loss on disposal is recognised in the income statement.

On an exceptional basis, acquisitions of isolated assets carried out through the purchase of shares in a company, the sole purpose of which is to hold assets are recognised in accordance with IAS 40 – Investment Property, or IAS 2 – Inventories.

2.4.3 Intangible assets

The Group's intangible assets consist essentially of software, brands and customer relationships.

In accordance with IAS 38:

- acquired or created software is recognised at cost and amortised over its useful life, which is generally between one year and five years;
- brands that meet the definition of intangible assets and were acquired separately or as a result of business combination are valued and their useful life estimated. Once they reach the end of this life they are amortised over its duration. If the useful life cannot be determined, they are tested for impairment where evidence of such impairment exists.

The Cogedim, Pitch Promotion, Histoire & Patrimoine and Severini brands, which have an indefinite useful life, are thus not amortised;

- customer relationship assets, which result from the identification of intangible assets acquired from property developers, are subject to amortization at the rate at which the acquired order backlog is filled or, for the portion relating to acquired purchase options or those that can be amortised on a straight-line basis, at the rate at which development programmes are launched.

  Other customer relationships (customer relationships on regular contracts, contractual relationships) can also be identified during business combinations and their value and estimated life are analysed on a case-by-case basis.

2.4.4 Property, plant and equipment

Property, plant and equipment correspond primarily to general plant, transport equipment, office equipment and IT equipment. In accordance with IAS 16, these items are recognised at cost and depreciated over their useful life, estimated to be between 5 and 10 years. No other significant component of these assets has been identified.

2.4.5 Investment properties

According to IAS 40, investment properties are held to earn rentals or for capital appreciation or both.

The investment properties held by the Group are primarily shopping centres and, to a lesser extent, offices.

The Group's investment properties portfolio consists of properties in operation and properties under development or construction on a proprietary basis.

In accordance with IAS 40, the Group has opted for the fair value model. On that basis, investment properties are measured at fair value in accordance with IFRS 13 – "Fair value measurement" whenever this can be reliably determined. Otherwise, they are recorded at cost and are tested for impairment at least once per year and where evidence of impairment exists.

The fair value of investment properties used by Management is based on the facts and circumstances taking into account their purpose. With this objective, Management uses external appraisals giving values inclusive of duties less the amount of duties corresponding to transfer taxes and expenses. These duties have been estimated at 6.9% in France (except in the Paris region (Île-de-France) where they are set at 7.5%), at 5.5% in Italy and 3.0% in Spain.

Since 30 June 2015, external measurement of Altarea Group assets is assigned to Cushman & Wakefield, CBRE (in France, Italy and Spain) and Jones Lang Lasalle (in France).

All sites are visited by the appraisers first when assets enter the portfolio and subsequently every few years in rotation or when a specific event affecting an asset requires it.

The appraisers use two methods:

- a method based on discounting projected cash flows over ten years, taking into account the resale value at the end of the period determined by capitalizing net rental income. The appraisers have often preferred results obtained using this method;
- a method based on capitalizing net rental income: the appraiser applies a yield rate reflecting the characteristics of the site (area, competition, rental potential, etc.) to the rental income (comprising the guaranteed minimum rental, the variable rental and the market rental of the vacant units) restated for all the charges borne by the owner. The second method is used to validate the results obtained from the first method.

Rental income takes into account:

- the changes in rentals that should be applied on renewals (lease expiries, change of tenants, etc.);
- the normative vacancy rate;
- the impact of future rental gains resulting from the letting of vacant units;
- the increase in rental income from stepped rents; and
- a delinquency rate.

The valuation of investment properties at fair value is in line with the COB/AMF "Barthès de Ruyter working group" and complies fully with the instructions of the Appraisal Charter of Real Estate Valuation (*Charte de l'Expertise en Évaluation Immobilière*) updated in 2017. In addition, appraisers refer to the *RICS Appraisal and Valuation* Standards published by the Royal Institute of Chartered Surveyors Red Book.

Investment properties at fair value

Investment properties in operation are systematically measured at fair value.

At 31 December 2021, an external appraisal was performed on all assets in operation.

Each time an exchange value exists for one of the Group's buildings, set in connection with a potential transaction between knowledgeable and willing parties in an arm's length transaction, the Company will use its own judgement to choose between this value and that of the appraiser.

Investment properties under construction (IPUC) have been included within the scope of IAS 40. They are measured at fair value in accordance with the IFRS 13 guide when the criteria predefined by the Company are met.

The Company believes that a property under construction can be reliably measured at fair value if most of the uncertainties affecting the determination of fair value have been lifted or if the project completion date is in the near future.

All three of the following conditions must be met to ensure a reliable estimate of the fair value of a property under construction:

- all administrative authorisations needed to carry out the development project have been obtained;
- construction contracts have been signed and work has begun; and
- the letting rate is high and allows for a reasonable assessment of the value creation attached to the property under construction.

Accordingly, investment properties under development and construction are measured either at cost or at fair value:

- properties under development before land is purchased are measured at cost;
- land not yet built is measured at cost; and
- properties under construction are measured at cost or at fair value in accordance with the above criteria; if the delivery date for a property is close to the closing date, the property is measured at fair value, unless otherwise estimated.

The fair value of properties under construction measured at fair value is determined on the basis of independent appraisals. The appraiser values the asset as if it were fully complete, taking account of market conditions at the date of valuation and the specific characteristics of the property. Expenses not yet incurred at the account closing date are deducted from this value.

The difference between the fair value of investment properties measured at fair value from one period to the next is recognised in the income statement under the heading "Change in value of investment properties".

Investment properties valued at cost

In addition to the acquisition price of the land, the costs incurred for the development and construction of properties are capitalized from the start of the programme, as of the development phase (prospecting, preparation: replying to tenders and pre-letting prior to the signing of preliminary property sales agreements; administrative phase: obtaining authorizations, if necessary with the signing of preliminary property purchase agreements), once there is reasonable assurance that administrative authorizations will be obtained.

These investments concern expenses that can be capitalized, including pre-letting fees, fees within the Group, early termination fees, financial vacancy rate, and interest expenses (under IAS 23 – note that a delay in the start of construction or when the construction period is unusually long, management assesses on a case-by-case basis the validity of temporarily stopping the capitalization of interest expenses or internal fees incurred).

For the investment properties recorded at cost, an impairment test is carried out at least once a year or as soon as there are signs of impairment.

Their projected value is determined on the basis of internal five-year business plans that are reviewed by management at regular intervals. The methods used are rental income capitalization or discounted cash flow.

The recoverable amount of these assets, which are still recognised at cost, is assessed by comparison with the cost price on completion and with the calculate value of expected future cash flows for the Company. If the recoverable amount is lower than the cost price on completion, an impairment loss in the form of a provision for impairment is recognised in the income statement under "Impairment losses on investment properties measured at cost" and in the consolidated income statement by segment under "Income/loss on the value of investment property".

2.4.6 Non-current assets held for sale and discontinued operations

In accordance with IFRS 5, a non-current asset is classified as "held for sale" if its carrying amount is to be recovered primarily through a sale transaction rather than through ongoing use.

This is the case if the asset is available for immediate sale in its current state, subject only to the usual and customary conditions for the sale of such an asset, and if its sale is highly probable.

Indications of a high probability of sale include the existence of a plan by Group management to sell the asset and an active programme to find a buyer and close a sale within the following 12 months. The management assesses the situations. When at the closing date there is a preliminary sales agreement or a firm commitment, the property is systematically included in assets held for sale.

The asset is measured at the lower of their net carrying amount and their fair value. The agreed amount is reduced by the costs of disposal.

For an operation to be considered discontinued, the Company determines, according to the facts and circumstances, whether or not there exists a single and coordinated plan to dispose of a major line of business or geographical area of operations.

2.4.7 Remeasurement of non-current assets (other than financial assets and investment properties) and impairment losses

In accordance with IAS 36, depreciable property, plant and equipment and amortizable intangible assets are tested for impairment whenever an internal or external indication of impairment is detected.

Goodwill and other intangible assets with an indeterminate life (such as brands) are tested for impairment at least once a year or more frequently if internal or external events or circumstances indicate that their value may have declined.

Goodwill impairment testing is performed at the level of cash-generating units (CGUs) or, where applicable, groups of CGUs. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

To perform this test, the net carrying amount of assets directly related to or assignable to the CGUs or groups of CGUs, including intangible assets and goodwill, is compared with the recoverable amount of these same CGUs or groups of CGUs., defined as the higher of the fair value (the sale price net of costs likely to be incurred to make the sale) and their value in use.

The value in use of the CGU or the grouping of several CGUs is determined using a multi-criteria method (which uses the higher of value in use and fair value) which is mainly based on the discounted cash flow method (DCF) supported by stock-market comparison and transaction multiple methods.

The basic principles of the DCF method are:

- estimated cash flow (before tax) are derived from business plans generally covering five-year periods drawn up by Group management;
- the discount rate determined on the basis of a weighted average cost of capital; and
- terminal value is calculated as the sum to infinity of the discounted cash flows, which are determined on the basis of a normalized cash flow and a growth rate for the business line concerned. This assumed growth rate must be consistent with the growth potential of the markets in which the activity is conducted, as well as with the entity's competitive position in those markets.

The multiples approach *via* market comparables is based on determining a sample of comparable listed companies, for which a multiple is calculated and reapplied to those aggregates considered relevant.

The multiples approach *via* comparable transactions is based on selecting a panel of transactions in comparable companies and reapplying these to the aggregates considered relevant.

An impairment loss is recognised, if applicable, if the net carrying amount of the assets directly related to or attributable to the CGUs or groups of CGUs is higher than the recoverable amount of the CGU or group of CGUs, and is written off in priority against goodwill (irreversible loss), then against other intangible assets and property, plant and equipment on a *prorata* basis for their carrying amount (reversible loss).

Brands are tested individually. Their recoverable amount is determined using the royalty method. An impairment loss is recognised, if applicable, if the net book value of the brand is greater than its recoverable amount (reversible).

Sensitivity tables are created for all impairment tests carried out.

2.4.8 Inventories

Inventories relate to:

- programmes for third-party property development and the portion of shopping centre developments not intended to be held in Altarea's portfolio (hypermarket building shells, parking facilities, etc.); and
- programmes where their nature or specific administrative situation prompts a decision to classify them as inventory (dealer's stock) or where a final decision to hold them in the portfolio has not been made.

In accordance with the clarification of IAS 23 (in 2019) for the financial year, the interest expenses which can be allocated to programmes are no longer incorporated into inventories connected with off-plan sales (VEFA) transactions or with property development contract (PDC) transactions. These inventories are in a position to be sold quickly and therefore no time is necessary for its development; the stored asset is therefore in saleable condition. Allocated interest expenses are recognised directly as expenses.

Inventories are carried at cost price, less the portion of the cost price recognised on a percentage-of-completion basis for off-plan sales or property development contract transactions. The cost price includes:

- the acquisition cost of land;
- construction costs (including VRD) ;
- all technical and programme management fees, whether internal or external to the Group; and
- related expenses associated directly with the construction programme.

Generally speaking, whenever the net realizable value of inventories and work in progress is less than the cost price, impairment losses are recognised.

2.4.9 Contractual Assets or Liabilities

Further to the application of IFRS 15, the Group records a contract asset or liability in the statement of financial position in the context of the recording of contracts in the accounts on the percentage-of-completion method. The asset or liability corresponds to the amount generated by the ordinary activities based on off-plan sales or property development contracts, aggregated to date, for which the obligation to provide a service is fulfilled on a progressive basis, net of any client payments received to date. These are to a certain extent receivables not yet due, corresponding to any advances between collected calls for funds and the actual percentage of completion at the closing date. Within the statement of the financial position, the service is as follows:

- "Contract assets", if the receivables calculated on percentage of completion are greater than collected calls for funds;
- "Contract liabilities", if the receivables calculated on percentage of completion are less than collected calls for funds.

2.4.10 Financial assets and liabilities

The Group has elected not to apply the hedge accounting proposed in IFRS 9.

Application principles for IAS 32, IFRS 9 and IFRS 7 are as follows:

Measurement and recognition of financial assets and liabilities

- Trade and other receivables are measured at face value less any allowances for impairment. In accordance with IFRS 9, with regard to impairment, the Group applies a model based on expected losses, (expected credit losses based on the useful life of the receivables, itself based on the experience of the Group's historic credit losses) to its trade receivables (mainly Retail business).
- Receivables relating to participating interests in equity-method affiliates are classified in the balance sheet under "Securities and receivables on equity-method affiliates". For the Property Development transactions, receivables from companies accounted for by the equity method have a short collection period (in relation to the operating cycle of the Development). For Retail transactions, these receivables have a longer maturity in relation to the holding period of the underlying asset.
- Current financial assets mainly concern current account advances to minority shareholders of consolidated companies or deconsolidated companies. They are recognised at amortised

cost. Non-current financial assets mainly concern securities not consolidated at the end of the analyses presented in Note 2.4.1. They are recognised at fair value through profit or loss.

- Equity instruments mainly comprise equity securities of non-consolidated companies. For the shares of listed companies, their fair value is determined on the basis of estimation including, where necessary, the market indicators on the closing date. They are recognised as at fair value through profit or loss if they are held for trading; otherwise, they are recognised at fair value in nonrecyclable other comprehensive income (changes in fair value are registered in a separate equity line item under "other comprehensive income"). For unlisted securities, if the fair value cannot be reliably determined at each closing, they remain in the balance sheet at their initial fair value, *i.e.* at purchase price increased by transaction costs, adjusted by any gains or losses of value determined by an analysis of the proportionate share of the equity held.

At each acquisition of equity securities, a similar analysis will be carried out to determine the Group's management intention.

- Deposits and securities paid concern deposits paid on projects. They are the offsetting amount of security deposits paid into escrow accounts by shopping centre tenants (deposits and securities not discounted) and/or, guarantee deposits paid for buildings occupied by the Group.
- Derivative financial instruments (assets and liabilities) are considered as being held for trading. They are measured at fair value. The change in fair value of derivatives is recognised in the income statement(Line "Change in value and income from disposal of financial instruments").
- Cash as defined in IAS 7 includes liquid assets in bank current accounts and holdings in deposit accounts that are redeemable or tradeable in the very short term (*i.e.* initial maturity of less than three months) and carry no significant risk of loss of value through fluctuations in interest rates. These deposits accounts are carried on the balance sheet at fair value. Their changes in the fair value are recognised in income, with a corresponding adjustment to cash. Cash must be available immediately for the needs of the Group or its subsidiaries.
- All borrowings and interest-bearing liabilities are initially recognised at fair value, less directly attributable transaction costs. Thereafter, they are carried at amortised cost using the effective interest rate method (presented in the income statements, line "Net borrowing costs"). Initial effective interest rates are determined by an actuary. In the event of renegotiation of financial liabilities contracts recognised at amortised cost, an analyse is conduct on a case-by-case basis. If quantitative and qualitative tests lead to the conclusion that there is no substantial change to the contractual cash flows, the Group will maintain the original initial effective interest rate and adjust the amortised cost of the liability in question, against the result.

Determination of the fair value of financial instruments (other than interest-bearing debt)

Financial assets and liabilities are initially recognised at the fair value of the price paid, including acquisition-related costs. After initial recognition, such assets and liabilities are recognised at fair value, estimated from observable and unobservable inputs available.

For financial assets and liabilities such as OTC derivatives, swaps, caps, etc. that are traded on active markets (market composed of numerous transactions, continuously displayed and traded prices), fair value is estimated by an actuary using commonly accepted models and in compliance with guidance from IFRS 13 – "Fair value measurement." A mathematical model is used to bring together calculation methods based on recognised financial theories. This takes into account the measurement of credit risk (or risk of default) of Altarea vis-à-vis its bank counterparties and the risk of its counterparties vis-à-vis Altarea (Credit Value Adjustment/ Debit Value Adjustment). The Group applies the default probability calculation method used by the secondary market (according to estimated bond spreads of its counterparties).

Financial liabilities related to business combinations are measured at fair value at each reporting date based on the best estimate of the amounts to be paid discounted at the market rate. The realizable value of financial instruments may differ from the fair value calculated at the closing date of each financial year.

2.4.11 Equity

Equity represents the residual value of assets, after liabilities have been deducted.

Issuance costs for equity securities including merger-related costs are deducted from the proceeds of the issue.

An instrument is an equity instrument if the instrument includes no contractual obligation to deliver cash or another financial asset, or to exchange assets or liabilities with another entity under conditions unfavourable to the issuer. On that basis, the Subordinated Perpetual Notes (TSDI) issued by Altarea SCA are equity instruments.

Own equity instruments that have been bought back (treasury shares) are deducted from equity. No gain or loss is recognised in income when own equity instruments of the Company are purchased, sold, issued or cancelled.

2.4.12 Share-based payments

Share-based payments are transactions based on the value of the securities of the issuing company: stock options, free share allocation rights and company savings plans (PEE).

These rights may be settled in equity instruments or cash: in the Group, all plans concerning Altarea shares must be settled in equity instruments.

In accordance with the provisions of IFRS 2, share-based payments to corporate officers or employees of Altarea (in compensation for their roles as corporate officers or employees of Altarea) or Group companies are accounted for in the financial statements as follows: the fair value of the equity instrument awarded is recognised in the income statement as a personnel cost, with a corresponding increase in equity if the plan is to be settled in equity instruments, or in a liability if the plan is to be settled in cash.

This personnel cost representing the benefit granted (corresponding to the fair value of the services rendered by the employees in their role as employees) is valued by an actuary at the award date using the binomial Cox-Ross-Rubinstein mathematical model and the Monte Carlo method calculated on the basis of a turnover determined over the last three years. This model is adapted to suit plans that provide for a vesting period and a lock-up period. The expense is spread over the vesting period. Share grant plans and employee investment plans are measured on the basis of market value.

2.4.13 Earnings per share

Net income per share (in €)

Basic earnings per share is calculated by dividing net income (Group share) by the weighted average number of ordinary shares in issue during the period.

Diluted net income per share (in €)

Diluted earnings per share is calculated by dividing net income (Group share) by the weighted average number of ordinary shares in issue adjusted for the dilutive effects of the options during the period.

The dilutive effect is calculated according to the "share buyback" method. Under this method, the funds received from the exercise of options are assumed to be applied first to repurchasing own shares at the market price. The market price is taken to be the volume-weighted average of average monthly prices of Altarea shares. The theoretical number of shares repurchased at this market price is subtracted from the total number of shares produced by the exercise of options. The number calculated using this method is then added to the average number of shares in issue to produce the denominator.

Potential ordinary shares shall be treated as dilutive if the conversion in ordinary share implies a reduction in the result per share.

2.4.14 Employee benefits

In accordance with IAS 19 and amendments adopted by the European Union in June 2012, employee benefits are recognised under "personnel costs" in the income statement, with the exception of liability (or asset) revaluations recognised directly in equity and recorded in "Other comprehensive income."

Post-employment benefits

Benefits payable at retirement are paid to employees at the time of retirement based on length of service (capped according to the scales defined in the agreements applied by the Group) and their salary at retirement age. These benefits are part of the defined benefits plan, a plan to which the employer is formally or implicitly committed in an amount or a level of benefits and therefore bears the risk in the medium or long term.

A provision is recorded in the liabilities to cover all these pension commitments. It is regularly valued by independent actuaries according to the projected credit unit method and represents the probable present value of the vested rights taking into account salary increases until retirement, collective and Company agreements, the probability of retirement and the probability of survival.

The formula for the past service obligation can be broken down as follows:

Past service cost = (benefit rights acquired by the employee)r x (probability that the entity will pay the benefits)r x (discounting to present value)r x (payroll tax coefficient)r x (length of service to date/length of service at retirement).

The provision is recognised and spread over the last few years of service of the employee until they reach the cap, taking into account any intermediate levels that apply.

The main assumptions used for estimating the pension obligation are as follows:

- discount rate: Rate of return on AA-rated corporate bonds (euro zone) with maturities of more than 10 years. The Group uses the Iboxx rate which stands at 0.80%;
- mortality table: Women's Table (TF) and Men's Table (TH) 2000-2002;
- reason for departure: depending on local laws and for France, voluntary retirement on the date of eligibility for full pension benefits;
- turnover: annual average turnover observed over the last 3 years, standing at between 4% and 10% depending on branch and age Group;
- Long-term salary adjustment rate (including inflation): 2.2%.

Actuarial gains and losses and valuation adjustments are recorded directly in equity under "other comprehensive income."

The amount of the obligation determined using this method is then reduced by the value of any assets held to cover it (not applicable in this case).

Other post-employment benefits

These benefits are offered under defined-contribution pension plans. As such, the Group has no obligation except to pay its share of contributions. The expense corresponding to contributions paid is recognised in the income statement as incurred.

Severance pay

Where applicable, payments for termination of an employment contract are provisioned on the basis of the collective agreement.

Short-term benefits

Short-term benefits include in particular an incentive agreement for employees to share in the profit recorded by their economic and social unit, signed by the service companies of the Group that are members of the economic and social unit, and the works council. Benefits also include an employee profit-sharing plan applicable to the profit of the economic and social unit as required under French common law.

Short-term employee benefits including those arising from these profit-sharing plans are expensed as incurred.

2.4.15 Provisions and contingent liabilities

In accordance with IAS 37, a provision is recognised when an obligation to a third party will result in an likely outflow of resources without any equivalent benefits being received in consideration, and when the amount required to settle the obligation can be reliably estimated. The provision is maintained as long as the timing and amount of the outflow of resources are not known with precision.

In general, these provisions are not linked to the Group's normal operating cycle. Provisions are discounted when appropriate using a pre-tax rate of return that reflects the risks specific to the liability.

Non-current provisions consist mainly of provisions arising from litigation between the Group and third parties or from rent guarantees.

Contingent liabilities correspond to:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or, because the amount of the obligation cannot be measured with sufficient reliability.

These contingent liabilities are not recognised on the balance sheet. A disclosure is made in the notes unless the amounts at stake can reasonably be expected to be small.

2.4.16 Corporate income tax

Following its decision to adopt the SIIC tax status, the Group is subject to a specific tax regime:

- a SIIC (retail REIT) sector comprising the Group companies that have elected to adopt SIIC tax status and are therefore exempt from income tax on their ordinary profits and gains on disposal;
- a taxable sector comprising those companies that cannot elect to adopt SIIC status.

Income taxes are recognised in accordance with IAS 12.

From the time that SIIC tax status was adopted, deferred taxes are calculated for companies without such status and on the taxable profits of companies in the SIIC sector. They are recognised on all timing differences between the carrying amounts of assets and liabilities and their values for tax purposes, and on tax loss carry forwards, using the liability method.

Deferred tax assets and liabilities are measured using the liability method at the tax rates expected to apply when the asset will be realized or the liability settled, on the basis of known tax rates at the closing date.

Since 31 December 2016, the Group has applied the gradual and programmed reduction in the rate in its consolidated financial statements in accordance with the Finance Act in force.

Deferred tax assets are reassessed at each closing date and are recognised where it is likely that future taxable profits will allow their recovery based on a business plan for tax purposes prepared by management for a reasonable period.

Deferred taxes in the balance sheet are presented in a net position at the level of each tax consolidation group, as either an asset or a liability in the consolidated balance sheet.

Taxes on items recognised directly in equity are also recognised in equity, not in the income statement.

2.4.17 Revenue and revenue-related expenses

Net rental income comprises: rental income and other net rental income less land expenses, non-recovered service charges, other charges and net allowances to provisions for impairment for bad debts.

Rental income includes gross rental income, including the effects of spreading stepped rents over the non-cancellable lease term, rent holidays and other benefits granted by contract to the lessee by the lessor, and notably reductions granted during the lease term.

In accordance with IFRS 16:

- this rental income is recognised on a straight-line basis for the entire term of the lease. The Group therefore retains substantially all the risks and rewards incidental to ownership of its investment properties;
- contingent rent amounts (stepped rents, rent holidays and other benefits granted to lessees) are recognised on a straight-line basis over the firm lease term, which is understood as the period during which the lessee has no right to cancel. These amounts therefore increase or reduce rental income for the period;
- Initial lease payments received as a lump sum by the lessor are analysed as additional rent. As such, entry fees are spread on a straight-line basis over the fixed term of the lease;
- Termination fees are charged to tenants when they terminate the lease before the end of the contract term. These fees are accounted for as part of the lease agreement that was terminated and are taken to income in the year they are recognised.

  When the lessor terminates a lease before its term, the lessor pays a termination fee to the tenant in place.

  If payment of an early termination fee enables performance of the asset to be enhanced (such as by replacing a tenant, increasing the rent and thereby the value of the asset), this expenditure may be capitalized. If not, this expenditure is expensed as incurred.

  If an early termination fee is paid as part of major renovation or reconstruction work on a building that requires tenants to leave, this expenditure is capitalized and included in the cost price of the asset under development or redevelopment;
- the reductions granted are of two types:
  - assistance granted in the context of renegotiations, without any consideration, is recognised as an exceptional rent reduction in rental income, and
  - assistance granted in the context of renegotiations, with modification of the contract (usually extensions of the lease term, etc.) are spread on a straight-line basis in accordance with IFRS 16 and deducted from rental income.

Land expenses correspond to the variable amounts of fees for temporary occupancy permits and construction leases. These variable amounts do not fall within the scope of IFRS 16.

Non-recovered rental expenses are expenses normally passed on to tenants (rental expenses, local taxes, etc.), but for which the owner is still liable due to their ceiling or the vacancy of rental floor areas.

Other expenses include the lessor's contributions to the centres' marketing, non-capitalized construction work not passed on to the tenants, rental management fees on certain leases.

Net property income is the difference between revenues and cost of sales, selling expenses and net allowances for impairment on bad debt and inventories.

It corresponds primarily to the net property income on the Residential and Business property sectors, plus the net property income on sales of projects related to the development business in the Retail sector.

For property development activities, the net property income is recognised in the Group's financial statements using the percentage-of-completion method.

All property development/off-plan sales and property development contract transactions are concerned by this method.

For these programmes, revenue from notarized sales is recognised, in accordance with IFRS 15 "Revenue from contracts with customers", in proportion to the percentage of completion of the programmes, measured by the total percentage of costs directly related to construction (including the cost of land) incurred in comparison to the total forecast budget (updated at each closing date) combined with the percentage of sales realized determined relative to budget total sales.

The event giving rise to recognition of percentage-of-completion revenue is thus the purchase of the land combined with the signature of deeds of sale (notarized sales).

Net property in ome on property development projects is measured according to the percentage-of-completion method based on the following criteria:

- project recorded by the other party to the contract;
- existence of documented projections reliable enough to provide a sound estimate of the overall economics of the transaction (selling price, stage of completion of construction work, no risk of noncompletion).

Losses on "new projects" are included in net property income.

Net overhead expenses correspond to income and expense items inherent in the business of the Group's service companies.

For each operating segment, income includes payments for services provided to third parties, such as delegated project management fees related to Property Development activities, rental management fees (syndicate agent, co-ownership management), and fees for marketing and other services, internal management fees (after elimination of intercompany profit margins – see note on investment properties or inventories).

Expenses includes personnel costs, overhead costs (miscellaneous fees, operating expenses, etc. excluding fixed rent paid which has now been restated in accordance with IFRS 16), as well as depreciation of operating assets. Capitalized production and production held in inventory is deducted from this amount.

Other income and expenses relate to Group companies that are not service providers. They mainly correspond to overhead costs and miscellaneous management fee income. Amortization of intangible assets and depreciation of property, plant and equipment other than assets in operation are included in this line item.

2.4.18 Leases

Since the 1 January 2019, the Group applies IFRS 16 – Leases.

Leases in the financial statements with the Company as lessor

For landlords, IFRS 16 maintains the distinction between finance and operating leases. Accordingly, in the consolidated financial statements where the Group acts as lessor:

- rental income generated by operating leases concerns rent paid on properties/centres in operation; and
- going forward, all expenses re-invoiced to tenants, excluded from the revenue, are presented as a specific item in the income statement.

Leases in the financial statements with the Company as lessee

Under IFRS 16, lessees will no longer distinguish between finance lease contracts and operating lease contracts.

For all leases defined as "lease agreements", this standard requires to recognise a right-of-use asset in the balance sheet statement of the tenants (as non-current assets) and a corresponding lease liability (as financial liabilities).

Leases entered into by the Group lying within the field of application of the standard mainly concern two types of leases which are financially fundamentally different:

- property leases (the Group leases its offices in the majority of cities where it operates) and vehicle leases;
- Temporary Occupation Authorizations for stations and Construction Leases for some of its Retail assets.

Temporary Occupation Authorizations are covered by IFRS 16. The Group is the occupying party and, therefore, the agreement grants the Group certain rights regarding the work, constructions and real estate facilities. Under IFRS 16, fixed fees are restated over the term of the contracts.

The key assumptions used to calculate the debt and therefore the right of use are the term of the contracts and the rate:

- terms correspond to the fixed period of the commitment, taking into account any optional periods for which there is a reasonable expectation of these being exercised;
- discount rates applied when a contract comes into effect are based on the incremental debt ratio of each company carrying a contract. These rates are determined on the effective date of new contract.

The presentation in the Group's financial statements is as follows:

- on the balance sheet, an asset is recorded in the form of a right-of-use asset in exchange for a liability corresponding to the rent. The Group therefore acknowledges a right-of-use on tangible and intangible fixed assets (connected to its property and vehicle lease agreements) as consideration for its lease liabilities; and a right-of-use for investment property (notably in relation to Temporary Occupation Authorizations) in exchange on the contractual fees on investment properties;
- in the income statement, rents from office and vehicle leases (previously recorded under operating expenses) are replaced by charges for depreciation of the right-of-use assets and by interest charges; land charges (AOT, BAC royalties), are replaced by changes in the value of investment properties and interest charges. Leases and rental fees entered at 31 December correspond mainly to variable rent due under certain lease agreements and to rental expenses (which, in accordance with the application of the standard, are not restated);
- on the cash flow statement, cash flows related to financing activities are impacted by the repayment of lease obligations and contractual fees on investment properties (within a single item "Repayment of lease liabilities") and interest expenses.

The change in amounts reflects new contracts or the end of contracts during the period. Moreover, during the lifetime of the agreement, lease liability and right-of-use asset may vary based on changes in the rent index defined in the leases. The main indexes are: the French national construction costs index, the French office rent index, the French commercial rent index and the French benchmark rent index.

2.4.19 Gain (loss) on the disposal of investment assets

The gain or loss on disposal of investment properties is the difference between:

- the net price received less selling costs and estimated provisions for rent guarantees granted; and
- the fair value of property sold recognised at the previous closing date.

2.4.20 Adjustment to value of investment properties

Adjustments to the value of each property measured at fair value are recognised in the income statement under "Change in value of investment properties" and are determined as follows:

Market value excluding transfer duties at the end of the period (taking into account the impact of stepped rents and rent holidays as measured by the appraiser) minus [Market value at the end of the previous period if the property was measured at fair value or cost of the property is marked to market for the first time + amount of construction work and expenses eligible for capitalization during the year + effect of deferral period for stepped rents and rent holidays net of the deferral of initial lease payments].

Moreover, impairment losses on each property measured at cost are recognised in the income statement under "Net impairment of investment properties measured at cost".

2.4.21 Borrowing costs or costs of interest-bearing liabilities

In accordance with IAS 23, borrowing costs directly attributable to the construction of qualifying assets are included in the cost of these assets. Interest expenses continue to be allocated to buildings under development and construction over the construction period of the asset if they meet the definition of a "qualifying assets".

Where there is a significant delay in the construction project, Management may decide, if the delay is unusually long, not to capitalize the interest expenses attributable any longer. Management estimates the date at which the capitalization of interest expenses may resume.

The cost of net financial debt includes interest incurred on borrowings including the amortization of issuance expenses, and other financial liabilities, income from loans and advances to participating interests, gains on sale of marketable securities and the impact of interest-rate swaps used as interest-rate hedges.

Other financial results include expenses related to rental obligations and contractual fees on investment properties.

2.4.22 Discounting of payables and receivables

This line item shows the combined effect of discounting payables and receivables due in more than one year to present value.

2.4.23 Cash flow statement

The cash flow statement is presented using the indirect method permitted under IAS 7. Tax expense is shown as a single item in cash flows from operating activities. Interest paid is shown in cash flows from financing activities, and interest received is shown in cash flows from investing activities. Dividends paid are classified as cash flows from financing activities.

2.4.24 Operating segments

IFRS 8 – "Operating segments" requires the presentation of operating segments to reflect the Company's organisation and internal reporting system, which is presented in compliance with IFRS recognition and measurement principles. An operating segment represents an activity of the Company that incurs income and expenses and whose operating income is regularly reviewed by the Company's Management on the one hand and its operational managers on the other. Each segment has isolated financial information.

The Company's internal reporting is based on an analysis of the period's results in accordance with:

- Funds from operations (FFO[(1)]) ;
- changes in value (unrealized or realized), estimated expenses, and transaction costs.

According to these analytical criteria, operating income, including earnings from equity affiliates, is monitored on an operating segment basis.

In addition to operating income, asset book values (and certain related liabilities) are monitored by operating segment when they are directly related or can be allocated to a sector. They are considered economic assets of the sector in question.

The Company has the following operating segments:

- Retail: shopping centres completed or under development;
- Residential: residential property development;
- Business property: the property development, services and investment business.

Items under "Others (Corporate)" allow reconciliation of various reporting indicators with accounting indicators.

Borrowing costs, changes in the value of financial instruments and gains and losses from their disposal, taxes, and earnings from minority interests are not allocated directly by sector. Balance-sheet items such as financial assets and liabilities cannot be allocated, nor can deferred-tax assets corresponding to the recognition of tax losses.

(1) Funds From Operations.

As part of the Group's current operations:

1. Funds from operations (FFO)

FFO measures the creation of wealth available for distribution through net income (Group share of FFO). Funds from operations are defined as net income, Group share (*i.e.* attributable to equity holders of the parent company), exclusive of changes in value, estimated expenses, and transaction costs.

The main aggregates of the funds from operations monitored by the Group for internal reporting purposes are:

- net income of the segment, including impairment of current assets:
  - Retail: net rental income,
  - Residential and Business property: net property income;
- net overhead expenses, which bring together all services that absorb part of the overheads and operating costs, including personnel costs, other operating expenses, other segment income and expenses and expenses covered by reversals of used provisions (including the restatement of fixed rents following application of IFRS 16 – Leases);
- share of funds from joint ventures or associates' operations.

Net borrowing costs are the net borrowing costs excluding calculated expenses which correspond in particular to the spreading of bond issue costs (shown in changes in value, estimated expenses and transaction fees).

Other financial results mainly correspond to expenses related to rental obligations and contractual fees on investment properties.

Tax (FFO) is the tax due for the period excluding deferred taxes and excluding tax due relating to changes in value (exit tax, etc.).

2. Changes in value, estimated expenses, and transaction costs

These changes in value measure the value created or realized by the Company during the period.

The relevant indicator for monitoring value is the change in going concern net asset value, to which funds from operations contribute. This management indicator is presented in detail in the business review

The main aggregates of the funds from operations monitored by the Group in internal reports are:

- **Changes in value** which concern gains and losses from the Retail sector:
  - from asset disposals, and where applicable, extraordinary payments received and equivalent in economic terms to the value of the asset sold,
  - from the value of investment properties, including value adjustments for properties measured at fair value (including right-of-use assets) or held for sale as well as impairment losses of properties measured at cost.
- **Estimated expenses** include:
  - expenses or net allowances for the period related to share-based payments or other benefits granted to employees,
  - allowances for depreciation and amortization net of reversals for non-current assets other than investment properties, including allowances relating to intangible assets or goodwill identified during business combinations, and right-of-use relating to tangible and intangible assets,
  - allowances for non-current provisions net of used or unused reversals;
- **transaction costs** include fees and other nonrecurring expenses incurred from corporate development projects that are ineligible for capitalization (*e.g.* expenses incurred from business combinations or equity investments, whether completed or not) or that are ineligible for inclusion under issuance costs (*e.g.* certain commissions incurred from capital management). Income and expenses outside the Company's going concerns are also included.

Also presented **are changes in value and income from disposal of** financial instruments representing adjustments in the value of financial instruments measured at fair value as well as the effect of discounting debt and receivables. Results from the disposal of financial instruments represent the balance for amounts incurred in the period from restructuring or cancelling financial instruments.

3. Minority interests' line

The line relating to minority interests corresponds to the share of net income attributable to minority shareholders of subsidiaries divided between the share of the funds from operations (FFO) and the share attributable to minority shareholders of subsidiaries of changes in value, estimated expenses, transaction costs and deferred tax.

In the case of exceptional transactions:

Contracts are specifically analysed and the indicators presented above may in some cases be adjusted, *i.e.* reclassified to match the presentations in internal reports for greater clarity.

NOTE 3 INFORMATION ON OPERATING SEGMENTS

3.1 Balance sheet items by operating segment

As of 31 December 2021

(€ millions)	Retail	Residential	Business Property	Others	Total
Operating assets and liabilities					
Intangible assets	18.0	282.3	21.5	10.6	332.5
Property, plant and equipment	0.7	24.7	–	2.3	27.8
Right-of-use on tangible and intangible fixed assets	0.3	127.9	0.1	0.1	128.4
Investment properties	4,140.6	0.2	36.0	–	4,176.8
Securities and investments in equity affiliates	121.9	170.7	166.8	–	459.4
Operational working capital requirement	58.7	682.0	13.1	(23.2)	730.6
TOTAL OPERATING ASSETS AND LIABILITIES	**4340.2**	**1,288.0**	**237.5**	**(10.2)**	**5,855.5**

As of 31 December 2020

(€ millions)	Retail	Residential	Business Property	Others	Total
Operating assets and liabilities					
Intangible assets	18.2	281.8	21.5	8.9	330.4
Property, plant and equipment	1.5	23.3	–	1.3	26.1
Right-of-use on tangible and intangible fixed assets	0.4	139.3	0.0	0.6	140.3
Investment properties	3,991.8	–	32.8	–	4,024.6
Securities and investments in equity affiliates	117.2	157.8	304.7	–	579.6
Operational working capital requirement	46.8	534.3	61.8	(12.5)	630.4
TOTAL OPERATING ASSETS AND LIABILITIES	**4,176.0**	**1,136.5**	**420.7**	**(1.6)**	**5,731.5**

3.2 Consolidated income statement by operating segment

See consolidated income statement by segment in the notes to the financial statements.

3.3 Reconciliation of the statement of consolidated comprehensive income and of the consolidated income statement by segment

3.3.1 Statement of comprehensive income with the same breakdown as the income statement by segment

	31/12/2021			31/12/2020		
(€ millions)	Funds from operations (FFO)	Changes in value, estimated expenses and transaction costs (chg. val.)	Total	Funds from operations (FFO)	Changes in value, estimated expenses and transaction costs (chg. val.)	Total
Rental income	186.7	–	186.7	184.9	–	184.9
Property expenses	(1.9)	–	(1.9)	(1.9)	–	(1.9)
Unrecoverable rental expenses	(8.9)	–	(8.9)	(8.7)	–	(8.7)
Expenses re-invoiced to tenants	*55.1*	–	*55.1*	*53.4*	–	*53.4*
Rental expenses	*(64.0)*	–	*(64.0)*	*(62.2)*	–	*(62.2)*
Other expenses	(1.6)	–	(1.6)	1.2	–	1.2
Net charge to provisions for current assets	(11.8)	–	(11.8)	(16.1)	–	(16.1)
Net rental income	**162.5**	**–**	**162.5**	**159.3**	**–**	**159.3**
Revenue	2,796.2	0.0	2,796.2	2,837.0	–	2,837.0
Cost of sales	(2,446.4)	(0.1)	(2,446.5)	(2,496.4)	0.0	(2,496.4)
Other income	(102.4)	(0.0)	(102.4)	(107.0)	–	(107.0)
Net charge to provisions for current assets	(10.3)	0.2	(10.1)	(9.3)	0.0	(9.2)
Amortisation of customer relationships	–	–	–	–	(0.6)	(0.6)
Net property income	**237.1**	**0.1**	**237.2**	**224.3**	**(0.6)**	**223.8**
External services	46.9	–	46.9	34.3	–	34.3
Own work capitalised and production held in inventory	196.6	–	196.6	182.5	–	182.5
Personnel costs	(223.9)	(29.7)	(253.6)	(210.9)	(14.5)	(225.3)
Other overhead expenses	(68.0)	(0.0)	(68.1)	(71.7)	0.2	(71.5)
Depreciation expenses on operating assets	–	(29.5)	(29.5)	–	(31.8)	(31.8)
Net overhead expenses	**(48.4)**	**(59.3)**	**(107.6)**	**(65.8)**	**(46.2)**	**(111.9)**
Other income and expenses	(9.0)	(0.9)	(9.8)	1.9	(1.5)	0.4
Depreciation expenses	–	(0.2)	(0.2)	–	(1.9)	(1.9)
Transaction costs	–	(14.9)	(14.9)	–	(2.3)	(2.3)
Others	**(9.0)**	**(15.9)**	**(24.9)**	**1.9**	**(5.8)**	**(3.8)**
Proceeds from disposal of investment assets	–	8.9	8.9	–	380.3	380.3
Carrying amount of assets sold	–	(10.2)	(10.2)	–	(385.0)	(385.0)
Net gain/(loss) on disposal of investment assets	**–**	**(1.3)**	**(1.3)**	**–**	**(4.7)**	**(4.7)**
Change in value of investment properties	–	39.9	39.9	–	(580.7)	(580.7)
Net impairment losses on investment properties measured at cost	–	(4.8)	(4.8)	–	(59.8)	(59.8)
Net impairment losses on other non-current assets	–	(1.2)	(1.2)	–	(0.1)	(0.1)
Net charge to provisions for risks and contingencies	–	(11.5)	(11.5)	–	1.6	1.6
Impairment of goodwill	–	–	–	–	(1.0)	(1.0)
OPERATING INCOME BEFORE THE SHARE OF NET INCOME OF EQUITY-METHOD AFFILIATES	**342.3**	**(54.0)**	**288.3**	**319.8**	**(697.2)**	**(377.4)**
Share in earnings of equity-method affiliates	24.3	(5.2)	19.1	51.6	(1.3)	50.2
OPERATING INCOME AFTER THE SHARE OF NET INCOME OF EQUITY-METHOD AFFILIATES	**366.6**	**(59.2)**	**307.4**	**371.4**	**(698.6)**	**(327.2)**
Net borrowing costs	(49.2)	(5.4)	(54.6)	(50.6)	(18.2)	(68.8)
Financial expenses	*(63.1)*	*(5.4)*	*(68.5)*	*(57.6)*	*(18.2)*	*(75.8)*
Financial income	*13.9*	–	*13.9*	*7.0*	–	*7.0*
Other financial results	(20.1)	(8.6)	(28.7)	(7.7)	(9.5)	(17.1)
Change in value and income from disposal of financial instruments	–	5.7	5.7	–	(56.5)	(56.5)
Proceeds from the disposal of investments[a]	38.3	7.9	46.2	0.2	0.6	0.8
Profit before tax	**335.7**	**(59.6)**	**276.1**	**313.3**	**(782.2)**	**(468.8)**
Corporate income tax	(20.1)	6.2	(13.9)	(26.6)	(28.4)	(54.9)
NET INCOME	**315.6**	**(53.4)**	**262.1**	**286.8**	**(810.5)**	**(523.8)**
o/w Net income attributable to Altarea SCA shareholders	264.4	(52.7)	211.6	230.3	(538.1)	(307.7)
o/w Net income attributable to minority interests in subsidiaries	(51.2)	0.7	(50.5)	(56.5)	272.5	216.0
Average number of undiluted shares	18,024,260	18,024,260	18,024,260	17,308,818	17,308,818	17,308,818
BASIC NET INCOME PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF ALTAREA SCA *(€)*	**14.67**	**(2.93)**	**11.74**	**13.31**	**(31.09)**	**(17.78)**
Diluted average number of shares[b]	18,424,086	18,424,086	18,424,086	17,539,018	17,539,018	17,539,018
DILUTED NET INCOME PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF ALTAREA SCA *(€)*	**14.35**	**(2.86)**	**11.49**	**13.13**	**(30.68)**	**(17.55)**

(a) Gains or losses on disposals of equity interests have been reallocated to each of the activities concerned by the gains or losses when it relates to an investment previously fully consolidated or a share of the equity-method affiliates when the equity disposed of was previously in an equity-method company.

(b) Pursuant to IAS 33, the weighted average number of shares (diluted and non-diluted) is retrospectively adjusted to take into account the capital increase with preferential subscription rights held in December 2021.

3.3.2 Reconciliation of operating income between the two income statements

	31/12/2021					31/12/2020				
(€ millions)	Retail	Residential	BP[(1)]	Others	Total	Retail	Residential	BP[(1)]	Others	Total
Net rental income	162.5	–	–	–	162.5	159.3	–	–	–	159.3
Net property income	(0.9)	204.0	34.2	(0.1)	237.2	0.1	201.7	22.0	(0.1)	223.8
Net overhead expenses	(15.6)	(72.3)	(13.4)	(6.3)	(107.6)	(21.6)	(63.8)	(18.6)	(7.9)	(111.9)
Others	(9.5)	(5.4)	1.4	(11.3)	(24.9)	(3.8)	(4.2)	4.7	(0.6)	(3.8)
Net gain/(loss) on disposal of investment assets	(1.3)	–	–	–	(1.3)	(4.7)	–	–	–	(4.7)
Value adjustments	33.1	(1.2)	2.0	–	33.9	(642.1)	(0.2)	1.7	–	(640.7)
Net charge to provisions for risks and contingencies	(10.6)	(1.1)	(0.2)	0.3	(11.5)	(0.5)	0.6	0.2	0.3	0.6
Share in earnings of equity-method affiliates	0.8	11.4	7.0	–	19.1	(12.4)	8.3	54.3	–	50.2
OPERATING INCOME (STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME)	**158.4**	**135.4**	**31.0**	**(17.4)**	**307.4**	**(525.7)**	**142.3**	**64.4**	**(8.3)**	**(327.2)**
Reclassification of net gain/(loss) on disposal of investments			38.3		38.3	0.6		0.2		0.8
OPERATING INCOME (CONSOLIDATED INCOME STATEMENT BY SEGMENT)	**158.4**	**137.7**	**69.3**	**(19.7)**	**345.8**	**(525.1)**	**142.3**	**64.6**	**(8.3)**	**(326.4)**

(1) BP: Business property.

3.4 Revenue by geographical region and operating segment

By geographical region

	31/12/2021					31/12/2020				
(€ millions)	France	Italy	Spain	Others	Total	France	Italy	Spain	Others	Total
Rental income	170.8	6.3	9.5	–	186.7	166.7	7.9	10.3	–	184.9
External services	22.2	1.3	0.3	–	23.8	16.7	1.0	0.3	–	17.9
Property development	0.0	6.4	–	–	6.4	–	13.6	–	–	13.6
Retail	**193.0**	**14.0**	**9.8**	**–**	**216.8**	**183.5**	**22.5**	**10.5**	**–**	**216.4**
Revenue	2,484.7	–	–	–	2,484.7	2,406.9	–	–	–	2,406.9
External services	13.3	–	–	–	13.3	10.1	–	–	–	10.1
Residential	**2,498.0**	**–**	**–**	**–**	**2,498.0**	**2,416.9**	**–**	**–**	**–**	**2,416.9**
Revenue	305.2	–	–	–	305.2	416.5	–	–	–	416.5
External services	9.3	–	–	0.4	9.8	5.7	–	–	0.5	6.2
Business Property	**314.5**	**–**	**–**	**0.4**	**314.9**	**422.2**	**–**	**–**	**0.5**	**422.7**
Others (Corporate)	0.1	–	–	–	0.1	0.1	–	–	–	0.1
TOTAL	**3,005.6**	**14.0**	**9.8**	**0.4**	**3,029.8**	**3,022.7**	**22.5**	**10.5**	**0.5**	**3,056.2**

The Altarea Group operates mainly in France, Italy and Spain in 2021, as in 2020.

One client accounted for more than 10% of the Group's revenue in the Residential sector, *i.e.*, €548 million in 2020 and €489.5 million in 2021.

NOTE 4 MAJOR EVENTS AND CHANGES IN THE SCOPE OF CONSOLIDATION

4.1 Major events

Contemplated acquisition of Primonial, the leading independent European wealth and real estate asset manager

On 30 June 2021, Altarea entered into exclusive negotiations with Primonial group shareholders (Bridgepoint, Latour Capital and Société Générale Assurances) and its management, for a potential two-step acquisition, through a subsidiary, of the Primonial group.

Following the favourable opinion of the employee representative bodies of the relevant companies of the Primonial group, issued on 6 July 2021, a sale and investment agreement relating to the Acquisition was entered into on 23 July 2021.

The scope of the acquisition includes the real estate asset management activities (€32.4 billion in real estate assets under management at 31 December 2021 and gross property inflows of €4.0 billion in 2021, up by 72%) and distribution, and as well as a minority stake of 15% in La Financière de l'Échiquier[(1)] (LFDE).

When the conditions precedent will be satisfied, the acquisition will be carried out in two stages, with the acquisition of a first controlling interest corresponding to 60% of Primonial's share capital during the first quarter of 2022 ("Block 1"), followed by the acquisition of the remaining 40% ("Block 2"), this second phase taking place during the first quarter of 2024. The Group incurred approximately €12 million in transaction costs during the reporting period.

Retail

Partnerships with Crédit Agricole Assurances for a total of €1.0 billion in retail

These partnerships, which are shared 51% Altarea and at 49% Crédit Agricole Assurances, relate to two types of long-term performing assets: nine retail parks[(2)] (signed in December 2021) and six retail outlets, the Paris-Montparnasse station and five Italian railway stations[(3)] (finalised in early 2022).

Dynamic leasing activity and fall in vacancies

Leasing activity was dynamic throughout 2021, including leases on restaurants and leisure facilities:

- 330 leases were signed for a guaranteed minimum rent of €33 million, both for sites in operation and for projects under development (including retail space in large mixed-use projects). Leases that have been renewed or relet have been almost stable;
- vacancies fell sharply and stood at 2.9% at the end of 2021 (-1.3 points over one year).

Residential

In 2021, Altarea reoriented its commercial policy towards Individuals in a context of scarcity of supply

At the beginning of 2021, activity continued to be held back by delays in bringing projects to market, as a result of the COVID-19 pandemic, longer lead times in obtaining building permits and the commercial strategy focusing on block sales in 2020, which reduced available supply. The supply shortage gradually eased, particularly at the end of the year, thanks to the work carried out on all stages of the production cycle and the development of new regions (medium-sized cities located along transport routes or in coastal or border areas benefiting from favourable momentum).

In 2021, Altarea redirected the available offering towards Individuals, whose new orders increased by +27% in value (+42% for rental investment). Most sales were again to Individuals while sales to Institutionals fell back almost to pre-crisis levels.

This commercial strategy has enabled Altarea to increase the average margin of operations launched this year despite inflation affecting the cost price of projects.

Business Property

After a year in 2020 marked by delays in deliveries and delays in certain projects due to the health situation and a wait-and-see attitude by operators in the face of the development of remote working, 2021 shows a strong recovery in activity at all levels of the production cycle, in Grand Paris and in the regions, and for all product categories developed by the Group (offices, head offices, university campuses, logistics platforms, hotels, etc.).

Grand Paris

The Group has made significant progress, notably with:

- the sale of a 15% stake in Bridge to Crédit Agricole Assurances. This 58,000 m^2 building delivered in March 2021 is fully leased to Orange and constitutes its global head office. Altarea still holds 10% of this emblematic asset, which will be sold in 2022;
- and in Paris – La Défense: the sale of Bellini (18,000 m^2) to Swiss Life Asset Management and the leasing of Eria (26,000 m^2) to Campus Cyber.

(1) Asset manager of UCITS financial products (equities, debt, structured products).

(2) Les Portes de Brest Guipavas, Family Village Costières Sud in Nîmes, Family Village Les Hunaudières in Le Mans-Ruaudin, Les Portes d'Ambresis in Villeparisis, Castorama in Pierrelaye, Thiais Village in Thiais, Family Village in Limoges, Family Village and Le Village de Marques in Aubergenville.

(3) Milan-Porte Garibaldi, Rome-Ostiense, Turin-Porte Susa, Padua, Naples-Afragola.

Regions

As the leading business property developer in the regions, Altarea has been able to capitalise on its know-how to meet the expectations of this fast-growing market. The year 2021 confirms this trend, with in particular:

- three projects sold: a 50,000 m^2 logistics platform in Béziers, a 15,000 m^2 office building in Mérignac near Bordeaux for Groupama, and a 6,000 m^2 building for Le Sytral in Villeurbanne;
- eight new projects secured: two office projects in Lyon, three projects in Aix-en-Provence and three logistics projects in Nantes and Angers;
- eight deliveries (totalling 125,000 m^2 of offices, campuses and hotels in Nantes, Marseille, Toulouse, Bordeaux, etc.);
- and the launch of the building site for the future EM Lyon Business School campus covering 30,000 m^2 in the Gerland district in the heart of the city's 7th arrondissement.

€1.15 billion of new finance

During the year 2021, the Group raised €1.15 billion of new long-term financing with an average maturity of seven years. This new financing includes:

- the mortgage refinancing of CAP3000, in the amount of €350 million, *via* a Green Loan in club deal format for a period of seven years;
- the signature by Altarea on 7 October 2021 of an €800 million syndicated bank loan for seven years with BNP Paribas, Crédit Agricole CIB, Natixis, Société Générale, Banco Sabadell, BECM, China Construction Bank, HSBC and La Banque Postale. Altarea would be the principal borrower, but this credit will not be drawn down until the acquisition of Primonial. The latter will sign up to the loan agreement on the day the contract takes effect thus taking on the associated commitments as final borrower, with Altarea remaining as surety and 100% guarantor of all obligations related to this loan.

Strengthening of the equity

The Group strengthened its consolidated equity for a total amount of €758 million, of which:

- €344.9 million (net of fees) *via* the capital increase of Altarea (issue premium included) with preferential subscription rights, resulting in the issue of 2,435,190 new shares at a subscription price of €143.75;
- an increase in minority interests of €258.5 million following the acquisition of a stake in several retail parks by Crédit Agricole Assurance;
- €75.0 million for the 2020 partial scrip dividend which was hugely successful, attracting a subscription rate of 91.59%, resulting in the creation of 482,385 new shares on 26 July;
- €66.6 million through the Alta Blue (CAP3000 partnership) capital increase, recognised in minority equity;
- €5.2 million for the acquisition of the Reuilly urban logistics site (Paris 12th arrondissement) partially paid in securities;
- €7.8 million(1) for the employee mutual fund which subscribed to a reserved capital increase (resulting in the creation of 60,580 new shares) testifying to the commitment of the Group's employees.

(1) Average subscription of €5,843 per employee subscribing.

4.2 Consolidation scope

The main companies within the scope of consolidation, selected by revenue and total assets criteria, are as follows:

Companies	Legal form	SIREN		31/12/2021			31/12/2020		
				Method	Interest	Integration	Method	Interest	Integration
ALTAREA	SCA	335480877	Parent company	FC	100.0%	100.0%	FC	100.0%	100.0%
Retail France									
ALTAREA FRANCE	SCA	324814219		FC	100.0%	100.0%	FC	100.0%	100.0%
NR 21	SCA	335480877		FC	96.8%	100.0%	FC	84.4%	100.0%
FONDS PROXIMITÉ	SNC	348024050	affiliate	EM	25.0%	25.0%	EM	25.0%	25.0%
80-98 RUE DE REUILLY	SCI	420762775		FC	100.0%	100.0%	IN	0.0%	0.0%
ALDETA	SASU	311765762		FC	33.3%	100.0%	FC	33.3%	100.0%
ALTA BLUE	SAS	522193796		FC	33.3%	100.0%	FC	33.3%	100.0%
ALTAREA PROMOTION COMMERCE	SNC	420490948		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTA CRP AUBERGENVILLE	SNC	451226328		FC	51.0%	100.0%	FC	100.0%	100.0%
ALTA AUSTERLITZ	SNC	812196616		FC	100.0%	100.0%	FC	100.0%	100.0%
BERCY VILLAGE	SCI	384987517		FC	51.0%	100.0%	FC	51.0%	100.0%
ALTA CARRÉ DE SOIE	SCI	449231463	joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
FONCIÈRE CEZANNE MATIGNON	SNC	348024050		FC	100.0%	100.0%	FC	100.0%	100.0%
FONCIÈRE ALTAREA	SASU	353900699		FC	100.0%	100.0%	FC	100.0%	100.0%
SOCIÉTÉ D'AMENAGEMENT DE LA GARE DE L'EST	SNC	481104420		FC	51.0%	100.0%	FC	51.0%	100.0%
ALTA CRP GENNEVILLIERS	SNC	488541228		FC	51.0%	100.0%	FC	51.0%	100.0%
ALTA GRAMONT	SAS	795254952		FC	51.0%	100.0%	FC	51.0%	100.0%
ALTA CRP GUIPAVAS	SNC	451282628		FC	51.0%	100.0%	FC	100.0%	100.0%
LIMOGES INVEST	SCI	488237546		FC	50.9%	100.0%	FC	100.0%	100.0%
SNC MACDONALD COMMERCES	SNC	524049244	affiliate	EM	25.0%	25.0%	EM	25.0%	25.0%
ALTAREA MANAGEMENT	SNC	509105375		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTA-MONTPARNASSE	SNC	524049244		FC	100.0%	100.0%	FC	100.0%	100.0%
LES VIGNOLES RETAIL PARK	SNC	512086117		FC	51.0%	100.0%	FC	100.0%	100.0%
OPCI ALTA COMMERCE EUROPE	SPPICAV		joint venture	EM	29.9%	29.9%	EM	29.9%	29.9%
ALTA ORGEVAL	SNC	795338441		FC	99.9%	100.0%	FC	100.0%	100.0%
ALTA QWARTZ	SNC	433806726		FC	100.0%	100.0%	FC	100.0%	100.0%
THIAIS SHOPPING CENTRE	SNC	479873234		FC	51.0%	100.0%	FC	100.0%	100.0%
ALTA CRP LA VALETTE	SNC	494539687		FC	51.0%	100.0%	FC	51.0%	100.0%

Companies	Legal form	SIREN		31/12/2021 Method	Interest	Integration	31/12/2020 Method	Interest	Integration
Retail Italy									
ALTAGARES	SRL	N/A		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTAREA ITALIA	SRL	N/A		FC	100.0%	100.0%	FC	100.0%	100.0%
Retail Spain									
ALTAREA ESPANA	SRL	N/A		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTAREA PATRIMAE	SRL	N/A		FC	100.0%	100.0%	FC	100.0%	100.0%
Residential									
ALTAREIT	SCA	552091050		FC	99.9%	100.0%	FC	99.9%	100.0%
COGEDIM RESIDENCES SERVICES	SNC	394648455	joint venture	EM	64.9%	65.0%	EM	64.9%	65.0%
ALTAREA COGEDIM IDF GRANDE MÉTROPOLE	SNC	810928135		FC	99.9%	100.0%	FC	99.9%	100.0%
ALTAREA COGEDIM GRANDS PROJETS	SNC	810926519		FC	99.9%	100.0%	FC	99.9%	100.0%
ALTAREA COGEDIM REGIONS	SNC	810847905		FC	99.9%	100.0%	FC	99.9%	100.0%
SEVERINI	SNC	848899977		FC	99.9%	100.0%	FC	84.9%	100.0%
MARSEILLE MICHELET	SNC	792774382		FC	99.9%	100.0%	FC	99.9%	100.0%
COEUR MOUGINS	SNC	453830663		FC	99.9%	100.0%	FC	99.9%	100.0%
ISSY COEUR DE VILLE	SNC	830181079		FC	99.9%	100.0%	FC	99.9%	100.0%
ISSY COEUR DE VILLE COMMERCES	SNC	828184028		FC	99.9%	100.0%	FC	99.9%	100.0%
ALTA FAUBOURG	SASU	444560874		FC	99.9%	100.0%	FC	99.9%	100.0%
ALTAREA SOLUTION FINANCEMENT	SNC	504638784		FC	99.9%	100.0%	FC	99.9%	100.0%
HP	SAS	480309731		FC	99.9%	100.0%	FC	99.9%	100.0%
HISTOIRE ET PATRIMOINE DÉVELOPPEMENT	SAS	480110931		FC	99.9%	100.0%	FC	99.9%	100.0%
HORIZONS	SNC	825208093		FC	99.9%	100.0%	FC	99.9%	100.0%
MÉRIMÉE	SNC	849367016		FC	99.9%	100.0%	FC	99.9%	100.0%
HISTOIRE ET PATRIMOINE PARTENARIATS	SASU	452727985		FC	99.9%	100.0%	FC	99.9%	100.0%
HISTOIRE ET PATRIMOINE PROMOTION	SASU	792751992		FC	99.9%	100.0%	FC	99.9%	100.0%
ALTAREA COGEDIM ZAC VLS	SNC	811910447		FC	99.9%	100.0%	FC	99.9%	100.0%
PPP	SNC	530593748		FC	99.9%	100.0%	FC	71.9%	100.0%
PITCH PROMOTION	SAS	450042338		FC	99.9%	100.0%	FC	99.9%	100.0%
SEVRAN FREINVILLE	SCCV	801560079		FC	59.9%	100.0%	FC	59.9%	100.0%
MAGNANVILLE MARE PASLOUE	SCCV	823919287		FC	99.9%	100.0%	FC	99.9%	100.0%
ANDRESY CHÂTEAUBRIANT	SCCV	838432094		FC	74.9%	100.0%	FC	74.9%	100.0%
POISSY BEL ISLE	SCCV	880172317	joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
BEZONS CŒUR DE VILLE A1 & A2-LOGEMENTS	SCCV	819929845		FC	99.9%	100.0%	FC	99.9%	100.0%
GIF MOULON A4	SCCV	830886115		FC	25.0%	100.0%	FC	25.0%	100.0%
BOBIGNY COEUR DE VILLE	SNC	838941011		FC	99.9%	100.0%	FC	99.9%	100.0%
TOULOUSE TMA PLACE CENTRALE	SNC	821922564		FC	99.9%	100.0%	FC	99.9%	100.0%
WR PARTICIPATIONS	SCI	821453826	joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
MEUDON – PAUL DEMANGE	SCCV	853608511	joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
CLICHY – PETIT	SCCV	853646503	joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
PITCH IMMO	SASU	422989715		FC	99.9%	100.0%	FC	99.9%	100.0%

Companies	Legal form	SIREN		31/12/2021			31/12/2020		
				Method	Interest	Integration	Method	Interest	Integration
O FIL DU BOIS	SCCV	838713055	affiliate	EM	48.9%	49.0%	EM	48.9%	49.0%
LOGNES ENVERGURE	SCCV	840897847	joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
ARTCHIPEL	SCCV	841150071		FC	99.9%	100.0%	FC	99.9%	100.0%
CLICHY ROGUET	SCCV	880090212		FC	50.9%	100.0%	FC	50.9%	100.0%
RUEIL HIGH GARDEN	SCCV	887670115		FC	59.9%	100.0%	FC	59.9%	100.0%
TOULOUSE ARÈNES ILÔT 3.1 T1 and T2	SAS	814795779	affiliate	EM	39.9%	40.0%	EM	39.9%	40.0%
COGEDIM HAUTS DE FRANCE	SNC	420810475		FC	99.9%	100.0%	FC	99.9%	100.0%
MB TRANSACTIONS	SASU	425039138		FC	99.9%	100.0%	FC	99.9%	100.0%
COGEDIM GESTION	SNC	380375097		FC	99.9%	100.0%	FC	99.9%	100.0%
COVALENS	SNC	309021277		FC	99.9%	100.0%	FC	99.9%	100.0%
COGEDIM PARIS MÉTROPOLE	SNC	319293916		FC	99.9%	100.0%	FC	99.9%	100.0%
ASNIÈRES AULAGNIER	SARL	487631996	joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
COGEDIM GRAND LYON	SNC	300795358		FC	99.9%	100.0%	FC	99.9%	100.0%
COGEDIM MÉDITERRANÉE	SNC	312347784		FC	99.9%	100.0%	FC	99.9%	100.0%
COGEDIM PROVENCE	SNC	442739413		FC	99.9%	100.0%	FC	99.9%	100.0%
COGEDIM MIDI-PYRÉNÉES	SNC	447553207		FC	99.9%	100.0%	FC	99.9%	100.0%
COGEDIM GRENOBLE	SNC	418868584		FC	99.9%	100.0%	FC	99.9%	100.0%
COGEDIM SAVOIES-LEMAN	SNC	348145541		FC	99.9%	100.0%	FC	99.9%	100.0%
COGEDIM AQUITAINE	SNC	388620015		FC	99.9%	100.0%	FC	99.9%	100.0%
COGEDIM ATLANTIQUE	SNC	501734669		FC	99.9%	100.0%	FC	99.9%	100.0%
COGEDIM LANGUEDOC ROUSSILLON	SNC	532818085		FC	99.9%	100.0%	FC	99.9%	100.0%
COGEDIM	SASU	54500814		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC SURESNES MALON	SNC	832708663	joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SAS BAGNEUX 116	SAS	839324175		FC	50.9%	100.0%	FC	50.9%	100.0%
SAS CLICHY BOREALES	SAS	879035939	affiliate	EM	30.0%	30.0%	IN	0.0%	0.0%
AIX HYPPODROME	SCCV	852642040		FC	79.9%	100.0%	FC	79.9%	100.0%
RESPIRE	SCCV	807582267		FC	89.9%	100.0%	FC	89.9%	100.0%
LYON 8 RUE CROIX BARRET	SCCV	849097522		FC	59.9%	100.0%	FC	59.9%	100.0%
LYON LES MOTEURS	SNC	824866388		FC	99.9%	100.0%	FC	99.9%	100.0%
COGIMO	SAS	962502068		FC	99.9%	100.0%	FC	99.9%	100.0%
MENTON HAUT CAREI	SCCV	829544303		FC	59.9%	100.0%	FC	59.9%	100.0%
CALCADE DE MOUGINS	SNC	833132426		FC	50.9%	100.0%	FC	50.9%	100.0%
LE TOUQUET DUBOC	SCCV	812050870	joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SNC PROVENCE L'ÉTOILE	SNC	501552947		FC	99.9%	100.0%	FC	99.9%	100.0%
HYRES L'AUFRENE	SCCV	834122335		FC	99.9%	100.0%	FC	99.9%	100.0%
CLICHY ROSE GUERIN	SCCV	885139188		FC	40.7%	100.0%	FC	40.7%	100.0%
WOODEUM RESIDENTIAL	SAS	807674775		EM	50.0%	50.0%	EM	50.0%	50.0%
LA GARENNE CHATEAU	SCCV	822309753		FC	59.9%	100.0%	FC	59.9%	100.0%
PIERRE BEREGOVOY	SCCV	829581651		FC	54.9%	100.0%	FC	54.9%	100.0%
CHAMPIGNY ALEXANDRE FOURNY	SCCV	829377894		FC	50.0%	100.0%	FC	50.0%	100.0%

Companies	Legal form	SIREN		31/12/2021			31/12/2020		
				Method	Interest	Integration	Method	Interest	Integration
BOURGET LECLERC	SCCV	831267943		FC	50.9%	100.0%	FC	50.9%	100.0%
HORLOGE GASTON ROUSSEL	SCCV	832294664		FC	50.9%	100.0%	FC	50.9%	100.0%
61-75 PARIS AVENUE DE FRANCE	SCCV	830917100	joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SURESNES BMV	SCCV	834261497		FC	50.0%	100.0%	FC	50.0%	100.0%
ISSY POPLARS	SCCV	838686236		FC	64.9%	100.0%	FC	64.9%	100.0%
MONTREUIL D 'ALEMBERT	SCCV	841085210		FC	99.9%	100.0%	FC	99.9%	100.0%
ASNIÈRES 94 GRÉSILLONS	SCCV	849115258		FC	50.9%	100.0%	FC	50.9%	100.0%
ISSY JEANNE D'ARC	SNC	850443508		FC	50.9%	100.0%	FC	50.9%	100.0%
ROMAINVILLE ROUSSEAU	SCCV	852604909		FC	50.9%	100.0%	FC	50.9%	100.0%
ISSY GUYNEMER	SNC	891166209		FC	50.9%	100.0%	FC	50.9%	100.0%
SAINT MAUR CONDE	SCCV	897792156		FC	69.9%	100.0%	IN	0.0%	0.0%
QUAI DE SEINE IN ALFORTVILLE	SCCV	803321942	joint venture	EM	48.9%	49.0%	EM	48.9%	49.0%
CROIX DE DAURADE	SCCV	829774173		FC	50.9%	100.0%	FC	50.9%	100.0%
Business Property									
ALTAREA COGEDIM ENTREPRISE PROMOTION	SNC	535056378		FC	99.9%	100.0%	FC	99.9%	100.0%
PRD MONTPARNASSE 2	SCI	852712439	joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
PRD MONTPARNASSE 3	SCI	852712587	joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
ALTAREA ENTREPRISE MANAGEMENT	SNC	534207386		FC	99.9%	100.0%	FC	99.9%	100.0%
AF INVESTCO ARAGO	SNC	494382351	affiliate	EM	30.1%	30.1%	EM	30.1%	30.1%
AF INVESTCO 5	SNC	798601936	affiliate	EM	30.1%	30.1%	EM	30.1%	30.1%
AF INVESTCO 7	SNC	798601936	affiliate	EM	30.1%	30.1%	EM	30.1%	30.1%
B1	SCCV	853715829	joint venture	EM	33.3%	33.3%	EM	33.3%	33.3%
B2 B3	SCCV	852921899	joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
ALTA VAI HOLDCO A	SAS	424007425		FC	99.9%	100.0%	FC	99.9%	100.0%
FONCIÈRE ALTAREA MONTPARNASSE	SNC	847726650		FC	100.0%	100.0%	FC	100.0%	100.0%
ISSY PONT	SCI	804865996	joint venture	ME	10.0%	10.0%	ME	25.0%	25.0%
PASCALHOLDCO	SPPICAV	809845951	affiliate	ME	15.0%	15.1%	ME	15.0%	15.1%
PASCALPROPCO	SASU	437929813	affiliate	ME	15.0%	15.1%	ME	15.0%	15.1%
PRD MONTPARNASSE	SCI	844634758	joint venture	ME	50.0%	50.0%	ME	50.0%	50.0%
P11 DU BASSIN N°2	SCCV	812107217	affiliate	ME	49.9%	50.0%	ME	49.9%	50.0%
BALMA CAMPUS WALLIS	SCCV	840457881	joint venture	ME	50.0%	50.1%	ME	50.0%	50.1%
ISSY COEUR DE VILLE PROMOTION BUREAUX	SNC	829845536		IG	99.9%	100.0%	IG	99.9%	100.0%

4.3 Changes in consolidation scope

In number of companies	31/12/2020	Acquisition	Creation	Sale	Absorption, dissolution, deconsolidation	Change in consolidation method	31/12/2021
Fully consolidated subsidiaries	436	11	35		(42)	1	441
Joint ventures[a]	138	1	11		(7)	(1)	142
Affiliates[a]	78		2	(2)	(7)	–	71
TOTAL	**652**	**12**	**48**	**(2)**	**(56)**	**-**	**654**

(a) Companies accounted for using the equity method.

4.3.1 Detail of net acquisitions of consolidated companies, net of cash

(€ millions)	31/12/2021	31/12/2020
Investments in consolidated securities	(17.6)	(12.6)
Liabilities on acquisition of consolidated participating interests	–	3.6
Cash of acquired companies	(0.1)	2.9
TOTAL	**(17.7)**	**(6.0)**

During the financial year, the Group bought the securities of a company in a logistics site in Paris.

4.3.2 Detail of disposals of consolidated companies, net of cash disposed of

During the year,

- the Group sold 15% of the Bridge project to Crédit Agricole Assurances, which already held 75% of the building, leased to Orange and delivered in early 2021. Altarea plans to sell the remaining 10% in 2022;
- the Group signed a partnership agreement with Crédit Agricole Assurances in December 2021 concerning eight Retail Parks and one Village de Marques. The joint ventures are now 51% owned by the Group. The partner acquired a stake in the companies through a reserved capital increase in each of them, and the acquisition of shares (hence sale of shares by the Group). The relevant activities are controlled by the Group. The Group appoints three members of the Strategic Board and the partner appoints two. Accordingly, in accordance with governance principles, the Group controls each of these companies, which are therefore fully consolidated.

4.4 Business combinations

The Group did not carry out any business combinations during the year.

4.5 Securities and investments in equity affiliates

In application of IFRS 10, 11 and 12, the following are recognised under securities and receivables on equity affiliates, investments in joint ventures and associated companies, including receivables from these holdings.

4.5.1 Equity-accounting value of joint ventures and affiliates and related receivables

(€ millions)	31/12/2021	31/12/2020
Equity-accounting value of joint ventures	104.8	102.7
Equity-accounting value of affiliated companies	44.0	152.7
Value of stake in equity-method affiliates	**148.8**	**255.4**
Receivables from joint ventures	191.7	209.7
Receivables from affiliated companies	118.9	114.5
Receivables from equity-method subsidiaries	**310.6**	**324.2**
TOTAL SECURITIES AND RECEIVABLES IN EQUITY AFFILIATES	**459.4**	**579.6**

As of 31 December 2021, the decrease in the equity method value of associates is mainly due to dividend payments.

Receivables from joint ventures and receivables from affiliates relating to Property Development come to €273.6 million.

4.5.2 Main balance sheet and income statement items of joint ventures and affiliates

(€ millions)	Joint ventures	Affiliates	31/12/2021	Joint ventures	Affiliates	31/12/2020
BALANCE SHEET ITEMS, GROUP SHARE:						
Non-current assets	397.2	226.7	623.9	379.4	204.5	583.9
Current assets	453.4	250.0	703.5	500.7	310.7	811.4
Total Assets	**850.6**	**476.7**	**1,327.3**	**880.1**	**515.2**	**1395.3**
Non-current liabilities	178.9	201.9	380.8	199.1	177.6	376.7
Current liabilities	566.9	230.9	797.8	578.3	184.9	763.2
Total Liabilities	**745.8**	**432.7**	**1178.5**	**777.4**	**362.5**	**1139.9**
Net assets (equity-accounting basis)	**104.8**	**44.0**	**148.8**	**102.7**	**152.7**	**255.4**
SHARE OF INCOME STATEMENT ITEMS, GROUP SHARE:						
Operating income	**26.2**	**3.6**	**29.7**	**17.5**	**36.2**	**53.8**
Net borrowing costs	(3.7)	(4.2)	(7.9)	(3.9)	(3.2)	(7.0)
Other financial results	(0.9)	(0.5)	(1.3)	(2.7)	(2.5)	(5.2)
Change in value of hedging instruments	0.5	0.2	0.7	(0.1)	(0.2)	(0.3)
Proceeds from the disposal of investments	–	–	–	0.0	(18.4)	(18.4)
Net income before tax	**22.1**	**(0.9)**	**21.2**	**10.9**	**11.9**	**22.8**
Corporate income tax	(1.8)	(0.2)	(2.0)	(3.7)	31.1	27.4
Net income by equity method (after tax)	**20.3**	**(1.1)**	**19.1**	**7.2**	**43.0**	**50.2**
Non-Group net income	(0.0)	0.0	(0.0)	(0.0)	(0.0)	(0.0)
Net income, Group share	20.3	(1.1)	19.1	7.2	43.0	50.2

Group revenue from joint ventures amounted to €21.2 million for the year to 31 December 2021, compared with €16.3 million for 2020.

Group revenue from affiliates amounted to €7.8 million for the year to 31 December 2021, compared with €6.8 million for 2020.

4.5.3 Commitments given or received in connection with joint ventures (in Group share)

Commitments given

Cogedim Résidences Services undertook to pay rent in connection with the leasing of the Résidences Services Cogedim Club®. In the context of the application of IFRS 16, these contracts have been restated in the financial statements of the companies.

In exchange, Cogedim Résidences Services receives the lease payments of the sub-lessees, these continuing to be commitments.

Financial guarantees for the completion of works were given as part of the property development activity, and amounted to a share of €76.4 million at 31 December 2021.

Commitments received

As of 31 December 2021, the main commitments received by the joint ventures relate to security deposits received from tenants in the amount of €2.6 million.

4.6 Current and non-current financial assets

At 31 December 2021, current and non-current financial assets amounted to €50.3 million, compared with €34.6 million at 31 December 2020, and consist mainly of:

- deposits and guarantees paid on projects: €14.9 million, compared with 8.4 million for 2020;
- loans and receivables, recognised at amortised cost: €30.9 million, compared with 22.8 million for 2020.

NOTE 5 NET INCOME

5.1 Operating income

5.1.1 Net rental income

Net rental income includes rental income, land expenses, non-recovered service charges, other expenses and net allowances for impairment for bad debts. COVID-related write-offs and write-downs of receivables affect this item.

During the year, provisions for bad debts and reliefs related to the health crisis amounted to €28.5 million, including:

- €12.5 million in reductions granted in 2021 recognised in expenses for the period;
- €4.2 million of deferred payments corresponding to the impact on 2021 of the renegotiations in 2020 spread over the residual term of the leases;
- €11.8 million in provisions for bad debts.

Net rental income amounted to €162.5 million in 2021, compared to €159.3 million in 2020, *i.e.* a decrease of 2.0%.

5.1.2 Net property income

The Group's net property income stood at €237.2 million in 2021 compared to €223.8 million in 2020, *i.e.* an increase of 6.0%.

The Residential Backlog of the fully-consolidated companies was €3,450 million at 31 December 2021.

The Business Property Development Backlog of the fully-consolidated companies was €372 million at 31 December 2021.

5.2 Cost of net financial debt and other financial items

5.2.1 Cost of net financial debt

(€ millions)	31/12/2021	31/12/2020
Bond and bank interest expenses	(55.6)	(55.0)
Interest on partners' advances	3.9	3.6
Interest rate on hedging instruments	2.6	(0.5)
Capitalised interest expenses	–	1.5
Other financial income and expenses	(0.0)	(0.1)
FFO financial income and expenses	**(49.2)**	**(50.6)**
Spreading of bond issue costs and other estimated expenses[a]	(5.4)	(18.2)
NET BORROWING COSTS	**(54.6)**	**(68.8)**

(a) Relates mainly to the deferral in accordance with the amortised cost method of the issue costs of borrowings and bond issue premiums in accordance with IFRS 9 for -€5.4 million.

Capitalised interest expenses relate only to companies carrying an asset under development or construction (traditional malls) and are deducted from interest paid to credit institutions.

The capitalisation rate used to determine the amounts of borrowing costs that may be included in the carrying amount of assets is the interest rate on financing assigned specifically to asset development or, if there is no specific financing, to the average cost of debt borne by the Company and not assigned specifically to another purpose.

The average cost of debt is the ratio of the total financial costs of short- and long-term financial instruments including related fees (commitment fees, non-use fees, etc.) to the average debt for the period. The Group's average cost of debt (excluding the impact of IFRS 16) was 1.80% at 31 December 2021, compared with 1.94% at 31 December 2020.

5.2.2 Other financial results

Other financial results correspond in particular to interest expenses on rental obligations or royalties on investment properties.

5.2.3 Impact of result of financial instruments

This item is mainly a net expense of €5.7 million, of which -€12.7 million related to compensation payments (paid or pending) on financial instruments (compared to -€78.2 million as of 31 December 2020) and €18.4 million in change in fair value of interest rate hedging instruments (compared to -€67.3 million as of 31 December 2020).

5.3 Corporate income tax

Analysis of tax expense

Tax expense is analysed as follows:

(€ millions)	31/12/2021	31/12/2020
Tax due	**(20.1)**	**(26.6)**
Tax loss carry forwards and/or use of deferred losses	(16.7)	(50.6)
Valuation differences	0.0	0.2
Fair value of investment properties	0.7	22.9
Fair value of hedging instruments	0.0	(0.2)
Income by percentage of completion	13.7	(5.2)
Other timing differences	8.4	4.6
Deferred tax	**6.2**	**(28.4)**
TOTAL INCOME (EXPENSE) TAX	**(13.9)**	**(54.9)**

Effective tax rate

(€ millions)	31/12/2021	31/12/2020
Pre-tax profit of consolidated companies	**256.9**	**(519.1)**
Group tax savings (expense)	**(13.9)**	**(54.9)**
EFFECTIVE TAX RATE	**(5.42)%**	**10.58%**
Tax rate in France	27.37%	28.92%
Theoretical tax charge	**(70.3)**	**150.1**
Difference between theoretical and effective tax charge	**56.4**	**(205.0)**
Differences related to entities' SIIC status	27.0	(192.0)
Differences related to treatment of losses	3.5	(5.8)
Other permanent differences and rate differences	25.8	(7.3)

Deferred tax assets and liabilities

(€ millions)	31/12/2021	31/12/2020
Tax loss carry forwards	62.3	78.9
Valuation differences	(27.2)	(35.3)
Fair value of investment properties	(19.4)	(19.9)
Fair value of financial instruments	(0.2)	(0.2)
Income by% of completion	(61.9)	(74.0)
Other timing differences	1.1	(0.8)
NET DEFERRED TAX ON THE BALANCE SHEET	**(45.4)**	**(51.2)**

As at 31 December 2021, the Group had unrecognised tax loss carry-forwards of €403.2 million (basis), as compared with €425.5 million for the year ending 31 December 2020.

Deferred taxes relating to valuation differences correspond primarily to the brands held by the Group.

Deferred taxes relating to the activation of tax losses mainly relate to losses recognised in the tax consolidation group Altareit and losses partially activated in the taxable sector of some SIIC companies.

Deferred taxes are calculated (for French companies which are part of the Group's main consolidation scope) at the rate of 25.83%, the rate set by the Finance Act for 2022, and not at the rate of 27.37% applicable in 2021.

Proposed tax reassessment:

Altarea SCA received proposed tax adjustments relating to the financial years 2017, 2018 and 2019. All the potential financial consequences have been recognised with the exception of certain disputed adjustments which total €0.9 million.

5.4 Earnings per share

Net income per share (basic earnings per share) is the net income (Group share) compared to the weighted average number of shares in issue during the period, less the weighted average number of treasury shares.

To calculate the diluted net income per share, the weighted average number of shares in issue is adjusted to take into account the potentially dilutive effect of all equity instruments issued by the Company.

As in 2020, the dilution arose only from the granting of rights to free shares in Altarea SCA to Group employees.

The average number of shares in 2020 was adjusted to take into account the capital increase carried out in December 2021 with preferential subscription rights (PSR) in accordance with IAS 33.

The preferential subscription right is treated as a value distributed free of charge to shareholders.

The adjustment coefficient is based on the ratio between the value of the share before detachment of the preferential subscription right and the value of the share ex this right. This coefficient was applied until the date of the capital increase.

The average number of undiluted shares reported as 16,850,855 in 2020 is adjusted to 17,308,818, which corresponds to an undiluted net earnings per share of -€17.78 instead of -€18.26 published.

The published average number of diluted shares for 2020 is adjusted from 17,081,054 reported to 17,539,018, which corresponds to a diluted 2020 net earnings per share of -€17.55 instead of -€18.02 published.

(€ millions)	31/12/2021	31/12/2020
Numerator		
Net income, Group share	211.6	(307.7)
Denominator		
Weighted average number of shares before dilution	18,024,260	17,308,818
Effect of potentially dilutive shares		
Stock options	*0*	*0*
Rights to free share grants	*399,826*	*230,199*
Total potential dilutive effect	399,826	230,199
Weighted diluted average number of shares	18,424,086	17,539,018
NET INCOME, GROUP SHARE, UNDILUTED PER SHARE *(€)*	**11.74**	**(17.78)**
NET INCOME, GROUP SHARE, DILUTED PER SHARE *(€)*	**11.49**	**(17.55)**

NOTE 6 LIABILITIES

6.1 Equity

6.1.1 Share capital, share-based payments and treasury shares

Share capital

Altarea SCA share capital (in euros)

In number of shares and in €	Number of shares	Nominal	Share capital
Number of shares outstanding at 31 December 2019	**16,700,762**	**15.28**	**255,195,822**
Share capital increase via the part-conversion of dividends into shares	508,199	15.28	7,765,281
Share capital increase reserved for Mutual Funds	66,878	15.28	1,021,896
Number of shares outstanding at 31 December 2020	**17,275,839**	**15.28**	**263,982,998**
Share capital increase reserved for SCI VDE Reuilly shareholders	39,277	15.28	600,153
Share capital increase via the part-conversion of dividends into shares	60,580	15.28	925,662
Share capital increase reserved for Mutual Funds	482,385	15.28	7,370,843
Share capital increase of 10 December 2021	2,435,190	15.28	37,209,703
NUMBER OF SHARES OUTSTANDING AT 31 DECEMBER 2021	**20,293,271**	**15.28**	**310,089,359**

Capital management

The aim of the Group's capital management is to ensure liquidity and optimise its capital structure.

The Company's policy is to maintain its LTV (Loan to Value) ratio at around 40%, excluding temporarily exceeding that level or exceptional transactions. The corporate loan agreement clauses specifically stipulate that the Group must maintain an LTV ratio below 60%.

Share-based payments

The gross expense recorded on the income statement for share-based payments was €23.4 million at 31 December 2021 compared to €12.5 million in 2020.

No stock option plans were in force at 31 December 2021.

Free share grants

Award date	Number of rights awarded	Vesting date	Rights in circulation at 31/12/2020	Awarded	Deliveries	Amendments to rights[(a)]	Rights in circulation at 31/12/2021
Share grant plans on Altarea shares							
20 July 2018	41,500[(b)]	31 March 2021	30,800		(30,800)	–	
7 September 2018	14,800[(b)]	31 March 2021	7,400		(7,400)	–	
3 December 2018	5,000[(b)]	31 March 2021	2,000		(2,000)	–	
19 December 2018	2,000[(b)]	31 March 2021	2,000		(2,000)	–	
18 March 2019	9,461	12 March 2021	9,079		(8,837)	(242)	
19 March 2019	41,531	19 March 2022	37,347			(2,983)	34,364
6 June 2019	1,355	20 March 2022	1,220			(80)	1,140
18 October 2019	2,000	30 March 2021	2,000		(2,000)	–	
21 October 2019	20,000[(b)]	30 March 2022	20,000			–	20,000
18 December 2019	3,000[(b)]	31 March 2021	2,400		(2,400)	–	
10 January 2020	1,300	10 January 2021	1,300		(1,300)	–	
20 April 2020	58,809	20 April 2021	58,477		(57,374)	(1,103)	
21 April 2020	18,479	21 April 2022	18,411			(448)	17,963
22 April 2020	45,325	22 April 2023	43,952			(3,078)	40,874
23 April 2020	1,000	23 April 2021	1,000		(1,000)	–	
24 April 2020	2,000	24 April 2022	2,000			–	2,000
30 April 2020	4,900	30 April 2021	4,600		(4,600)	–	
1 October 2020	89	1 October 2021	89		(89)	–	
31 March 2021	121,080	1 April 2022		121,080		(2,418)	118,662
31 March 2021	10,000	1 April 2022		10,000		–	10,000
30 April 2021	73,050[(b)]	31 March 2024		73,050		(2,005)	71,045
4 June 2021	32,000[(b)]	31 March 2025		32,000		–	32,000
4 June 2021	27,500[(b)]	31 March 2025		27,500		–	27,500
4 June 2021	45,500[(b)]	31 March 2025		45,500		–	45,500
4 June 2021	14,000[(b)]	31 March 2025		14,000		–	14,000
4 June 2021	23,700[(b)]	31 March 2025		23,700		–	23,700
4 June 2021	30,000[(b)]	31 March 2025		30,000		–	30,000
1 September 2021	600	1 September 2023		600		–	600
1 October 2021	2,000	30 March 2023		2,000		–	2,000
TOTAL	**651,979**		**244,075**	**379,430**	**(119,800)**	**(12,357)**	**491,348**

(a) Rights cancelled for reasons of departure, transfer, lack of certainty that performance criteria have been met or changes in plan terms.
(b) Plans subject to performance criteria.

Valuation parameters for new free share grants

	31/12/2021
Dividend rate	6.0%
Risk-free interest rate	0.0%

Treasury shares

The acquisition cost of treasury shares was €33.8 million at 31 December 2021 for 205,406 shares (including 204,799 shares intended for allotment to employees under free share grant or stock option plans and 607 shares allocated to a liquidity contract), compared with €23.9 million at 31 December 2020 for 139,322 shares (including 139,095 shares intended for allotment to employees under free share grant or stock option plans and 227 shares allocated to a liquidity contract). Treasury shares are eliminated and offset directly in equity.

In addition, a net loss on disposal and/or free share grants of treasury shares to Company employees was recognised directly in equity in the amount of -€21.5 million before tax at 31 December 2021 (-€15.9 million after tax) compared with -€15.0 million at 31 December 2020 (-€10.9 million before tax).

The negative impact on cash flow from purchases and disposals over the period came to -€31.3 million at 31 December 2021 compared to -€5.9 million at 31 December 2020.

6.1.2 Dividends proposed and paid

Dividends paid

(€ millions)	31/12/2021	31/12/2020
Paid in current year in respect of previous year:		
Dividend per share (€)	*9.50*	*9.00*
Payment to shareholders of the Altarea Group	163.6	149.1
Proportional payment to the general partner (1.5%)	2.5	2.3
TOTAL	**166.1**	**151.4**
Offer to convert dividends into shares:		
Subscription price *(€)*	155.51	120.79
Total amount of conversion into shares	**88.6**	**61.4**
Rate of conversion of dividends into shares on the 50% option	*91.59%*	*82.28%*

Proposed payment in respect of 2021

For the 2021 financial year, a dividend of €9.75 per share will be proposed to the Annual General Meeting called to approve the financial statements for the year ending 31 December 2021.

Shareholders will also be offered the option to partially convert the dividend into shares. They will be free to choose between:

- a full payment in cash;
- a payment of 50% in shares, and 50% in cash.

6.2 Net financial debt and guarantees

Current and non-current borrowings and financial liabilities, and net cash

			"Non-cash" change					
(€ millions)	31/12/2020	Cash flow	Spreading of issue costs	Change in scope of consolidation	Update	Change in method	Reclassification	31/12/2021
Bonds (excluding accrued interest)	1,950.4	(228.5)	1.4	–	–	–	–	1,723.2
Short and medium term negotiable securities	653.0	106.0	–	–	–	–	–	759.0
Bank borrowings, excluding accrued interest and overdrafts	836.4	(94.0)	4.0	(0.0)	–	–	–	746.4
Net bond and bank debt, excluding accrued interest and overdrafts	**3,439.7**	**(216.5)**	**5.4**	**(0.0)**	**–**	**–**	**–**	**3,228.6**
Accrued interest on bond and bank borrowings	26.5	2.5	–	–	–	–	–	29.0
BOND AND BANK DEBT, EXCLUDING OVERDRAFTS	**3,466.2**	**(214.0)**	**5.4**	**(0.0)**	**–**	**–**	**–**	**3,257.6**
Cash and cash equivalents	(1,277.5)	(348.0)	–	–	–	0.0	–	(1,625.5)
Bank overdrafts	3.9	9.7	–	–	–	–	–	13.6
Net cash	**(1,273.6)**	**(338.4)**	**–**	**–**	**–**	**0.0**	**–**	**(1,612.0)**
NET BOND AND BANK DEBT	**2,192.6**	**(552.4)**	**5.4**	**(0.0)**	**–**	**0.0**	**–**	**1,645.6**
Equity loans and Group and partners' advances	270.0	(134.1)	–	(1.7)	–	–	(0.0)	134.2
Accrued interest on shareholders' advances	0.7	0.0	–	–	–	(0.0)	–	0.7
Lease liabilities	150.4	(2.3)	–	–	–	–	6.1	154.3
Contractual fees on investment properties	178.8	(15.5)	–	–	–	–	6.6	169.9
NET FINANCIAL DEBT	**2,792.5**	**(704.3)**	**5.4**	**(1.7)**	**–**	**0.0**	**12.7**	**2,104.7**

6.2.1 Net financial bond and bank debt

Group net financial bond and bank debt amounted to €1,645.6 million at 31 December 2021 compared to €2,192.6 million at 31 December 2020.

During the financial year, the Group notably:

- refinanced the mortgage debt of Aldeta (CAP3000) in the amount of €350 million with a term loan with a maturity of seven years, as the mortgage debt of €400 million is extinguished;
- repaid the €230 million Euro PP which matured in May 2021;
- increased its issue of medium-term and short-term negotiable securities (over €106 million). The Group continued to make use of short- and medium-term resources *via* NEU-CP (issues up to one year) and NEU-MTN (issues in excess of one year) programmes.

At 31 December 2021, no revolving loan had been drawn down.

Borrowing costs are analysed in the note on earnings.

Net cash

Net cash amounted to €1,612.0 million, including cash equivalents (mainly term accounts – for €50.3 million) which are recorded at their fair value at each reporting date.

Breakdown of bank and bond debt by maturity

(€ millions)	31/12/2021	31/12/2020
< 3 months	366.3	271.9
3 to 6 months	170.2	894.2
6 to 9 months	114.2	91.7
9 to 12 months	93.8	88.0
At less than 1 year	**744.6**	**1,345.8**
At 2 years	209.1	153.0
At 3 years	541.8	124.2
At 4 years	540.2	451.6
At 5 years	106.1	540.0
1 to 5 years	**1,397.3**	**1,268.7**
More than 5 years	**1,144.9**	**869.8**
Issuance cost to be amortised	(15.6)	(14.2)
TOTAL GROSS BOND AND BANK DEBT	**3,271.1**	**3,470.1**

The decrease in the portion of bond and bank debt due in less than one year is mainly explained by the reduction in mortgage debt on CAP3000 and by the maturing of bonds issued by Altarea in 2014. The portion at more than five years increased following the refinancing of the mortgage debt on CAP3000.

Breakdown of bank and bond debt by guarantee

(€ millions)	31/12/2021	31/12/2020
Mortgages	350.0	400.0
Mortgage commitments	114.4	150.6
Moneylender lien	10.8	11.6
Altarea SCA security deposit	200.0	200.0
Not guaranteed	2,611.6	2,722.1
TOTAL	**3,286.8**	**3,484.3**
Issuance cost to be amortised	(15.6)	(14.2)
TOTAL GROSS BOND AND BANK DEBT	**3,271.1**	**3,470.1**

Mortgages are given as collateral for the financing or refinancing of investment properties. Mortgage commitments and the lender's lien mainly concern Property Development activities.

Breakdown of bank and bond debt by interest rate

	Gross bond and bank debt		
(€ millions)	Variable rate	Fixed rate	Total
As of 31 December 2021	1,521.9	1,749.3	3,271.1
As of 31 December 2020	1,495.2	1,974.9	3,470.1

The market value of fixed rate debt stood at €1,789.4 million at 31 December 2021 compared to €2,050.9 million at 31 December 2020.

Schedule of future interest expenses

(€ millions)	31/12/2021	31/12/2020
< 3 months	3.9	3.7
3 to 6 months	4.9	9.0
6 to 9 months	17.5	14.1
9 to 12 months	6.0	4.9
AT LESS THAN 1 YEAR	**32.3**	**31.7**
At 2 years	52.9	49.4
At 3 years	52.1	47.0
At 4 years	41.5	45.4
At 5 years	19.7	37.0
1 TO 5 YEARS	**166.2**	**178.7**

These future interest expenses concern borrowings and financial instruments, and are presented exclusive of accrued interest not payable.

6.2.2 Lease liabilities

Lease liabilities are debts mainly relating to real estate leases and vehicle leases (respectively for the premises occupied and the vehicles used by Group employees).

These liabilities amounted to €154.3 million at 31 December 2021 compared to €150.4 million at 31 December 2020. They seen in light of the right-of-use assets on tangible and intangible assets.

6.2.3 Contractual fees on Investment properties

Contractual fees on investment properties, which are economically different in nature from rental obligations, concern debts relating to temporary occupancy authorisations and construction leases on retail assets (mainly stations).

They amounted to €169.9 million at 31 December 2021 compared to €178.8 million at 31 December 2020 and are to be seen in light of the right-of-use assets on investment properties (assets that generate income).

6.2.4 Breakdown by due date for lease liabilities and contractual fees on investment properties

(€ millions)	31/12/2021	31/12/2020
< 3 months	4.6	2.5
3 to 6 months	4.6	1.7
6 to 9 months	4.6	19.9
9 to 12 months	4.9	0.9
At less than 1 year	**18.7**	**25.1**
At 2 years	17.2	17.7
At 3 years	17.0	16.1
At 4 years	16.9	15.8
At 5 years	18.0	16.2
1 to 5 years	**69.1**	**65.9**
More than 5 years	**236.4**	**238.4**
TOTAL LEASE LIABILITIES AND CONTRACTUAL FEES ON INVESTMENT PROPERTIES	**324.2**	**329.3**

6.2.5 Elements of net debt set out in the cash flow table

(€ millions)	Cash flow
Issuance of borrowings and other financial liabilities	1,564.2
Repayment of borrowings and other financial liabilities	(1,914.8)
Change in borrowing and other financial liabilities	**(350.6)**
Repayment of lease liabilities	(17.8)
Change in cash balance	338.4
TOTAL CHANGE IN NET FINANCIAL DEBT	**(30.0)**
Net bond and bank debt, excluding accrued interest and overdrafts	(216.5)
Net cash	338.4
Equity loans and Group and partners' advances	(134.1)
Lease liabilities	(2.3)
Contractual fees on investment properties	(15.5)
TOTAL CHANGE IN NET FINANCIAL DEBT	**(30.0)**

6.3 Provisions

(€ millions)	31/12/2021	31/12/2020
Provision for benefits payable at retirement	16.2	14.9
Other provisions	20.6	9.1
TOTAL PROVISIONS	**36.8**	**24.0**

The provision for post-employment benefits was valued by an external actuary. The valuation and accounting principles are detailed in the Company's accounting principles and methods. The main assumptions used to assess the commitment are the staff turnover rate, the discount rate and the salary increase rate: a variation of +/-0.25% of these last two criteria would not result in no significant impact.

Other provisions primarily cover:

- repayment risk on rental guarantees granted upon the disposal (in part or in whole) of non-current assets;
- the risk of disputes arising from construction operations;
- the risk of the failure of certain co-developer;
- as well as estimates of residual risks involving completed programmes (litigation, ten-year guarantee, definitive general statement, etc.).

NOTE 7 ASSETS AND IMPAIRMENT TESTS

7.1 Investment properties

	Investment properties				
(€ millions)	measured at fair value	measured at cost	right-of-use	Assets held for sale	Total Investment properties
As of 31 December 2020	**3,649.0**	**211.1**	**164.6**	**77.4**	**4,102.0**
Subsequent investments and expenditures	40.5	15.6	–	–	56.1
Change in spread of incentives to buyers	1.5	–	–	–	1.5
Disposals/repayment of down payments made	(0.2)	(10.0)	–	–	(10.2)
Net impairment/project discontinuation	–	(4.8)	–	–	(4.8)
Transfers to assets held for sale or to or from other categories	82.2	(37.9)	–	(69.1)	(24.8)
New right-of-use assets and indexation	–	–	6.6	–	6.6
Change in fair value	41.4	–	(1.6)	–	39.9
Change in scope of consolidation	–	18.7	–	–	18.7
AS OF 31 DECEMBER 2021	**3,814.5**	**192.8**	**169.6**	**8.3**	**4,185.1**

As of 31 December 2021, no interest expenses have been capitalised for projects under development and construction.

Investment properties at fair value

The main movements concern changes in fair value of shopping centres in operation.

Investment properties valued at cost

The assets under development and under construction recognised at cost mainly concern the development and redevelopment projects of shopping centres in France.

During the first half of the year, the Group acquired a logistics asset located at 80-98 rue de Reuilly, in Paris. In the last quarter, the nature of the project concerning this asset was modified and the asset was transferred to inventory.

The Group reviewed all of its ongoing projects and recorded impairment charges where it deemed necessary.

Rights of use on Investment properties

The right-of-use assets on investment properties (measured at fair value) correspond to the valuation under IFRS 16 of the temporary occupancy authorisation contracts for investment properties.

The New right-of-use assets line includes the signing of an amendment to a temporary occupation authorisation (AOT) agreement, as well as the indexation of existing contracts.

Value Measurement – IFRS 13

In accordance with IFRS 13 – “Fair Value Measurement” and the EPRA’s recommendation on IFRS 13, “EPRA Position Paper on IFRS 13 – Fair Value *Measurement and Illustrative Disclosures*, February 2013”, the Group chose to present additional parameters used to determine the fair value of its property portfolio.

The Altarea Cogedim Group considered that classifying its assets in level 3 was most appropriate. This treatment reflects the primarily unobservable nature of the data used in the assessments, such as rents from rental statements, capitalisation rates and average annual growth rate of rents. The tables below thus present a number of quantitative parameters used to determine the fair value of the property portfolio. These parameters apply only to shopping centres controlled exclusively by the Group (and therefore do not include assets accounted for under the equity method) and which are measured at fair value by the expert appraisers.

		Initial capitalisation rate[a]	Rent in € per m²[b]	Discount rate[c]	Capitalisation rate at exit[d]	AAGR of net rental income[e]
France	Maximum	10.0%	679	8.1%	7.0%	4.5%
	Minimum	4.1%	41	5.2%	3.8%	1.3%
	Weighted average	**5.1%**	**403**	**6.4%**	**5.1%**	**3.0%**

(a) The initial capitalisation rate is the net rental income relative to the appraisal value excluding transfer duties.
(b) Annual average rent (minimum guaranteed rent plus variable rent) per asset and m².
(c) Rate used to discount the future cash flow.
(d) Rate used to capitalise the revenue in the exit year in order to calculate the asset's exit value.
(e) Average Annual Growth Rate of net rental income.

Based on a Group weighted average capitalisation rate, a +0.25% increase in capitalisation rates would lead to a reduction of -€143.6 million in the value of investment properties (-4.4%), while a -0.25% decrease in capitalisation rates would increase the value of investment properties by €193.7 million (+6.0%).

Breakdown of the portfolio measured at fair value by asset type

(€ millions)	31/12/2021	31/12/2020
Regional shopping centres	2,480.8	2,489.0
Travel retail	520.9	442.6
Retail parks	677.2	625.0
Others	135.5	92.4
TOTAL	**3,814.5**	**3,649.0**

Investment working capital requirement

(€ millions)	Receivables on fixed assets	Amounts due on non current assets	Investment WCR
As of 31 December 2020	**2.2**	**(179.9)**	**(177.6)**
Variations	(2.1)	31.7	29.6
Present value adjustment	–	–	–
Transfers	–	3.5	3.5
Change in scope of consolidation	–	0.0	0.0
As of 31 December 2021	**0.2**	**(144.7)**	**(144.5)**
Change in WCR at 31 December 2021	**(2.1)**	**31.7**	**29.6**

Net acquisitions of assets and capitalised expenditures

(€ millions)	31/12/2021	31/12/2020
Type of non-current assets acquired:		
Intangible assets	(9.6)	(7.2)
Property, plant and equipment	(7.6)	(17.0)
Investment properties	(89.4)	(101.5)
TOTAL	**(106.6)**	**(125.7)**

7.2 Goodwill and other intangible assets

(€ millions)	Gross values	Amortisation and/or impairment	31/12/2021	31/12/2020
Goodwill	**449.9**	**(240.6)**	**209.4**	**209.4**
Brands	**105.4**	**–**	**105.4**	**105.4**
Customer relationships	**192.9**	**(192.9)**	**–**	**–**
Software applications, patents and similar rights	62.2	(44.9)	17.3	15.3
Leasehold right	0.3	(0.0)	0.3	0.3
Others	0.1	(0.0)	0.1	0.1
Other intangible assets	**62.6**	**(44.9)**	**17.7**	**15.7**
TOTAL	**810.8**	**(478.4)**	**332.5**	**330.4**

(€ millions)	31/12/2021	31/12/2020
Net values at beginning of the period	**330.4**	**331.4**
Acquisitions of intangible assets	9.6	7.2
Disposals and write-offs	(1.5)	(2.2)
Changes in scope of consolidation and other	–	1.0
Net allowances for depreciation	(6.1)	(6.9)
NET VALUES AT THE END OF THE PERIOD	**332.5**	**330.4**

Goodwill

Goodwill is mainly acquisitions of Cogedim, Pitch Promotion and Histoire & Patrimoine.

Impairment tests were carried out on the basis of assumptions for the business in light of economic forecasts; these assumptions are based on historical data on Property Development.

The main assumptions used to calculate the enterprise value are as follows:

- the discount rate is 9.0%;
- free cash flow over the horizon of the business plan is based on assumptions about business volumes and operating margin that take into account the financial and market assumptions known at the date of compilation;
- the perpetual growth rate is 1.5%.

At 31 December 2021, on the basis of these assumptions, the fair value of the economic assets in the Residential and Business property segments are greater than their net book value. No impairment needs to be recorded in the financial statements.

Sensitivity of +/-1% on the discount rate and of +/-0.5% on the perpetual growth rate, would lead to valuations of the economic assets for the Residential segment and the Business property segment which remain greater than their book value as at 31 December 2021.

Brands

The Group owns the following brands: Cogedim, Pitch Promotion, Histoire & Patrimoine and Severini. These brands, of a total value of €105.4 million, have an indefinite useful life and are thus not amortised.

The brands were tested and no impairment was recognised as of 31 December 2021.

7.3 Right-of-use on tangible and intangible fixed assets

(€ millions)	Land and Constructions	Vehicles	Others	Gross right-of-use	Amort. Land and Constructions	Amort. Vehicles	Amort. Others	Amort.	Net right-of-use
As of 31 December 2020	**152.1**	**4.7**	**3.1**	**159.9**	**(14.8)**	**(2.5)**	**(2.3)**	**(19.6)**	**140.3**
New contracts/Increases	4.5	2.0	0.0	6.5	(14.8)	(1.3)	(0.7)	(16.9)	(10.4)
Contract terminations/Reversals	(3.5)	(2.0)	(2.4)	(7.8)	2.1	1.8	2.4	6.3	(1.5)
AS OF 31 DECEMBER 2021	**153.2**	**4.7**	**0.8**	**158.7**	**(27.6)**	**(2.0)**	**(0.6)**	**(30.3)**	**128.4**

Those Group companies having signed rental contracts within the scope of IFRS 16 – Leases, record as assets on the balance sheet, in the form of the right-of-use asset, all leases (mainly leases for premises used by Group employees, vehicle leasing) in exchange for a lease liabilities.

The term used corresponds to the fixed period of the commitment as well as to any optional periods for which there is a reasonable expectation of these being exercised.

7.4 Operational working capital requirement

Summary of components of operational working capital requirement

(€ millions)	31/12/2021	31/12/2020	Flows: Created by the business	Flows: Changes in consolidation scope and transfer	Flows: Change in consolidation method
Net inventories and work in progress	**922.6**	**859.3**	**36.8**	**26.5**	**–**
Contract assets	**714.1**	**741.2**	**(27.0)**	**(0.1)**	**–**
Net trade receivables	340.7	334.7	5.8	0.2	–
Other operating receivables net	517.4	491.1	22.4	3.8	0.0
Trade and other operating receivables net	**858.0**	**825.8**	**28.2**	**4.0**	**0.0**
Contract liabilities	**(168.1)**	**(177.3)**	**9.2**	**–**	**–**
Trade payables	(1,008.6)	(1,094.4)	92.5	(6.8)	(0.0)
Other operating payables	(587.3)	(524.1)	(63.3)	0.1	0.0
Trade payables and other operating liabilities	**(1,595.9)**	**(1,618.5)**	**29.2**	**(6.6)**	**0.0**
OPERATIONAL WCR	**730.6**	**630.4**	**76.5**	**23.7**	**0.0**

The Group's operational working capital requirement (excluding receivables and payables on the sale or acquisition of fixed assets) is essentially linked to the Property Development business.

Changes in scope and transfers are mainly related to movements within the Retail business: transfers of assets from investment properties to inventories were made following changes in the nature of projects.

7.4.1 Inventories and pipeline products

(€ millions)	Gross inventories	Impairment	Net inventories
At 1 January 2020	**1,089.2**	**(24.7)**	**1,064.5**
Change	(237.3)	0.0	(237.3)
Increases	–	(6.7)	(6.7)
Reversals	–	9.7	9.7
Transfers to or from other categories	20.0	(0.1)	19.9
Change in scope of consolidation	9.1	0.1	9.2
As of 31 December 2020	**881.0**	**(21.7)**	**859.3**
Change	31.6	(0.3)	31.3
Increases	–	(4.5)	(4.5)
Reversals	–	10.0	10.0
Transfers to or from other categories	24.4	(0.1)	24.3
Change in scope of consolidation	2.2	(0.0)	2.1
AS OF 31 DECEMBER 2021	**939.1**	**(16.5)**	**922.6**

The change in inventories is mainly due to changes in the Group's Property Development business.

Changes in scope are mainly related to changes in scope within the Property Development business and asset transfers (investment properties to inventories) are due to changes in the nature of projects.

7.4.2 Trade and other receivables

(€ millions)	31/12/2021	31/12/2020
Gross trade receivables	**384.6**	**371.5**
Opening impairment	**(36.8)**	**(23.5)**
Increases	(31.5)	(17.0)
Change in scope of consolidation	–	(0.2)
Reversals	24.3	3.7
Other changes	0.0	0.1
Closing impairment	**(43.9)**	**(36.8)**
NET TRADE RECEIVABLES	**340.7**	**334.7**
Advances and down payments paid	43.1	41.4
VAT receivables	343.2	318.8
Sundry debtors	32.1	34.2
Prepaid expenses	52.9	65.1
Principal accounts in debit	47.1	32.8
Total other operating receivables gross	**518.3**	**492.2**
Opening impairment	**(1.1)**	**(2.9)**
Increases	(0.2)	(0.3)
Reclassification	0.0	(0.0)
Reversals	0.3	2.0
Closing impairment	**(1.0)**	**(1.1)**
NET OPERATING RECEIVABLES	**517.4**	**491.1**
TRADE RECEIVABLES AND OTHER OPERATING RECEIVABLES	**858.0**	**825.8**
Receivables on sale of assets	0.2	2.2
TRADE AND OTHER RECEIVABLES	**858.2**	**828.0**

Detail of trade receivables due:

(€ millions)	31/12/2021
Total gross trade receivables	**384.6**
Impairment of trade receivables	(43.9)
TOTAL NET TRADE RECEIVABLES	**340.7**
Trade accounts to be invoiced	(29.1)
Receivables lagging completion	(103.0)
TRADE ACCOUNTS RECEIVABLE DUE	**208.5**

(€ millions)	Total	On time	At 30 days	At 60 days	At 90 days	More than 90 days
Trade accounts receivable due	208.5	96.5	1.0	27.9	13.7	69.5

Trade receivables

The Group carries out a case-by-case analysis to assess the credit risk of its tenants in centres in operation, and to write down, if necessary, the receivables of tenants where there is evidence that the Company will not be able to collect all amounts due.

In the context of the COVID-19 crisis, the Group has created a special monitoring process for trade receivables in the Retail business.

As of 31 December 2021, the change in net impairment of trade receivables is linked to the impact of COVID-19.

Receivables on off-plan sales (VEFA) are recorded inclusive of all taxes and represent revenues on a percentage-of-completion basis less receipts received from customers.

Advances and down payments paid

Advances and down payments correspond primarily to compensation for loss of use paid by the Group to the sellers of land when preliminary sales agreements are signed (for those not covered by guarantees) as part of its Property development business. They are offset against the price to be paid on completion of the purchase.

Principal accounts in debit

As part of its property management business and real estate transactions, the Group presents the cash balance it manages for third parties on its balance sheet.

7.4.3 Trade and other payables

(€ millions)	31/12/2021	31/12/2020
TRADE PAYABLES AND RELATED ACCOUNTS	**1,008.6**	**1,094.4**
Advances and down payments received from clients	23.4	36.8
VAT collected	321.8	300.7
Other tax and social security payables	63.6	43.7
Prepaid income	10.0	7.2
Other payables	121.4	102.9
Principal accounts in credit	47.2	32.9
OTHER OPERATING PAYABLES	**587.3**	**524.1**
Amounts due on non-current assets	144.7	179.9
TRADE AND OTHER PAYABLES	**1,740.6**	**1,798.4**

Payables on acquisition of assets

Payables on acquisition of assets correspond mainly to debts to suppliers for shopping centres just completed or under development.

NOTE 8 FINANCIAL RISK MANAGEMENT

The Group is exposed to the following risks as part of its operational and financing activities: interest rate risk, liquidity risk, counterparty risk and currency risk.

8.1 Carrying amount of financial instruments by category

As of 31 December 2021

			Financial assets and liabilities carried at amortised cost		Financial assets and liabilities carried at fair value				
(€ millions)	Total carrying amount	Non-financial assets	Loans Receivables	Liabilities at amortised cost	Equity instruments	Assets and liabilities at fair value through profit and loss	Level 1[a]	Level 2[b]	Level 3[c]
NON-CURRENT ASSETS	**481.4**	**148.8**	**328.1**	**–**	**4.5**	**–**	**–**	**–**	**4.5**
Securities and investments in equity affiliates	459.4	148.8	310.6	–	–	–	–	–	–
Non-current financial assets	22.0	–	17.5	–	4.5	–	–	–	4.5
CURRENT ASSETS	**2,524.1**	**–**	**2,461.8**	**–**	**–**	**62.3**	**50.3**	**12.0**	**–**
Trade and other receivables	858.2	–	858.2	–	–	–	–	–	–
Current assets	28.3	–	28.3	–	–	–	–	–	–
Derivative financial instruments	12.0	–	–	–	–	12.0	–	12.0	–
Cash and cash equivalents	1,625.5	–	1,575.3	–	–	50.3	50.3	–	–
NON-CURRENT LIABILITIES	**2,930.3**	**–**	**–**	**2,930.3**	**–**	**–**	**–**	**–**	**–**
Borrowings and financial liabilities	2,891.7	–	–	2,891.7	–	–	–	–	–
Deposits and security interests received	38.7	–	–	38.7	–	–	–	–	–
CURRENT LIABILITIES	**2,595.9**	**–**	**–**	**2,579.2**	**–**	**16.7**	**–**	**16.7**	**–**
Borrowings and financial liabilities	838.5	–	–	838.5	–	–	–	–	–
Derivative financial instruments	16.7	–	–	–	–	16.7	–	16.7	–
Trade and other payables	1,740.6	–	–	1,740.6	–	–	–	–	–

(a) Financial instruments listed on an active market.
(b) Financial instruments whose fair value is determined using valuation techniques based on observable market inputs.
(c) Financial instruments whose fair value (in whole or in part) is based on nonobservable inputs.

Equity instruments mainly comprise equity securities of non-consolidated companies. At each acquisition, an analysis is carried out to determine the Group's management intention, and therefore its accounting method (change in value through income or by OCI).
Cash and cash equivalents breakdown between cash presented under receivables and marketable securities presented as financial assets within Level 1 of the fair value hierarchy.

As of 31 December 2020

(€ millions)	Total carrying amount	Non-financial assets	Financial assets and liabilities carried at amortised cost: Loans Receivables	Financial assets and liabilities carried at amortised cost: Liabilities at amortised cost	Financial assets and liabilities carried at fair value: Equity instruments	Financial assets and liabilities carried at fair value: Assets and liabilities at fair value through profit and loss	Level 1[a]	Level 2[b]	Level 3[c]
NON-CURRENT ASSETS	**592.2**	**255.4**	**333.4**	**–**	**3.4**	**–**	**–**	**–**	**3.4**
Securities and investments in equity affiliates	579.6	255.4	324.2	–	–	–	–	–	–
Non-current financial assets	12.6	–	9.2	–	3.4	–	–	–	3.4
CURRENT ASSETS	**2,128.6**	**–**	**2,067.1**	**–**	**–**	**61.5**	**60.4**	**1.1**	**–**
Trade and other receivables	828.0	–	828.0	–	–	–	–	–	–
Current assets	22.0	–	22.0	–	–	–	–	–	–
Derivative financial instruments	1.1	–	–	–	–	1.1	–	1.1	–
Cash and cash equivalents	1,277.5	–	1,217.1	–	–	60.4	60.4	–	–
NON-CURRENT LIABILITIES	**2,536.8**	**–**	**–**	**2,536.8**	**–**	**–**	**–**	**–**	**–**
Borrowings and financial liabilities	2,500.2	–	–	2,500.2	–	–	–	–	–
Deposits and security interests received	36.6	–	–	36.6	–	–	–	–	–
CURRENT LIABILITIES	**3,404.5**	**–**	**–**	**3,368.2**	**–**	**36.3**	**–**	**36.3**	**–**
Borrowings and financial liabilities	1,569.8	–	–	1,569.8	–	–	–	–	–
Derivative financial instruments	36.3	–	–	–	–	36.3	–	36.3	–
Trade and other payables	1,798.4	–	–	1,798.4	–	–	–	–	–

(a) Financial instruments listed on an active market.
(b) Financial instruments whose fair value is determined using valuation techniques based on observable market inputs.
(c) Financial instruments whose fair value (in whole or in part) is based on nonobservable inputs.

Equity instruments mainly comprise equity securities of non-consolidated companies. At each acquisition, an analysis is carried out to determine the Group's management intention, and therefore its accounting method (change in value through income or by OCI).
Cash and cash equivalents breakdown between cash presented under receivables and marketable securities presented as financial assets within Level 1 of the fair value hierarchy.

8.2 Interest rate risk

The Group holds a portfolio of swaps and caps designed to hedge against interest rate risk on its financial debts.

The Group mainly uses credit markets. The increasing use of fixed-coupon bonds has changed the hedging strategy in recent years.

In December 2021, the Group executed a €525 million rate swap program in anticipation of the increase in the debt volume.

The Group has not opted for the hedge accounting available under IFRS 9. Derivatives are carried at fair value.

In compliance with IFRS 13, these instruments are measured by considering the credit valuation adjustment (CVA) when positive, and the debit valuation adjustment (DVA) when negative. This adjustment measures, by application on each cash flow date of the valuation of a probability of default, the counterparty risk defined as an obligation to replace a hedging operation at the market rate in force following the default by one of the counterparties. CVA, calculated for a given counterparty, considers the probability of default for this counterparty. DVA, based on the Company's credit risk, corresponds to the counterparty's exposure to loss in the event of the Company's default. The impact of the change in the fair value of derivative financial instruments is not material to net income for the period.

Position in derivative financial instruments

(€ millions)	31/12/2021	31/12/2020
Interest-rate swaps	(16.6)	(30.2)
Interest-rate caps	4.9	–
Accrued interest not yet due	7.1	0.5
Premiums and balances outstanding	–	(5.5)
TOTAL	**(4.7)**	**(35.2)**

Derivatives were valued by discounting future cash flows estimated according to interest rate curves at 31 December 2021.

Maturity schedule of derivative financial instruments (notional amounts)

As of 31 December 2021

(€ millions)	31/12/2021	31/12/2022	31/12/2023	31/12/2024	31/12/2025	31/12/2026
Altarea – pay fixed – swap	500.0	500.0	1,025.0	1,025.0	525.0	525.0
Altarea – pay floating rate – swap	700.0	700.0	700.0	300.0	300.0	–
Altarea– cap	262.5	262.5	262.5	262.5	262.5	262.5
TOTAL	**1,462.5**	**1,462.5**	**1,987.5**	**1,587.5**	**1,087.5**	**787.5**
Average hedge ratio	0.19%	0.19%	0.17%	0.13%	-0.30%	0.10%

As of 31 december 2020

(€ millions)	31/12/2020	31/12/2021	31/12/2022	31/12/2023	31/12/2024	31/12/2025
Altarea – pay fixed – swap	750.0	500.0	500.0	500.0	500.0	–
Altarea – pay floating rate – swap	400.0	400.0	400.0	400.0	–	–
Altarea– cap	75.0	–	–	–	–	–
TOTAL	**1,225.0**	**900.0**	**900.0**	**900.0**	**500.0**	**–**
Average hedge ratio	0.35%	0.35%	0.35%	0.35%	0.31%	0.00%

Management position

As of 31 December 2021

(€ millions)	31/12/2021	31/12/2022	31/12/2023	31/12/2024	31/12/2025	31/12/2026
Fixed-rate bond and bank loans	(1,749.3)	(1,722.9)	(1,722.8)	(1,337.2)	(837.1)	(787.0)
Floating-rate bank loans	(1,521.9)	(803.6)	(594.5)	(438.4)	(398.3)	(342.3)
Cash and cash equivalents (assets)	1,625.5	–	–	–	–	–
Net position before hedging	**(1,645.6)**	**(2,526.5)**	**(2,317.4)**	**(1,775.6)**	**(1,235.4)**	**(1,129.3)**
Swap	1,200.0	1,200.0	1,725.0	1,325.0	825.0	525.0
Cap	262.5	262.5	262.5	262.5	262.5	262.5
Total derivative financial instruments	**1,462.5**	**1,462.5**	**1,987.5**	**1,587.5**	**1.087,.**	**787.5**
NET POSITION AFTER HEDGING	**(183.1)**	**(1064.0)**	**(329.9)**	**(188.1)**	**(147.9)**	**(341.8)**

As of 31 December 2020

(€ millions)	31/12/2020	31/12/2021	31/12/2022	31/12/2023	31/12/2024	31/12/2025
Fixed-rate bond and bank loans	(1,974.9)	(1,720.3)	(1,720.2)	(1,720.1)	(1,334.5)	(834.4)
Floating-rate bank loans	(1,495.2)	(404.1)	(251.2)	(127.1)	(61.1)	(21.3)
Cash and cash equivalents (assets)	1,277.5	–	–	–	–	–
Net position before hedging	**(2,192.6)**	**(2,124.4)**	**(1,971.4)**	**(1,847.2)**	**(1,395.6)**	**(855.6)**
Swap	1,150.0	900.0	900.0	900.0	500.0	–
Cap	75.0	–	–	–	–	–
Total derivative financial instruments	**1,225.0**	**900.0**	**900.0**	**900.0**	**500.0**	**–**
NET POSITION AFTER HEDGING	**(967.6)**	**(1,224.4)**	**(1,071.4)**	**(947.2)**	**(895.6)**	**(855.6)**

Analysis of interest-rate sensitivity

The following table shows the interest-rate sensitivity (including the effect of hedging instruments) of the entire portfolio of floating-rate borrowings from credit institutions and derivative instruments.

	Increase/decrease in interest rates	Impact of the gain (-) or loss (+) on pre-tax	Impact on the value of the portfolio of the financial instruments
31/12/2021	+50 bps -50 bps	+€2.5 million -€2.3 million	+€16.0 million -€15.9 million
31/12/2020	+50 bps -50 bps	+€1.3 million -€1.6 million	+€6.3 million -€6.5 million

8.3 Liquidity risk

Cash

The Group had a positive cash position of €1,625.5 million at 31 December 2021, compared to €1,277.5 million at 31 December 2020. This represents its main tool for management of liquidity risk (see Note 6.2.1 "Net financial bond and bank debt").

Part of this cash is available for the subsidiaries that carry it: as of 31 December 2021, this cash amounted to €553.3 million.

On this date, €1,072.2 million in cash is available at Group level. The Group also has €1,159 million of additional available cash and cash equivalents (in committed corporate credit facilities unused and not assigned to projects).

Covenants

The covenants with which the Group must comply concern the listed corporate bond and banking loans, for €1,515 million.

The bond issue subscribed for by Altareit SCA (€500 million) is subject to leverage covenants.

	Altarea Group covenants	31/12/2021	Consolidated Altareit covenants	31/12/2021
Loan To Value (LTV)				
Net bond and bank financial debt/re-assessed value of the Company's assets	<60%	24.1%		
Interest Cover Ratio (ICR)				
Operating income (FFO column or *cash* flow from operations)/ Company's net borrowing cost (FFO column)	> 2	8.2		
Leverage				
Gearing: Net financial debt/Equity			≤ 3.25	(0.1)
ICR: EBITDA/Net interest expenses			≥ 2	9.9

The covenants specific to mortgage loans to finance shopping centres in operation:

- DSCR = net rental income of the Company/cost of net financial debt plus principal repayment; normally 1.50 (or a lower ratio);
- LTV ratio in operation phase = Loan To Value = Company net debt/ Company net asset value is normally < 60%;
- the covenants specific to mortgage loans for shopping centres under development or redevelopment may be more restrictive than to loans for centres in operation, within the limit of the following values: DSCR > 2.0 and LTV < 60%.

At 31 December 2021, the Company met all its covenants. In the highly likely event that certain mortgage debt may be required to be partially repaid at a subsequent date, the amount of these repayments would be recognised under current liabilities until the maturity date.

Counterparty risk

The use of derivatives to limit interest-rate risk exposes the Group to a possible default by a counterparty. The Group mitigates this risk by selecting only major financial institutions as counterparties in hedging transactions.

Currency risk

Because the Company operates exclusively in the euro zone, it has not entered into any currency hedges.

NOTE 9 RELATED PARTY TRANSACTIONS

Ownership structure of Altarea SCA

Ownership of the Company's shares and voting rights is as follows:

	31/12/2021		31/12/2020	
As a percentage	% share capital	% voting rights	% share capital	% voting rights
Founding shareholders and the expanded concert party[(a)]	44.93	45.39	45.85	46.22
Crédit Agricole Assurances	24.66	24.91	24.74	24.94
ABP	7.09	7.16	8.27	8.34
Opus Investment BV[(b)]	1.62	1.64	1.49	1.50
Treasury shares	1.01	–	0.81	–
Public + employee investment mutual fund	20.69	20.90	18.84	19.00
TOTAL	**100.00**	**100.00**	**100.00**	**100.00**

(a) The founding shareholders, Alain Taravella and his family, Jacques Nicolet and the CEO of Altafi 2, Jacques Ehrmann, acting in concert.
(b) And related parties.

Related party transactions

The main related parties are the companies of one of the founding shareholders that own a stake in Altarea:

- AltaGroupe, AltaPatrimoine and Altager, controlled by Alain Taravella.

The Company is managed by Alain Taravella personally and by the companies Altafi 2 and Atlas which he controls. Alain Taravella is also Chairman of Altafi 2 and Atlas. Jacques Ehrmann is Chief Executive Officer of Altafi 2.

Transactions with these related parties mainly relate to services rendered by the aforementioned Management and to a lesser extent, services and rebillings by the Company to AltaGroupe and its subsidiaries.

Coordinating services provided to the Company

In order to formalise the services habitually provided to Altarea by AltaGroupe, the coordinating holding Company, and to spell out the services provided by the latter, a coordination agreement was signed in 2017. The previous conditions remain unchanged.

Assistance services and rebilling by the Company and its subsidiaries

Assistance services and rebilling of rents and other items are recognised as a deduction from other company overhead costs in the amount of €0.2 million. Services invoiced to related parties by the Altarea Group are invoiced on an arm's length basis.

Assets and liabilities toward related parties

	Altafi 2 SAS	
(€ millions)	31/12/2021	31/12/2020
Trade and other receivables	0.1	0.0
TOTAL ASSETS	**0.1**	**0.0**
Trade and other payables[(a)]	1.0	0.0
TOTAL LIABILITIES	**1.0**	**0.0**

(a) Corresponds to Management's variable compensation.

In addition, new management fee agreements were set up in 2021 to remunerate the services provided by Altarea, Altareit and Altarea Management for the benefit of Group companies. The remuneration of these management fees has been defined by mutual agreement according to the cost of the services provided, in line with the market price.

Compensations of the Management Committee

Alain Taravella does not personally receive any compensation from Altarea or its subsidiaries for his co-management position. In fact, it is entirely paid to the company Altafi 2. Alain Taravella receives compensation from a holding company which has a stake in Altarea.

No share-based compensation or other short-term or long-term or other forms of compensation were paid by Altarea or its subsidiaries to the Management.

The fixed remuneration of Management in respect of Altarea and Altareit is €2 million for the year.

The variable Management compensation is calculated in proportion to net income (FFO), Group share, and with the Company's GRESB rating for Altarea, and in proportion to net income, Group share, for Altareit.

It stood at €1.2 million at 31 December 2021.

Compensation of the Group's senior executives

(€ millions)	31/12/2021	31/12/2020
Gross wages[(a)]	4.0	4.2
Social security contributions	1.7	1.6
Share-based payments[(b)]	7.5	4.1
Number of shares delivered during the period	*34,293*	*6,963*
Post-employment benefits[(c)]	0.0	0.0
Other short- or long-term benefits and compensation[(d)]	0.0	0.0
Termination indemnities[(e)]	–	0.0
Employer contribution on free shares delivered	1.1	0.2
Post-employment benefit commitment	0.8	0.3

(a) Fixed and variable compensation.
(b) Charge calculated in accordance with IFRS 2.
(c) Pension service cost according to IAS 19, life insurance and medical care.
(d) Benefits in kind, directors' fees and other compensation vested but payable in the future (short- or long-term).
(e) Post-employment benefits, including social security costs.

In number of rights on equity in circulation	31/12/2021	31/12/2020
Rights to Altarea SCA's free shares grants	159,603	67,603

The information presented relates to the compensation and benefits granted (i) to executive corporate officers for offices held in subsidiaries and (ii) to the Group's main salaried executives.

NOTE 10 GROUP COMMITMENTS AND CONTINGENT LIABILITIES

10.1 Off-balance sheet commitments

The main commitments given by the Group are mortgages and mortgage commitments made to secure loans or lines of credit from credit institutions.

Pledges of securities and undertakings not to sell or assign ownership units are also made by the Company to secure certain loans.

These commitments appear in Note 6.2 "Net financial debt and guarantees".

In addition, the Company has received commitments from banks for unused credit lines, which are described in Note 8.3 "Liquidity risk".

All other material commitments are set out below:

(€ millions)	31/12/2020	31/12/2021	Less than one year	From one to five years	More than five years
Commitments received					
Commitments received relating to financing (excl. borrowings)	**–**	**–**	**–**	**–**	**–**
Commitments received relating to Company acquisitions	**9.6**	**10.6**	**1.0**	**4.1**	**5.5**
Commitments received relating to operating activities	**165.3**	**168.4**	**100.6**	**51.3**	**16.5**
Security deposits received in the context of the Hoguet Act (France)	87.9	87.9	87.9	–	–
Security deposits received from tenants	20.4	23.9	0.3	8.6	15.0
Payment guarantees received from customers	44.6	44.6	0.4	42.7	1.5
Unilateral land sale undertakings received and other commitments	0.3	0.3	0.3	–	–
Other commitments received relating to operating activities	12.2	11.8	11.8	–	–
TOTAL	**174.8**	**178.9**	**101.6**	**55.4**	**22.0**
Commitments given					
Commitments given relating to financing (excl. borrowings)	**11.0**	**11.0**	**5.0**	**6.0**	**–**
Commitments given relating to Company acquisitions	**73.4**	**68.7**	**1.8**	**66.9**	**–**
Commitments given relating to operating activities	**2,306.7**	**2,213.9**	**972.5**	**1,203.8**	**37.5**
Construction work completion guarantees (given)	1,965.7	1,928.0	838.4	1,085.8	3.9
Guarantees given on forward payments for assets	235.8	170.8	93.6	77.1	–
Guarantees for loss of use	51.0	61.1	38.8	19.9	2.4
Other sureties and guarantees granted	54.3	54.0	1.8	21.0	31.2
TOTAL	**2,391.2**	**2,293.6**	**979.3**	**1,276.7**	**37.5**

Commitments received

Commitments received relating to acquisitions/disposals

As part of its acquisition of the developer Severini, the Group received a commitment from the sellers to guarantee it until 31 January 2025 against any damage or loss up to €2 million, incurred by the Group as a result of the business activities, with a cause or origin predating 31 March 2018.

The Group and Woodeum Holding arranged a potential liquidity of their securities and secured the Group's ability to buy the balance of the shares not held, should it so wish. The Group has moreover received representations and warranties in the context of this investment.

Commitments received relating to operating activities

Security deposits

In compliance with the "Hoguet Act", the Group holds security deposits received from specialist bodies in an amount of €87.9 million as a guarantee covering its property management and trading activities.

The Group also receives security deposits from its tenants to guarantee that they will pay their rent.

Payment guarantees received from customers

The Group receives customer payment guarantees issued by financial institutions to guarantee sums payable by the customer. They mainly relate to Retail and Office property development projects.

Unilateral land sale undertakings received and other commitments

Other guarantees received consist mainly of commitments received from property sellers.

Other commitments received

In its Property Development business, the Group receives deposits on construction contracts from contractors to cover holdbacks (up to 5% of the amount of the contract – non-costed commitment).

In addition, the Group has secured a syndicated loan of €800 million with a pool of partner banks, which will be drawn down on the day of the Primonial acquisition.

Commitments given

Commitments given relating to financing activities

The Group makes representations and warranties or contingent consideration when disposing of shares in subsidiaries and affiliates. When the Group considers that it is probable that there will be a cash outlay under the terms of these guarantees, it sets aside allowances to provisions and their amount is reassessed at each closing date.

The main commitments concern:

- undertaking to subscribe for the capital of companies comprising the AltaFund investment fund in the amount of €31.9 million (firm commitment for identified projects);
- liability guarantees of €35 million given following the disposal of miscellaneous assets.

The shares of Altablue, Aldeta, Alta Crp Gennevilliers, Alta Crp La Valette, Alta Gramont, Toulouse Gramont, Bercy Village and Société d'Aménagement de la Gare de l'Est as well as assets held by these companies, are for a limited period subject to conditions for sale contingent on the agreement of each of the partners of these companies.

As part of the Crédit Agricole Assurances agreements, the Group has signed a certain number of legal undertakings that restrict the liquidity of its shareholding under certain conditions.

Commitments given relating to operating activities

Construction work completion guarantees

Completion guarantees are given to customers as part of off-plan sales and are provided on behalf of Group companies by financial institutions, mutual guarantee organisations or insurance companies. They are reported in the amount of risk borne by the financial institution that issued the guarantee.

In return, Group companies give financial institutions a promise of mortgage security and an undertaking not to sell ownership units.

Guarantees on forward payments for assets

These guarantees mainly cover purchases of land or buildings for the Property Development business.

Guarantees for loss of use

As part of its Property Development activities, the Group signs preliminary sales agreements with landowners, the execution of which is subject to conditions precedent, including conditions relating to obtaining administrative authorisations. In return for their undertakings, landowners receive compensation for loss of use, which takes the form of an advance (carried on the asset side of the balance sheet) or a surety (an off-balance sheet liability). The Group undertakes to pay the compensation for loss of use if it decides not to buy the land when the conditions precedent are met.

Other sureties and guarantees granted

The other sureties and guarantees granted relate primarily to the Group's involvement in AltaFund, the office property investment fund, the sureties granted in connection with its property development activity, as well as the REIT business in Italy for guarantees granted by companies to the Italian government regarding their VAT position.

Reciprocal commitments

Notably in the ordinary course of its Property Development activities, the Group enters into reciprocal commitments to ensure the REIT control of future projects. The Group signs bilateral sales agreements with landowners: the owner undertakes to sell its land and the Group commits to buy it if all conditions precedent (administrative and/or marketing) are met.

Other commitments

In the conduct of its proprietary shopping centre development business, Altarea has made commitments to invest in projects initiated and controlled by the Company.

Moreover, in the conduct of its Residential property development, the Group signs reservation contracts (or preliminary sales agreements) with its customers, the execution of which depends on whether the customers meet the conditions precedent, particularly with respect to their ability to secure financing.

As part of its Property Development business, the Group has a future offering consisting of unilateral preliminary sales agreements.

The amount of these commitments is shown in the business review.

Minimum future rents to be received

The total of minimum future rents to be received under non-cancellable rental agreements over the period amounted to:

(€ millions)	31/12/2021	31/12/2020
Less than one year	193.4	124.0
Between 1 and 5 years	489.4	214.3
More than 5 years	225.6	169.1
GUARANTEED MINIMUM RENT	**908.4**	**507.4**

Rents receivable relate mainly to shopping centres owned by the Group.

10.2 Contingent liabilities

A rectification proposal regarding the registration fees related to the sale by Alta Faubourg of Semmaris shares in 2018 was received. As registration fees are guaranteed by Alta Faubourg, the risk, which amounts to €9.4 million in fees and late payment penalties, is borne by the Group. The Company has strong arguments to contest the adjustment and does not envisage an outflow of financial resources. No provision was therefore taken at 31 December 2021.

No other new litigation or governmental, legal, or arbitration proceedings that are likely to have significant effects on the Company's financial position or profitability arose in the period, other than those for which a provision has been recognised (see Note 6.3 "Provisions") or that have been effectively challenged or are being challenged by the Company (see Note 5.3 "Corporate income tax" or 6.3 "Provisions").

NOTE 11 EVENTS AFTER THE CLOSING DATE

The Group signed a partnership agreement with Crédit Agricole Assurances for the creation of the Alta Infrastructure fund, which covers the shops at the Paris-Montparnasse station and five Italian stations owned by Altarea.

NOTE 12 STATUTORY AUDITORS' FEES

	E&Y				Grant Thornton				Others				Total			
	Amount		%		Amount		%		Amount		%		Amount		%	
(€ millions)	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Statutory audit, certification, examination of individual and consolidated financial statements																
▪ Altarea SCA	0.3	0.3	15%	19%	0.3	0.3	27%	37%	–	–	0%	0%	0.6	0.6	18%	22%
▪ Fully consolidated subsidiaries	1.3	1.1	56%	74%	0.4	0.5	36%	59%	0.1	0.3	100%	100%	1.7	1.9	51%	73%
Services other than the certification of the financial statements																
▪ Altarea SCA	0.4	0.0	16%	0%	0.4	0.0	37%	0%	–	–	0%	0%	0.8	0.0	22%	0%
▪ Fully consolidated subsidiaries	0.3	0.1	13%	6%	0.0	0.0	0%	3%	(0.0)	0.0	0%	0%	0.3	0.1	9%	5%
TOTAL	**2.3**	**1.5**	**100%**	**100%**	**1.1**	**0.8**	**100%**	**100%**	**0.1**	**0.3**	**100%**	**100%**	**3.4**	**2.6**	**100%**	**100%**

2.4 Report by the Statutory Auditors on the consolidated financial statements

At the General Shareholders' Meeting of the Altarea company,

Opinion

In accordance with the mission assigned to us by your General Shareholders' Meeting, we have carried out the audit of the consolidated financial statements of Altarea relating to the year ended 31 December 2021, as attached to this report.

In our opinion, the consolidated financial statements give a true and fair view of the result of operations in the elapsed year, and of the financial position and assets, at the end of the financial year of the companies and entities included in the consolidated group in accordance with IFRS standards as adopted by the European Union.

The opinion set out above is consistent with the content of our report to the Audit Committee.

Basis of the Opinion

Audit guidelines

We conducted our audit in accordance with professional standards applicable in France. We believe that the information we obtained provides a reasonable basis for our opinion given below.

Our responsibilities under these standards are set out in the section entitled "Responsibilities of the Statutory Auditors as regards the audit of the consolidated financial statements" of this report.

Independence

We carried out our audit mission in compliance with the independence rules provided for by the French Commercial Code and the Code of Ethics of the Statutory Auditors on the period from 1 January 2021 at the date of issue of our report, and in particular we have not provided services prohibited by Article 5 (1) of Regulation (EU) No. 537/2014.

Basis for our assessments – Key points of the audit

The global crisis triggered by the COVID-19 pandemic meant that the financial statements for this year had to be prepared and audited under special conditions. The crisis and exceptional measures taken in response had many consequences for companies, particularly their business and finances, and created doubts about their future prospects. Some of these measures, such as travel restrictions and remote working, also impacted companies' internal organisation and the conduct of audits.

It is in this complex and evolving context that, pursuant to the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the key audit matters relating to the risks of material misstatement that, in our professional judgement, were the most important for the audit of the consolidated financial statements for the year, as well as the responses we have provided to address these risks.

Our assessments in this respect were made within the context of the audit of the consolidated financial statements taken as a whole and the formation of our opinion expressed above. We do not express an opinion as to the items contained in these consolidated financial statements taken in isolation

Measurement of goodwill and brands

Risk identified	Our response
As of 31 December 2021, goodwill and brands were recorded in the balance sheet in a net carrying amount of €315 million, of which €209 million in goodwill mainly relating to the acquisitions of Cogedim, Pitch Promotion and Histoire & Patrimoine, and €105 million in goodwill mainly relating to the Cogedim, Pitch Promotion and Histoire & Patrimoine brands. Goodwill and brands are systematically tested for impairment annually, or more frequently if internal or external events or circumstances indicate a loss of value. For goodwill, as indicated in Note 2.4.7 to the consolidated financial statements, an impairment loss is recognised if the carrying amount of the assets (and certain associated liabilities) in the balance sheet is greater than the recoverable value of the cash-generating unit (CGU) or group of CGUs. The recoverable amount is defined as the highest amount between the sale price net of the costs which might be incurred in order to conduct the sale and the value in use of the CGU or group of CGUs. The determination of the recoverable amounts of each group of assets is tested using the discounted cash flow method, which requires the use of assumptions, estimates and assessments by the Group's management, backed up by peer comparisons and transaction multiples. Brands are tested individually. Their recoverable amount is determined using the royalty method. In view of the amounts and sensitivity of these assets to changes in the data and the assumptions upon which the estimates are based, in particular the cash flow projections and discount rates used, we considered the measurement of goodwill and brands to be a key audit matter, it being specified that, as indicated in Note 2.2 of the appendix, the accounting estimates for the financial statements at 31 December 2021 were made in a context of crisis related to COVID-19 and the Group has taken into account the reliable information available to it at the date of preparation of the consolidated financial statements regarding the impacts of this crisis.	We reviewed the process established by the Group for determining the recoverable amount of goodwill and brands, grouped into cash-generating units (CGU) The work also involved: ▪ obtaining an understanding of the principles and methods used to determine the recoverable amounts of the CGUs to which the goodwill is attached, as well as the corresponding net assets; ▪ reconciling the net carrying amounts of the net assets attached to the CGUs tested with the Group's accounting data; ▪ analysing, with the help of the valuation experts in our audit teams, the valuation models used as well as the long-term growth rates, discount rates and royalty rates applied in these models; ▪ examining, through discussions with management, the main assumptions on which the budget estimates underlying the cash flows on which the valuation models are based. To this end, we compared the estimates of cash flow projections from previous periods to the actual results achieved. We examined management's allowance for the COVID-19 crisis and compared the results of the sensitivity analyses conducted by management against our own; ▪ testing, on a sample basis, the arithmetical accuracy of the assessments used by the Group.

■ Valuation of investment properties in operation and investment properties under development or construction

Risk identified	Our response
The Group's investment properties portfolio consists of properties in operation and properties under development or construction on a proprietary basis. As of 31 December 2021, investment properties were recorded in the balance sheet at a net carrying amount of €4,178 million, or 45% of total assets, including €3,815 million in investment properties measured at fair value, €170 million in investment properties measured at cost and €193 million of rights of use on investment properties. In accordance with IAS 40, the Group has opted for the fair value model, and accordingly values its investment properties at fair value whenever it can be determined reliably. Otherwise, they are carried at cost and are tested for impairment at least once per year and whenever there is evidence of impairment. In particular, as indicated in Note 2.4.5 to the consolidated financial statements, investment properties in operation are systematically measured at fair value. Investment properties under development and construction are measured either at cost or at fair value. For investment properties measured at fair value, the Group relies on independent external appraisers giving valuations including transfer duties less the amount of duties corresponding to transfer fees and duties. Appraisers use two valuation methods: ■ a method based on discounting projected cash flows over ten years, taking into account the resale value at the end of the period determined by capitalising net rental income; ■ and a method based on the capitalisation of net rental income; the appraisers apply a yield on cost based on the characteristics of the site and the rental income adjusted for all expenses borne by the owner. The valuation of an investment property is a complex estimation exercise that requires significant judgements on the part of management, based on the reports of independent appraisers. These estimates incorporate assumptions about discount rates, yields and rental data which depend on market trends and may prove different in the future. In the case of the 31 December 2021 financial statements, they also had to be conducted in the context of the COVID-19 crisis. We considered the valuation of investment properties to be a key audit matter due to the amounts involved and the significant degree of judgement involved in the main assumptions used for the valuation of investment properties.	We reviewed the valuation process of the investment properties in operation and investment properties under development or construction used by the Group. The work also involved: ■ assessing the independence of property appraisers by examining the application of the Group's rules on rotation and remuneration and their competence as attested by professional qualifications and experience; ■ taking note of the written instructions given by the Group's management to the appraisers, detailing the nature of their work and the scope and limits of their work, ■ examining, on a sample basis, the consistency of the information provided by the finance department to the appraisers for the fair-value appraisal of properties, with data such as rental statements, accounting data and the investment expenditure budget; ■ analysing the valuation assumptions used by the appraisers, in particular discount rates, yields, rental data and market rental values, by comparing them with available market data; ■ studying the way in which the independent appraisers took into account the impact of COVID-19 in their valuation of assets, in particular assumptions on rents, vacancy and resale; ■ interviewing some of the property appraisers in the presence of representatives of the Finance Department, and with the help of the valuation experts in our team, assessing the consistency and relevance of the valuation method applied and significant judgements made; ■ comparing the property appraisal values with the values recognised in the consolidated financial statements. Moreover, for investment properties under development or construction recognised at fair value, we assessed compliance with the fair value transition criteria (percentage marketed and reliability of cost price). For investment properties under development or construction recorded at cost, we analysed, on the basis of interviews with the development managers and project managers, the assumptions used by the management in impairment tests, in particular the costs incurred during the period, the percentage of completion of the project, the costs yet to be incurred, and any operating risks that may exist.

Valuation of inventories, revenue and net property income

Risk identified	Our response
At 31 December 2021, real estate inventories were recorded in the balance sheet for an amount of €923 million. Net property income recognised for financial year 2021 was €237 million. As indicated in Note 2.4.17 to the consolidated financial statements, revenue and costs of sales (net property income) are recognised in the Group financial statements in accordance with the percentage-of-completion method. All property development/off-plan sales and property development contract transactions are concerned by this method. For these programmes, revenue from notarised sales is recognised, in accordance with IFRS 15 "Revenue from contracts with customers", in proportion to the percentage of completion of the programme, as measured by the costs directly related to construction, including land, in view of the total budget and progress on marketing, determined relative to total sales budgeted. As indicated in Note 2.4.8 to the consolidated financial statements, inventories are carried at cost less the portion of the cost price removed on a percentage-of-completion basis for off-plan sale or property development contract transactions. Impairment losses are recognised when the net realisable value of inventories and work in progress is less than the cost price. In view of the material nature of inventories, revenue and net property income in the Group's consolidated financial statements and the necessary judgements made by management for the recognition of these items, particularly in the context of the COVID-19 crisis, we considered the assessment of these items to be a key audit matter.	Our work mainly consisted of: ▪ obtaining an understanding of the process and controls implemented by management to prepare and update operating budgets; ▪ examining, on the basis of a sample of programmes selected based on their risks and materiality, the assumptions made by management in estimating the profit on property developments, and notably assumptions regarding selling prices, land acquisition costs, construction costs, service fees and internal expenses; ▪ examining the most significant changes in income at completion through an interview with management; ▪ comparing the technical completion rates of developments representing significant revenue and costs (net property income) with external confirmations conducted by the main contractors for construction costs and notarised deeds for land costs. We also reconciled the commercial completion rates with notarised deeds by conducting specific tests of sales of the year. We also called on team members with particular expertise in information systems to perform tests of software controls related to the marketing process; ▪ testing, on a sample basis, the arithmetical accuracy of revenue and the associated net property income generated during the year and recorded in the consolidated financial statements using income at completion and rates of commercial and technical completion. The measurement of inventories for projects not yet available for sale, and projects delivered, on the other hand, was the subject of special attention in the context of COVID-19. For developments not yet available for sale, we examined the existence of prospective profits, based on interviews with management and analysis of operating budgets. For projects delivered, we analysed the estimated selling prices of the units in inventory with the selling prices of the units recorded.

Special verifications

We also carried out specific verification, as required by law, of information relating to the Group provided in the Management Board's management report, in accordance with professional standards applicable in France.

We have no comments to report with respect to the fairness of their presentation and consistency with the consolidated financial statements.

We confirm that the Consolidated Declaration on Extra-Financial Performance specified in Article L. 225-102-1 of the French Commercial Code appears in the information related to the Group set out in the management report it being specified that in accordance with the provisions of Article L. 823-10 of the Code, we have not verified the sincerity or consistency of the information contained in this Declaration with the consolidated financial statements and must be the subject of a report conducted by an independent third-party organisation.

Other verifications or information required by laws and regulations

Format of the consolidated financial statements included in the annual financial report

We have also verified, in accordance with the professional standards of the Statutory Auditors relating to the annual and consolidated financial statements presented according to the single European electronic information format, that this format defined by the European regulation is compliant with Delegate no. 2019/815 of 17 December 2018 in the presentation of the consolidated financial statements to be included in the annual financial report mentioned in I of Article L. 451-1-2 of the French Monetary and Financial Code, prepared under the responsibility of management. With regard to consolidated financial statements, our procedures include verifying that these financial statements comply with the format defined by the aforementioned regulation.

On the basis of our work, we conclude that the presentation of the consolidated financial statements included in the annual financial report complies, in all material respects, with the single European electronic information format.

Appointment of Statutory Auditors

We were appointed Statutory Auditors for the company Altarea at your General Shareholders' Meeting of 15 April 2016 in the case of GRANT THORNTON and 28 May 2010 in the case of ERNST & YOUNG et Autres.

At 31 December 2021, the firm GRANT THORNTON was in the sixth year of its uninterrupted engagement and ERNST & YOUNG et Autres in its twelfth year.

In addition, AACE Ile-de-France, a member of the GRANT THORNTON network, and ERNST & YOUNG Audit, were previously Statutory Auditors since 2004.

Responsibilities of management and corporate governance officers on consolidated financial statements

It is the responsibility of management to prepare consolidated financial statements that present a true and fair view in accordance with IFRS as adopted in the European Union, as well as to implement the internal controls it deems necessary for the preparation of consolidated financial statements containing no material misstatements, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for evaluating the ability of the company to continue as a going concern, to present in these financial statements, as appropriate, the necessary information relating to the continuity of operations and to apply the going concern principle unless it is intended to wind up the company or cease trading.

It is the responsibility of the Audit Committee to monitor the process of producing financial information and the effectiveness of systems of internal control and risk management, as well as any internal audits, in respect of procedures for producing and processing accounting and financial information.

The consolidated financial statements were approved by management.

Responsibilities of the Statutory Auditors as regards the audit of the consolidated financial statements

Auditing objective and procedure

It is our responsibility to prepare a report on the consolidated financial statements. Our objective is to obtain reasonable assurance that the consolidated financial statements taken as a whole do not contain any material misstatements. Reasonable assurance means a high level of assurance, without forasmuch providing the guarantee that an audit conducted in compliance with industry standards systematically affords the detection of any significant anomaly. Anomalies may be the result of fraud or errors and are considered to be significant where it can be reasonably expected that, taken individually or together, they may influence the economic decisions of the users of the statements on the basis thereof.

As specified in Article L. 823-10-1 of the French Commercial Code, our assignment as auditors is not to guarantee the viability or quality of the management of your company.

In conducting an audit in compliance with industry standards in France, Statutory Auditors exercise their professional judgement throughout the said audit. Moreover:

- they identify and assess risks that the consolidated financial statements may contain significant anomalies, whether these are the result of fraud or errors, establish and implement auditing procedures in the face of such risks, and gather any evidence they deem sufficient and appropriate on which to base their opinion. The risk of failing to detect a material misstatement attributable to fraud is greater than that of a material misstatement resulting from error, since fraud may involve collusion, forgery, deliberate omissions, misrepresentation or circumventing internal control;
- they take note of the relevant internal control for the audit in order to establish appropriate audit procedures in the circumstances, and not to express an opinion on the effectiveness of internal control;
- they assess the appropriateness of accounting methods used and the reasonableness of the management's accounting estimates and the information relating to them provided in the consolidated financial statements;
- they assess the appropriateness of management's application of the going concern principle, and, depending on the evidence gathered, the existence or otherwise of significant uncertainty related to events or circumstances liable to undermine the company's ability to continue as a going concern. This assessment is based on the evidence gathered up until the date of their report, not overlooking the fact, however, that subsequent circumstances or events may jeopardise capacity as a going concern. If it finds that there is significant uncertainty, it draws the attention of readers of its report to the information provided in the consolidated financial statements in respect of this uncertainty or, if this information is not provided or is not relevant, it issues a qualified certification or a refusal to certify;
- they assess the overall presentation of the consolidated financial statements and assess whether the consolidated financial statements reflect the underlying operations and events so as to give a true and fair view of them;
- as regards the financial information of the persons or entities included in the consolidation, they gather the evidence it deems sufficient and appropriate to express an opinion on the consolidated financial statements. It is responsible for the management, supervision and execution of the audit of the consolidated financial statements, as well as the opinion expressed on these financial statements.

Report to the Audit Committee

We submit a report to the Audit Committee which sets out the scope of the audit work and the programme of work implemented, as well as the conclusions arising from our work. We also bring to their attention any significant weaknesses in internal controls that we have identified in terms of procedures for producing and processing accounting and financial information.

The items disclosed in the report to the Audit Committee include the risks of material misstatement that we considered to be the most significant in our audit of the consolidated financial statements for the year, and which therefore constitute the key points of the audit, which it is our responsibility to describe in this report.

We also supply the Audit Committee with the statement required under Article 6 of Regulation (EU) No. 537/2014 confirming our independence, within the meaning of the rules applicable in France as they are set out in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the Industry Code of Conduct for Statutory Auditors. Where appropriate, we discuss with the Audit Committee any risks affecting our independence and any safeguard measures thus applied.

Neuilly-sur-Seine and Paris-La Défense, on 28 April 2022

The Statutory Auditors

GRANT THORNTON	**ERNST & YOUNG et Autres**
French member of Grant Thornton International	
Pascal Leclerc	**Anne Herbein**

3

ANNUAL FINANCIAL STATEMENTS 2021

3.1 Financials statements

Income statement (listed)

Title *(€ thousands)*	**2021**	**2020**
Sale of goods		
Sold production (goods and services)	13,350.7	11,095.6
Net revenue	**13,350.7**	**11,095.6**
Production held in inventory		
Production held in inventory	729.8	5,056.8
Operating grants		
Reversals of provisions (and depreciation/amortisation), expense reclassifications	1,249.5	1,038.9
Other income	70.3	252.8
Operating income	**15,400.3**	**17,444.2**
Purchase of goods		
Change in inventory (goods)		
Purchase of raw materials and other supplies		
Change in inventory (raw materials and other supplies)		
Other purchases and external costs	17,606.1	19,571.4
Taxes, duties and analogous payments	542.2	863.2
Salaries and wages	670.8	1,046.4
Social security contributions	203.8	177.7
Operating allowances		
Non-current assets: depreciation and amortisation charges	3,343.6	3,655.8
Non-current assets: impairment provisions		
Current assets: impairment provisions	1,624.8	708.1
For risks and charges: allowances to provisions	655.8	346.8
Other expenses	515.6	605.8
Operating expenses	**25,162.8**	**26,975.3**
OPERATING INCOME/(LOSS)	**(9,762.5)**	**(9,531.1)**
Financial income		
Financial income from investments	95,880.6	165,129.6
Income from other marketable securities and receivables on non-current assets	3,212.2	3,721.3
Other interest and similar income	12,041.4	5,544.4
Reversals of provisions, impairment and expense reclassifications		62,943.0
Foreign exchange gains		
Net gains on the disposal of marketable securities		3,339.8
Financial income	**111,134.2**	**240,678.1**
Allowances for amortisation, impairment and provisions	9,057.4	2,052.6
Interest and similar expenses	52,181.0	110,802.9
Foreign exchange losses		
Net expenses on disposals of marketable securities		49,951.8
Financial expenses	**61,238.4**	**162,807.3**
NET FINANCIAL INCOME/(EXPENSE)	**49,895.8**	**77,870.8**
PROFIT BEFORE TAX AND NON-RECURRING ITEMS	**40,133.3**	**68,339.7**

Income statement (listed)

Title *(€ thousands)*	2021	2020
Exceptional income from non-capital transactions		160.0
Exceptional income from capital transactions	59,947.5	50,528.0
Reversals of provisions, impairment and expense reclassifications	430.7	86,496.7
Exceptional income	**60,378.2**	**137,184.7**
Exceptional expenses on non-capital transactions	11.1	0.3
Exceptional expenses on capital transactions	21,690.3	137,217.2
Allowances for amortisation, impairment and provisions		
Exceptional expenses	**21,701.4**	**137,217.5**
NET EXCEPTIONAL INCOME/(EXPENSE)	**38,676.8**	**(32.8)**
Employee profit-sharing		
Corporate income tax	2,062.7	5,826.7
Total income	**186,912.6**	**395,307.0**
Total expenses	**110,165.2**	**332,826.8**
PROFIT/(LOSS)	**76,747.4**	**62,480.2**

Assets

Title (€ thousands)	Gross Amount	Depr./Amort Provisions	31/12/2021	31/12/2020
Uncalled subscribed capital				
Intangible assets				
Start-up costs				
Research and development expenditures				
Concessions, patents, licenses, trademarks, processes, software, rights and similar assets	1,420.0	1,420.0	0.0	111.5
Goodwill				
Intangible assets in progress				
Advances and down payments				
Property plant and equipment				
Land	18,261.8	157.2	18,104.5	18,117.9
Buildings	83,238.4	44,872.9	38,365.5	41,564.2
Technical installations, plant and industrial equipment				
Others	49.9	48.7	1.2	1.2
Property, plant and equipment in progress	3,968.1		3,968.1	3,061.8
Advances and down payments				
Financial assets				
Investments	1,457,001.5	7,836.4	1,449,165.1	1,372,881.1
Investment-related receivables	1,126,174.8		1,126,174.8	977,569.0
Other long-term investments				
Loans	152,807.4		152,807.4	246,591.3
Other non-current financial assets	1,451.1		1,451.1	2,367.1
NON-CURRENT ASSETS	**2,844,373.0**	**54,335.2**	**2,790,037.8**	**2,662,265.1**
Inventories and pipeline products				
Raw materials and other supplies				
Production work in progress (goods and services)				
Intermediate and finished products				
Goods and merchandise				
Advances and down payments made on orders				
Receivables				
Trade receivables and related accounts	7,197.8	3,522.1	3,675.7	3,299.6
Others	21,003.6		21,003.6	107,196.3
Called, unpaid subscribed capital				
Marketable securities				
Marketable securities (including treasury shares: 33,771,552.96)	33,771.6		33,771.6	23,949.2
Treasury instruments				
Treasury instruments	10,535.0		10,535.0	3,381.2
Cash and cash equivalents				
Cash and cash equivalents	1,996.0		1,996.0	16,418.7
Prepaid expenses	1,233.3		1,233.3	174.2
CURRENT ASSETS	**75,737.2**	**3,522.1**	**72,215.1**	**154,419.2**
Deferred expenses				
Redemption premiums	6,350.8	1,220.9	5,129.8	6,350.8
Translation differences – assets				
TOTAL	**2,926,461.0**	**59,078.2**	**2,867,382.8**	**2,823,035.1**

Liabilities

Title *(€ thousands)*	**2021**	**2020**
Capital (of which paid €310,089,359)	310,089.4	263,983.0
Discounts, merger premiums, contribution premiums	513,919.0	233,781.1
Valuation differences		
Legal reserve	24,864.6	21,740.6
Statutory and contractual reserves		
Regulated reserves		
Others		
Retained earnings		
Net income (loss) for the year	**76,747.4**	**62,480.2**
Investment grants		
Regulated provisions		
EQUITY	**925,620.3**	**581,984.8**
Provisions for contingencies	720.5	329.5
Provisions for expenses	304.8	609.7
PROVISIONS	**1,025.3**	**939.1**
Borrowings subject to special conditions	223,499.8	195,078.3
Conditional advances		
OTHER EQUITY	**223,499.8**	**195,078.3**
Financial liabilities		
Convertible bond issues		
Other bond issues	1,254,448.8	1,483,308.5
Borrowings from credit establishments	81,753.1	80,102.0
Other borrowings and financial liabilities	366,935.8	470,983.7
Advances and down payments made for orders in progress	60.5	113.6
Operating payables		
Trade payables and related accounts	11,215.2	1,000.0
Tax and social security payables	1,381.0	4,853.0
Other payables		
Amounts due on non-current assets and related accounts	120.2	1,029.9
Other payables	1,215.5	3,642.2
Accruals		
Prepaid income	107.2	
PAYABLES	**1,717,237.3**	**2,045,032.8**
Translation differences – liabilities		
TOTAL	**2,867,382.8**	**2,823,035.1**

3.2 Notes to the annual financial statements

Articles L.123-13 to L. 123-21 and R. 123-195 to R. 123-198 of the French Commercial Code, Decree 83-1020 of 29 November 1983, ANC Regulation 2015-05 of 2 July 2015 approved by the order of 28 December 2015 and ANC Regulation 2016-07 of 4 November 2016 approved by the order of 29 December 2016.

Altarea is a *Société en Commandite par Actions* (a French partnership limited by shares), the shares of which have been traded since 2004 on the Euronext Paris S.A. Eurolist regulated market (Compartment A). The registered office is located at 87 rue de Richelieu in Paris, 2nd arrondissement.

Altarea chose the SIIC corporate form (*Société d'Investissement Immobilier Cotée*) as of 1 January 2005. Altarea prepares the consolidated financial statements.

These notes are presented in thousands of euros. These annual financial statements were approved by Management at its meeting on 22 February 2022 following review by the Supervisory Board.

3.2.1 Major events during the financial year

Retail

The year 2021 was marked by uncertainties related to the COVID-19 epidemic. The Company has implemented preventive and organisational measures to limit the impacts while allowing its activities to continue.

The 2021 financial statements were impacted by the health crisis with the implementation of a support system for tenants which led the Company to grant unconditional rent reductions to VSEs, and reductions in exchange for changes to the lease (extension of term or increase in rental value) for other tenants. Bad debt provisions were also adjusted to take into account the risk of non-recovery of receivables.

These negative impacts need to be adjusted by the tax credit granted following the waiver of rents in November 2020. This tax credit is recognised in Altarea's financial statements.

Contemplated acquisition of Primonial, the leading independent European wealth and real estate asset manager

On 30 June 2021, Altarea entered into exclusive negotiations with Primonial group shareholders (Bridgepoint, Latour Capital and Société Générale Assurances) and its management, for a potential two-step acquisition, through a subsidiary, of the of the entire share capital of the Primonial group.

Following the favourable opinion of the employee representative bodies of the relevant companies of the Primonial group, issued on 6 July 2021, a sale and investment agreement relating to the Acquisition was entered into on 23 July 2021.

The acquisition will be carried out in two stages, with the acquisition of a first controlling interest corresponding to 60% of Primonial's share capital during the first quarter of 2022 ("Block 1"), followed by the acquisition of the remaining 40% ("Block 2"), this second phase taking place during the first quarter of 2024.

New financing

Altarea signed an €800 million seven-year syndicated bank loan with BNP Paribas, Crédit Agricole CIB, Natixis, Société Générale, Banco Sabadell, BECM, China Construction Bank, HSBC and La Banque Postale. This loan will only be drawn down when the acquisition of Primonial completes. Altarea also redeemed part of its 2024 bond issue for a nominal amount of €230 million.

Capital increase

As part of the acquisition of Primonial, a €350 million capital increase was carried out on 10 December 2021 with preferential subscription rights. This issue resulted in the creation of 2,435,190 new shares at a subscription price of €143.75 per share.

Altarea also carried out a €75 million capital increase to cover the 2020 partial scrip dividend, resulting in the creation of 482,385 new shares on 26 July 2021.

A reserved capital increase was also held for the FCPE (employee mutual fund), in the amount of €7.8 million resulting in the creation of 60,580 new shares.

3.2.2 Accounting principles, rules and methods

3.2.2.1 Compliance statement and comparability of information

The annual financial statements have been prepared and presented in accordance with the provisions of applicable French laws and regulations.

The accounting principles and methods are identical to those applied when preparing the annual financial statements for the year ended 31 December 2020.

3.2.2.2 Accounting principles and methods

Intangible assets

Intangible assets are measured on initial recognition at acquisition cost.

Intangible assets consist mainly of software acquired, which is usually amortised on a straight-line basis over three years.

Intangible assets may be written down when their carrying amount differs significantly from their value in use, as defined under French GAAP.

Property plant and equipment

Property, plant and equipment mainly consist of property assets, and more specifically shopping centres or business premises.

Gross value of buildings

Buildings are initially recognised at acquisition cost. For contributed property, this is the contribution value excluding purchase costs and for new property, it is the construction or refurbishment cost. As a general rule, purchase costs (transfer duties, expert fees, commissions, and stamp duties) are recognised as expenses.

Buildings are broken down into major components with specific uses and replacement rates. In accordance with the recommendations of the FSIF (Fédération des Sociétés Immobilières et Foncières), four property components are used: structural work, facades and weatherproofing, technical equipment and fixtures and fittings.

Building depreciation

Building components are depreciated on a straight-line basis over the following useful lives:

Components	Useful life (Shopping centres)	Useful life (Business premises)
Structural work (structures, road and utilities works)	50 years	30 years
Facades, Weatherproofing	25 years	30 years
Technical equipment	20 years	20 years
Fixtures and fittings	15 years	10 years

Building impairment

Property assets are appraised twice a year at market value by external appraisers (Cushman & Wakefield and Jones Lang LaSalle).

The Company considers that the present value of property is value in use equivalent to the appraisal value including transfer duties. If there is any near-term development potential not included in the appraisal, the appraisal value is increased by estimated unrealised capital gains. Where there is a preliminary sales agreement or a firm sale commitment for the property, its present value is the value stated in the agreement or commitment excluding transfer duties.

The Company recognises an impairment loss for the difference whenever the present value of a property asset (the higher of net carrying amount and value in use) falls significantly below its carrying amount.

Other property, plant and equipment

Other property, plant and equipment are initially recognised at acquisition cost.

Vehicles, along with office and computer equipment are depreciated over five years.

Participating interests

Participating interests are recognised at cost or transfer value.

Participating interests may be impaired where their carrying amount falls substantially below their value in use for the Company. This value in use is determined according to multiple criteria such as net asset value, profitability, profitability forecasts, long-term growth prospects and the economic environment. The market value of assets held by subsidiaries and sub-subsidiaries is taken into account.

Receivables attached to investments and loans

Investment related receivables or loans related to indirect equity holdings of the Company are carried at their contribution or nominal value.

When there is evidence that the Company will not be able to collect all amounts due, an impairment loss is recorded taking into account in particular the nature of the advance, the subsidiary's capacity to repay and its development potential.

Receivables

The Company's receivables are carried at nominal value. They consist of Group receivables and trade receivables from shopping centres.

When there is evidence that the Company will not be able to collect all amounts due, receivables are recorded in doubtful accounts. Impairment losses are calculated separately for each customer after subtracting the security deposit and accounting for the length of time that the receivable has remained outstanding, any progress made on collection efforts, and any guarantees that have been received.

Treasury shares

Treasury shares are recognised as either:

- financial assets, when they are held for purposes of a capital reduction;
- marketable securities:
  - when they are allocated to the "liquidity contract" under which a service provider makes a market in the shares to ensure liquidity and quote regular prices, or
  - when they are held for delivery to employees of the Company or its subsidiaries.

They are shown in the balance sheet at acquisition cost. The FIFO method is used to determine the gross value of treasury shares sold.

An impairment loss is recognised if the value of shares held under the liquidity contract is less than their acquisition cost.

Treasury shares held for grant to the Company's employees are covered by a provision calculated over the past vesting period on *prorata* basis. Treasury shares held for grants to employees of the Company's subsidiaries are not subject to impairment insofar as the cost of such shares, which is equal to the cost of the shares plus any management fees, if applicable, will be passed on to these subsidiaries when granted. These rules comply with the provisions of ANC Regulation No. 2014-03 of 5 June 2014.

Other marketable securities

Marketable securities are stated in the balance sheet at acquisition cost. The FIFO method is used to determine the gross value of Sicav mutual fund holdings sold.

A provision is recognised on marketable securities when their realisable value falls below the net carrying amount.

Term deposits are recognised in the balance sheet at their nominal value for the duration of the placings.

Provisions

In accordance with CRC Regulation 2000-06 on liabilities, a provision is a liability considered probable or certain representing an obligation that will cause an outflow of resources to a third party without equivalent consideration being received in exchange and of uncertain timing and amount.

Post-employment benefits

No provisions are recorded for severance benefits payable on retirement. These items are presented in the notes to the financial statements under off-balance sheet commitments.

Loan arrangement costs

Loan arrangement costs are expensed. Bond redemption premiums are spread over the life of the bonds.

Rental income and expenses

Rental income comprises income from the rental of property assets. Invoice amounts are recognised over the relevant rental period.

Income is not recognised for any rent holidays granted to tenants over the period during which the rent holiday is in effect.

Initial lease payments paid by tenants or stepped rents and rent holidays granted to tenants are not spread over the lease term.

Marketing costs

Marketing fees for letting, lease renewals and reletting are recognised as expenses.

Financial Instruments

The Company uses interest rate swap agreement (swaps) or interest purchase options (caps) to hedge credit lines and borrowings.

Expenses and income on forward financial instruments entered into as part of the hedging of the Company's interest rate risk (swaps/caps) are recognised in accordance with the principles set out in NCA Regulation 2015-05 of 2 July 2015 on term financial instruments and hedging operations.

If the financial instruments are collateralised hedges, the impacts are recognised symmetrically on the impacts on the hedged underlying elements. Premiums and balancing cash payments are spread over the life of the instruments. Unrealised gains and losses equal to the estimated market value of the contracts on their closing date are not recognised as income. Nominal value, maturity schedule and estimated unrealised gains or losses are presented under off-balance sheet commitments.

If these instruments are not collaterised hedges, the premiums and balancing cash payments are recognised as income for the financial year. Provision is made for unrealised losses equal to the estimated negative market value of the contracts on their closing date and do not appear in the off-balance sheet commitments.

Corporate income tax

Altarea adopted SIIC status as from 1 January 2005. Under this status, there are two separate categories with respect to tax treatment:

- an SIIC category exempt from French corporate income tax, capital gains tax on property sales and tax on dividends received under the SIIC category;
- a taxable category comprising all the Company's other operations not eligible for SIIC treatment.

To qualify for the exemptions from French corporate income tax Altarea must comply with three distribution conditions:

- 95% of earnings from property rentals during the financial year following the year in which the earnings were generated;
- 70% of any gains on the sale of property, participating interests in tax transparent companies with the same corporate purpose as an SIIC, or interests in subsidiaries subject to French corporate income tax which have chosen SIIC status, before the end of the second financial year after the year in which the gains were generated;
- all dividends from subsidiaries having chosen SIIC status during the financial year following the year in which the dividends were received.

Under the provisions applicable to SIIC status, the Company must adhere to a ratio of activities eligible for the plan and no single shareholder or Group of shareholders acting in concert can own more than 60% of the Company's shares or voting rights.

3.2.3 Comments, figures and tables

3.2.3.1 Notes on balance sheet items – assets

3.2.3.1.1 Intangible assets

Gross intangible assets

Intangible assets *(€ thousands)*	**31/12/2020**	**Increase**	**Decrease**	**31/12/2021**
Software	1,420.0			1,420.0
TOTAL	**1,420.0**			**1,420.0**

Amortisation of non-current intangible assets

Depr./Amort *(€ thousands)*	**31/12/2020**	**Increases**	**Reversals**	**31/12/2021**
Software	1,308.4	111.5		1,420.0
TOTAL	**1,308.4**	**111.5**		**1,420.0**

3.2.3.1.2 Property, plant and equipment

Gross non-current property, plant and equipment

Property plant and equipment *(€ thousands)*	31/12/2020	Acquisition/ Contribution	Exit/Sale	31/12/2021
Land	**18,261.8**			**18,261.8**
Buildings	**83,218.4**	**20.0**		**83,238.4**
Structural work (structures, road and utilities works)	32,344.7			32,344.7
Facades, Weatherproofing	8,086.2			8,086.2
Technical equipment	24,258.5			24,258.5
Fixtures and fittings	18,529.1	20.0		18,549.1
Other property, plant and equipment	**49.9**			**49.9**
Technical installations, plant and industrial equipment				
General installations, various fittings				
Vehicles	23.9			23.9
Office and computer equipment, furniture	26.0			26.0
Recoverable packaging and related items				
Property, plant and equipment in progress	**3,061.8**	**1,054.3**	**148.0**	**3,968.1**
Land	977.0	726.5	125.0	1,578.5
Buildings	327.4	245.5	23.0	550.0
Others	1,757.4	82.2		1,839.5
TOTAL	**104,591.8**	**1,074.3**	**148.0**	**105,518.1**

Depreciation of property, plant and equipment

Depr./Amort *(€ thousands)*	31/12/2020	Increases	Cessions	31/12/2021
Land	**143.9**	**13.3**		**157.2**
Buildings	**41,654.2**	**3,218.7**		**44,872.9**
Structural work (structures, road and utilities works)	7,657.7	685.8		8,343.5
Facades	3,925.4	362.7		4,288.1
Technical equipment	14,996.2	1,418.9		16,415.1
Fixtures and fittings	15,074.9	751.3		15,826.2
Other property, plant and equipment	**48.7**			**48.7**
Technical installations, plant and industrial equipment				
General installations, various fittings				
Vehicles	23.9			23.9
Office and computer equipment, furniture	24.8			24.8
Recoverable packaging and related items				
TOTAL	**41,846.7**	**3,232.0**		**45,078.8**

No impairment was recognised on property, plant and equipment.

3.2.3.1.3 Financial assets

Gross financial assets

Financial assets *(€ thousands)*	31/12/2020	Increase	Decrease	31/12/2021
Participating interests	**1,372,881.1**	**90,791.7**	**6,671.2**	**1,457,001.5**
Financial receivables	**1,226,527.5**	**1,248,890.9**	**1,194,984.9**	**1,280,433.4**
Investment-related receivables	977,569.0	1,245,546.3	1,096,940.5	1,126,174.8
Loans and other fixed assets	248,958.5	3,344.5	98,044.4	154,258.6
TOTAL	**2,599,408.5**	**1,339,682.5**	**1,201,656.1**	**2,737,434.9**

The list of subsidiaries and participating interests appearing on the last page of this document shows the ownership interest in each subsidiary.

The change in the equity interests' item is mainly due to:

- the acquisition of SARL IFI and shares in SCI 80-98 Rue de Reuilly;
- universal transfers of assets of SARL IFI and SNC Bezons Cœur de Ville Commerces.

The change in financial receivables is mainly due to the increase in loans and advances granted to direct and indirect subsidiaries of Altarea SCA, particularly in relation to Business Property assets.

Provisions for financial assets

		Increases during the financial year	Decreases in the financial year		
Impairment provisions *(€ thousands)*	**31/12/2020**	**Increases**	**Reversal of unused provisions**	**Provisions used in the period**	**31/12/2021**
Impairment of equity securities		7,836.4			7,836.4
Impairment of other non-current financial assets					
TOTAL		**7,836.4**			**7,836.4**

A €7.8 million provision was set aside for the impairment of shares in OPCI Alta Commerces Europe.

3.2.3.1.4 Receivables

These items consist of Group receivables, trade receivables from shopping centres and tax receivables.

Impairment losses are recognised through provisions when there is evidence that the Company will not be able to collect all amounts due.

Receivables table

Receivables *(€ thousands)*	Gross amount 2021	Provisions	Net amount 2021	Net amount 2020
Trade receivables and related accounts	**7,197.8**	**3,522.1**	**3,675.7**	**3,299.6**
Others receivables	**21,003.6**		**21,003.6**	**107,196.3**
Personnel and related accounts	0.9		0.9	8.3
Suppliers	263.7		263.7	3,654.3
Government, other authorities: corporate income tax	5,461.9		5,461.9	
Government, other authorities: value added tax	3,088.3		3,088.3	2,052.5
Government, other authorities: sundry receivables	54.4		54.4	1.9
Group and partners	12,054.0		12,054.0	101,168.7
Sundry debtors	80.4		80.4	310.7
TOTAL	**28,201.3**	**3,522.1**	**24,679.2**	**110,495.9**

Breakdown of receivables by maturity date

Receivables *(€ thousands)*	**Gross amount 2021**	**Less than 1 year**	**1 to 5 years**	**More than 5 years**
Trade receivables and related accounts	7,197.8	5,120.0	2,077.8	
Personnel and related accounts	0.9	0.9		
Suppliers	263.7	263.7		
Government, other authorities: corporate income tax	5,461.9	5,461.9		
Government, other authorities: value added tax	3,088.3	3,088.3		
Government, other authorities: sundry receivables	54.4	54.4		
Group and partners	12,054.0	12,054.0		
Sundry debtors	80.4	80.4		
TOTAL	**28,201.3**	**26,123.5**	**2,077.8**	

Accrued income

Accrued income included in the balance sheet line items *(€ thousands)*	**31/12/2021**	**31/12/2020**
Loans	1,358.5	2,274.5
Government – accrued income	54.1	
Trade receivables	135.5	348.0
Suppliers		3,654.3
TOTAL	**1,548.1**	**6,276.8**

3.2.3.1.5 Marketable securities

Marketable securities consist of treasury shares in an amount of €34 million.

Marketable securities *(€ thousands)*	**31/12/2020**	**Increase**	**Decrease**	**Provisions**	**31/12/2021**
Treasury shares	23,949.2	35,084.9	25,262.5		33,771.6
TOTAL	**23,949.2**	**35,084.9**	**25,262.5**		**33,771.6**
No. of Shares	139,322	207,628	141,544		205,406

At 31 December 2021, treasury shares consisted in part of shares intended to provide liquidity for trading in the shares and in part of shares intended for grant to employees of the Company's subsidiaries.

3.2.3.1.6 Treasury instruments

Treasury instruments

Treasury instruments *(€ thousands)*	**31/12/2020**	**Increase**	**Decrease**	**Provisions**	**31/12/2021**
Treasury instruments	3,381.2	9,782.0	2,628.2		10,535.0
TOTAL	**3,381.2**	**9,782.0**	**2,628.2**		**10,535.0**

In accordance with ANC regulation 2015-05 of 2 July 2015 on forward financial instruments and hedging transactions, premiums and balances are spread over the life of the instruments. The balance for 2021 amounts to €10.5 million on the assets side of the balance sheet.

3.2.3.1.7 Impairment

Impairment of current assets

		Increases during the financial year	**Decreases in the financial year**		
Impairment provisions *(€ thousands)*	**31/12/2020**	**Increases**	**Reversal of unused provisions**	**Provisions used in the period**	**31/12/2021**
Impairment of inventory and pipeline products					
Impairment of trade receivables	2,515.3	1,624.8		618.0	3,522.1
Other impairment					
TOTAL	**2,515.3**	**1,624.8**		**618.0**	**3,522.1**

3.2.3.1.8 Prepaid expenses

Prepaid income *(€ thousands)*	31/12/2020	Increase	Decrease	31/12/2021
Prepaid income	174.2	1 233.3	174.2	1 233.3

3.2.3.2 Notes on balance sheet items – liabilities

3.2.3.2.1 Equity

Statement of changes in shareholders' equity

Equity *(€ thousands)*	31/12/2020	Appropriation Capital	Dividends	Capital incr. & contributions	2021 change	31/12/2021
Share Capital	263,983.0			46,106.4		310,089.4
Share premium/additional paid-in capital/ revaluation differences	233,781.1		(107,604.8)	392,921.5	(5,178.8)	513,919.0
Legal reserve	21,740.6	3,124.0				24,864.6
General reserve						
Retained earnings						
Net income for the year	62,480.2	(3,124.0)	(59,356.2)		76,747.4	76,747.4
Investment grants						
Regulated provisions						
TOTAL	**581,984.8**		**(166,961.0)**	**439,027.9**	**71,568.6**	**925,620.3**

After appropriating 5% of net income for the year (€3.12 thousand) to the legal reserve, the Combined Ordinary and Extraordinary General Shareholders' Meeting of 29 June 2021 decided to pay a dividend of €9.50 per share for the financial year ended 31 December 2020, or a total of €164.49 million to the limited partners, and a priority dividend of €2.47 million to the general partner.

At 31 December 2021, the share capital stood at €310 million divided into 20,087,865 shares with a par value of €15.28 each and ten General Partner shares with a per value of €100 each.

The Company carried out four capital increases during the year. The main €350 million capital increase was carried out on 10 December 2021 as part of the acquisition of Primonial.

The amount of Subordinated Perpetual Notes was €223 million at 31 December 2021, following an increase of €28 million over the financial year.

Debt issue costs of €5.1 million were deducted net of tax from the issue premium.

3.2.3.2.2 Provisions

Table of changes in provisions

Provisions for contingencies and expenses *(€ thousands)*	31/12/2020	Reclassification	Increases during the financial year	Decreases in the financial year		31/12/2021
			Increases	Reversals of unused provisions	Provisions used in the period	
Provisions for tax	609.7				304.8	304.8
Other provisions for contingencies and expenses	329.5	61.7	655.8		326.5	720.5
TOTAL	**939.1**	**61.7**	**655.8**		**631.3**	**1,025.3**

Provisions for contingencies and expenses relate to employee bonus share rights.

3.2.3.2.3 Borrowings and other financial liabilities

Breakdown of payables by maturity

Borrowings and other financial liabilities *(€ thousands)*	31/12/2021	Less than 1 year	1 to 5 years	More than 5 years	31/12/2020
Financial Liabilities	**1,703,198.1**	**315,982.9**	**587,215.3**	**800,000.0**	**2,034,507.7**
Other bond issues	1,254,448.8	18,948.8	435,500.0	800,000.0	1,483,308.5
Bank borrowings	425,556.0	275,556.0	150,000.0		393,899.4
Deposits and security interests received	1,715.3		1,715.3		1,725.0
Group and partners	21,417.6	21,417.6			155,461.3
Other payables	60.5	60.5			113.6
Accounts payable and other payables	**14,039.1**	**14,039.1**			**10,525.1**
Suppliers and related accounts	11,215.2	11,215.2			1,000.0
Employee-related and social security payables	70.8	70.8			152.7
Tax payables	1,310.3	1,310.3			4,700.4
Amounts due on non-current assets and related accounts	120.2	120.2			1,029.9
Other payables	1,215.5	1,215.5			3,642.2
Prepaid income	107.2	107.2			
TOTAL	**1,717,237.3**	**330,022.0**	**587,215.3**	**800,000.0**	**2,045,032.8**

Bond redemption premiums

Change in amortisation of premiums *(€ thousands)*	31/12/2020	+	-	31/12/2021
Redemption premiums on bonds	6,350.8		1,220.9	5,129.8
TOTAL	**6,350.8**		**1,220.9**	**5,129.8**

The bonds were issued at a premium, which is amortised over the life of the borrowing (€1,220.9 thousand in 2021).

At 31 December 2021, bank borrowings excluding accrued interest and treasury notes amounted to €80 million.

Accrued expenses

Expenses included in balance sheet line items *(€ thousands)*	31/12/2021	31/12/2020
Borrowings and financial liabilities	13,257.3	16,854.5
Suppliers and related accounts	7,849.0	548.4
Amounts due on non-current assets and related accounts	93.9	1,011.1
Taxes, duties and analogous payments		
Personnel costs		
Group and partners	3,074.9	53.5
Miscellaneous	996.9	3,176.6
TOTAL	**25,272.0**	**21,644.2**

3.2.3.3 Notes to the income statement

3.2.3.3.1 Revenue

The Company's revenue consists of rental income, service charges and costs of works billed to tenants of portfolio shopping centres and revenue from services rendered by Altarea to its subsidiaries under the terms of agreements related to ordinary operating activities.

Revenue *(€ thousands)*	31/12/2021	31/12/2020
Rent and re-invoiced leasing costs	8,626.6	7,621.4
Transfer taxes		
Services	4,605.4	3,474.2
Others	118.7	0.0
TOTAL	**13,350.7**	**11,095.6**

3.2.3.3.2 Other operating income

Operating income *(€ thousands)*	31/12/2021	31/12/2020
Production held in inventory	729.8	5,056.8
Reversals of provisions and depreciation	1,249.4	1,001.0
Intragroup chargebacks and expense reclassifications	0.1	37.8
Others	70.3	252.8
TOTAL	**2,049.6**	**6,348.5**

Reversals of provisions mainly concern deliveries of shares under bonus share plans and reversals of provisions for impairment of customer receivables.

3.2.3.3.3 Operating expenses

Operating expenses reflect expenses incurred by Altarea in respect to its REIT business (rental costs, property taxes, allowances for depreciation and amortisation) and its services provided to subsidiaries.

Operating expenses *(€ thousands)*	31/12/2021	31/12/2020
Rental and co-ownership expenses[a]	2,431.8	1,247.2
Maintenance and repairs	168.9	123.2
Insurance premiums	110.7	90.1
Commissions and fees[b]	7,783.5	9,457.3
Advertising and public relations	26.5	3.4
Banking services and similar accounts[c]	6,100.9	3,294.8
Taxes and duties	542.2	863.2
Personnel costs	874.6	1,224.1
Depreciation, amortisation and provisions	5,624.3	4,710.7
Capitalised purchases[d]	848.5	5,056.8
Lessee termination and early termination fees		
Other expenses	651.0	904.4
TOTAL	**25,162.8**	**26,975.3**

(a) Nearly all of these rental costs are passed on to tenants.
(b) Fees include shopping centre management and marketing fees, Statutory Auditors' fees, expenses relating to certain projects and service fees, as well as compensation paid to Management.
(c) Bank service fees correspond essentially to loan fees, which are reinvoiced to refinanced companies on a case-by-case basis, as provided for in the framework agreement.
(d) In 2021, capitalised purchases related to work carried out on portfolio assets were recognised under assets with an offsetting entry in other operating income.

3.2.3.3.4 Net financial income (expense)

(€ thousands)	31/12/2021	31/12/2020
Financial income		
▪ Dividend	82,538.2	61,344.6
▪ Interest on loans	3,212.2	3,721.3
▪ Income from current accounts	1,592.0	3,430.1
▪ Other financial income/swaps	10,029.9	3,069.1
▪ Commissions on Guarantees	1,979.2	1,801.5
▪ Paid by subsidiaries	11,750.3	101,000.5
▪ Reversals from provisions for impairment of non-current financial assets		62,943.0
▪ Reversals from provisions for impairment of marketable securities		
▪ Other financial income	32.4	28.3
▪ Net gains on the disposal of marketable securities		3,339.8
TOTAL	**111,134.2**	**240,678.1**
Financial expenses		
▪ Depreciation, amortisation and provisions	9,057.4	2,052.6
▪ Net expenses on disposals of marketable securities		49,951.8
▪ Interest on external borrowings	31,953.9	39,081.3
▪ Expenses on current account balances	237.2	410.4
▪ Expenses on financial instruments (Swaps, Caps)	5,983.4	528.1
▪ Bank interest		
▪ Paid by subsidiaries	11,378.2	2,636.8
▪ Other financial expenses	2,628.2	68,146.2
TOTAL	**61,238.2**	**162,807.3**
NET FINANCIAL INCOME (EXPENSE)	**49,895.9**	**77,870.8**

Dividends essentially comprise the distributions by Foncière Altarea.

Other financial expenses of €2.6 million in 2021 correspond to expenses on cancelled matched hedging instruments.

3.2.3.3.5 Exceptional income

Net exceptional income/(expense)

(€ thousands)	31/12/2021	31/12/2020
Exceptional income		
▪ Exceptional income from non-capital transactions		160.0
▪ Exceptional income from capital transactions	59,947.5	50,528.0
* Including proceeds from asset disposals	38,696.8	36,283.5
* Including rebilling of free share delivery to employees	21,250.7	14,244.5
▪ Reversals of provisions and expense reclassifications	430.7	86,496.7
* Including reversal of provisions for rental guarantees		
TOTAL	**60,378.2**	**137,184.7**
Exceptional expenses		
▪ Exceptional expenses on non-capital transactions	11.1	0.3
* Of which tenant construction		
* Including provisions for rental guarantees		
▪ Exceptional expenses on capital transactions	21,690.3	137,217.2
▪ Exceptional allowances for depreciation, amortisation and impairment		
* Of which provisions for rental guarantees		
TOTAL	**21,701.4**	**137,217.5**
NET EXCEPTIONAL INCOME/(EXPENSE)	**38,676.8**	**(32.8)**

The exceptional income of €38.7 million is mainly due to the proceeds from the disposal of Issy Pont shares (disposal of 15% of the 25% held).

3.2.3.3.6 Corporate income taxes

In 2005, Altarea opted to adopt the special tax-exempt status established for publicly traded real estate investment companies (*Sociétés d'Investissement Immobilier Cotées* or SIIC under Article 208 C of the French General Tax Code).

Breakdown of tax expenses

	Profit before tax			Tax	Net result		
Accounting results	**Tax-exempt sector**	**Taxable sector**	**Total**	**Taxable sector**	**Tax-exempt sector**	**Taxable sector**	**Total**
Operating income/(loss)	(2,568.8)	(7,193.7)	**(9,762.5)**		(2,568.8)	(7,193.7)	**(9,762.5)**
Net financial income (expense)	60,058.9	(10,163.1)	**49,895.8**		60,058.9	(10,163.1)	**49,895.8**
Exceptional income	21.1	38,655.7	**38,676.8**	2,062.7	21.1	36,593.1	**36,614.1**
TOTAL	**57,511.1**	**21,298.9**	**78,810.0**	**2,062.7**	**57,511.1**	**19,236.3**	**76,747.4**

Changes in deferred tax liabilities

	31/12/2020	Variations	31/12/2021
Reductions		+	-
Tax expense	(355,043.2)	15,544.6	(339,498.6)
Total base	**(355,043.2)**	**15,544.6**	**(339,498.6)**
TAX OR TAX SAVINGS	**(94,086.5)**	**4,119.3**	**(89,967.1)**

Tax audit

Altarea SCA was the subject of adjustment proposals for the financial years 2017, 2018 and 2019. All the potential financial consequences have been recognised with the exception of certain disputed adjustments which total €0.9 million.

3.2.3.4 Other information

3.2.3.4.1 Related parties

Transactions made by the Company with related parties not concluded on an arm's length basis

No material transactions have been concluded by the Company with related parties that were not on an arm's-length basis.

3.2.3.4.2 Off-balance sheet commitments

Financial Instruments

Altarea holds a portfolio of swaps and caps to hedge interest rate risk for a portion of its current and future floating and fixed rate debt and that of its subsidiaries.

Financial instruments *(€ thousands)*	2021	2020
Swap/Total (Notional)	700,000.0	600,000.0
Cap/Total (Nominal)		
TOTAL	**700,000.0**	**600,000.0**

The fair value of the hedging instruments was a negative €29.8 million in respect of swaps as at 31 December 2021.

Effect on the income statement

Effect on the income statement *(€ thousands)*	2021	2020
Interest income	14,427.1	2,982.3
Interest expense	2,697.1	5,003.8
TOTAL	**11,730.0**	**(2,021.5)**

Notional amounts hedged by swaps and caps at the end of December

(€ thousands)	2021	2022	2023	2024	2025
Swap	700,000.0	700,000.0	700,000.0	300,000.0	
Altarea Pays Fixed Rate (Total)	**700,000.0**	**700,000.0**	**700,000.0**	**300,000.0**	

The benchmark rate used is three month Euribor.

Use of derivatives as hedging instruments could expose the Group to the risk of counterparty default. The Group mitigates this risk by selecting only major financial institutions as counterparties in hedging transactions.

Employee benefit obligations

Commitments to employees relating to retirement benefits are estimated at €182 thousand as of 31 December 2021.

Commitments given

Non-current assets held by Altarea SCA are subject to unregistered mortgages in guarantee of certain loans as well as the assignment of some business receivables on present or future leases. In addition, the guarantees are subject to covenants, of which the two principal criteria are an LTV ratio of below 60% and a ratio of net interest expenses cover by recurring EBITDA above 2.0.

Altarea SCA has guaranteed loans to other Group companies for an amount of €977 million. These commitments mainly comprise joint and several guarantees and demand guarantees granted by Altarea SCA on behalf of its subsidiaries.

The specific covenants on corporate loans held by Altarea SCA of up to a maximum authorised amount of €725 million (including €645 million in undrawn funds on the corporate debt) are as follows:

- counterparty: NATIXIS/BECM/LCL/Société Générale/HSBC/BNP Paribas/Bank of China/La Banque Postale/CACIB;
- Main covenants applying to Altarea Group:
  - Ratio of Company net debt to net asset value (Consolidated Altarea LTV ratio) < 60% (24.1% at 31 December 2021),
  - Operating income (FFO column)/Net borrowing costs (FFO column) of the Company ≥ 2 (Interest Cover Ratio or Altarea Consolidated ICR) (8.2 at 31 December 2021).

The Group made commitments as part of its successful tenders for Italian stations.

Bonus share plans (for the Company and its subsidiaries)

Award date	Number of rights awarded	Vesting date	Rights in circulation at 31/12/2020	Awarded	Deliveries	Amendments to rights(a)	Rights in circulation as at 31/12/2021
Share grant plans on Altarea shares							
20 July 2018	41,500(b)	31 March 2021	30,800		(30,800)	0	
7 September 2018	14,800(b)	31 March 2021	7,400		(7,400)	0	
3 December 2018	5,000(b)	31 March 2021	2,000		(2,000)	0	
19 December 2018	2,000(b)	31 March 2021	2,000		(2,000)	0	
18 March 2019	9,461	12 March 2021	9,079		(8,837)	(242)	
19 March 2019	41,531	19 March 2022	37,347			(2,983)	34,364
6 June 2019	1,355	20 March 2022	1,220			(80)	1,140
18 October 2019	2,000	30 March 2021	2,000		(2,000)	0	
21 October 2019	20,000(b)	30 March 2022	20,000			0	20,000
18 December 2019	3,000(b)	31 March 2021	2,400		(2,400)	0	
10 January 2020	1,300	10 January 2021	1,300		(1,300)	0	
20 April 2020	58,809	20 April 2021	58,477		(57,374)	(1,103)	
21 April 2020	18,479	21 April 2022	18,411			(448)	17,963
22 April 2020	45,325	22 April 2023	43,952			(3,078)	40,874
23 April 2020	1,000	23 April 2021	1,000		(1,000)	0	
24 April 2020	2,000	24 April 2022	2,000			0	2,000
30 April 2020	4,900	30 April 2021	4,600		(4,600)	0	
1 October 2020	89	1 October 2021	89		(89)	0	0
31 March 2021	121,080	1 April 2022		121,080		(2,418)	118,662
31 March 2021	10,000	1 April 2022		10,000		0	10,000
30 April 2021	73,050(b)	31 March 2024		73,050		(2,005)	71,045
4 June 2021	32,000(b)	31 March 2025		32,000		0	32,000
4 June 2021	27,500(b)	31 March 2025		27,500		0	27,500
4 June 2021	45,500(b)	31 March 2025		45,500		0	45,500
4 June 2021	14,000(b)	31 March 2025		14,000		0	14,000
4 June 2021	23,700(b)	31 March 2025		23,700		0	23,700
4 June 2021	30,000(b)	31 March 2025		30,000		0	30,000
1 September 2021	600	1 September 2023		600		0	600
1 October 2021	2,000	30 March 2023		2,000		0	2,000
TOTAL	**651,979**		**244,075**	**379,430**	**(119,800)**	**(12,357)**	**491,348**

(a) Rights cancelled for reasons of departure, transfer, lack of certainty that performance criteria have been met or changes in plan terms.
(b) Plans subject to performance criteria.

Commitments received

The Company secured a syndicated loan of €800 million with a pool of partner banks, which will be drawn down on the day of the acquisition of Primonial.

3.2.3.4.3 Headcount

The Company's average headcount was one employee at 31 December 2021.

3.2.3.4.4 Post-closing events

The epidemic is still ongoing in 2022 and it is difficult to assess its prolonged impact on the Company's activities and its results for 2022. It will, however, have no impact on its continuation as a going concern at twelve months, given the liquidity available to the Group as of 31 December 2021.

3.2.3.4.5 Information on mergers and similar transactions

SARL IFI was the subject of a universal transfer of assets on 2 December 2021. SNC Bezons Cœur de Ville Commerces was the subject of a universal transfer of assets on 15 December 2021.

3.2.3.5 Table of subsidiaries and equity investments

Companies	Share capital	Equity other than share capital	Group share	Securities, gross	Securities, net	Loans and advances granted	Loans and advances, net	Sureties and guarantees	Earnings in the Financial year	Dividends received by the Company	Revenues excl. tax
SUBSIDIARIES (+50%)											
SAS FONCIÈRE ALTAREA – 353,900,699	7,783.7	451,259.4	100.0%	779,241.9	779,241.9	791,638.2	791,638.2		72,661.2	82,538.2	
SCA ALTAREIT – 553,091,050	2,627.7	374,555.4	99.6%	91,635.0	91,635.0	219,473.7	219,473.7	750.0	57,556.0		1,124.1
SNC ALTAREA MANAGEMENT – 509,105,375	10.0	(9,220.6)	100.0%	10.0	10.0				(9,220.6)		69,991.6
SAS ALTA BLUE – 522,193,796	406,060.2	292,394.0	61.8%	499,429.7	499,429.7				393.6		
SARL SOCOBAC – 352,781,389	8.0	143.5	100.0%	0.0	0.0				(4.2)		
SARL ALTALUX SPAIN	1,100.0	(229.7)	100.0%	10,517.0	10,517.0	323.1	323.1		(36.3)		
ALTA MIR – 833,669,666	1.0	87.3	100.0%	100.0	100.0				(2.7)		
FONCIÈRE ALTAREA MONTPARNASSE – 847,726,650	10.0	4,157.7	100.0%	10.0	10.0	57,735.2	57,735.2		4,157.7		
SCA NR 21 – 389,065,152	1,475.4	4,137.9	84.4%	7,202.9	7,202.9				(154.5)		
SCI REUILLY	1.0	(1,755.2)	100.0%	16,309.1	16,309.1	5,066.8	5,066.8		(255.7)		
AFFILIATES (10% TO 50%)											
BERCY VILLAGE 2	1,633.6	1,417.2	15.0%	18,560.0	18,560.0	4,254.2	4,254.2		1,417.2		
SCI ISSY PONT	40.0	(15,519.0)	10.0%	4.0	4.0	15,405.0	15,405.0		(15,519.0)		
SNC AF INVESTCO 4	1.0	(508.0)	50.0%	0.0	0.0	253.4	253.4		(508.0)		
SCCV B2-B3	1.0	12,663.5	50.0%	0.5	0.5	8,904.0	8,904.0		12,663.5		40,809.5
SCI LIMOGES INVEST	1.0	17,791.5	25.0%	11,432.1	11,432.1				2,674.0		4,371.0
OPCI ALTA COMMERCES EUROPE	44,541.3	4,277.2	29.9%	22,448.4	14,611.9	23,121.2	23,121.2		4,277.2		
TOTAL INVESTMENTS > 10%				**1,456,900.4**	**1,434,452.1**	**1,126,174.8**	**1,103,053.6**				

Head office of subsidiaries and equity investments: 87, rue de Richelieu Paris 2nd arrondissement.

3.3 Additional information on the annual financial statements

3.3.1 Summary of the Company's payment terms

As of 31 December 2021	Article D.441 I.-1°: Invoices received but not paid at the closing date of the financial year ended						Article D.441 I.-2°: Invoices issued but not paid at the closing date of the financial year ended					
	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and over	Total (1 day and over)	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and over	Total (1 day and over)
(A) Overdue categories												
Number of invoices included	14					90	0					323
Total amount of the invoices included (incl. VAT)	213,242	0	0	0	88,306	88,306	0	189,987	0	737,890	6,134,393	7,062,270
% of total amount of purchases (incl. VAT) for the period	1.44%	0.00%	0.00%	0.00%	0.60%	0.60%						
% of total amount of revenue (incl. VAT) for the period							0.00%	1.19%	0.00%	4.61%	38.29%	44.08%
(B) Invoices excluded from (A) relating to overdue or unrecorded receivables and payables												
Number of invoices excluded	0						0					
Total amount of the invoices excluded (inclusive of VAT)	0						0					
(C) Benchmark payment terms used (contractual or legal terms)												
Benchmark payment terms used for to calculate overdue payments	Statutory payment terms						Statutory payment terms					

3.3.2 Results of the last five financial years

Type of indications	31/12/2021	31/12/2020	31/12/2019	31/12/2018	31/12/2017
Duration of the period (months)	12	12	12	12	12
CAPITAL AT END OF THE YEAR					
Share capital	310,089,359	263,982,998	255,195,822	245,425,285	245,280,324
Number of shares	20,293,271	17,277,839	16,700,762	16,061,329	16,051,842
▪ ordinary	20,293,271	17,277,839	16,700,762	16,061,329	16,051,842
▪ priority dividend					
Maximum number of shares to be created					
▪ by bond conversions					
▪ by subscription rights					
OPERATIONS AND RESULTS					
Revenue excl. tax	13,350,683	11,095,628	16,903,831	19,910,706	20,706,301
Income before tax, interest, depreciation and impairment	92,242,323	(75,370,504)	56,119,656	26,883,494	30,995,390
Corporate income tax	2,062,662	5,826,692	1,329,307	(325,229)	877,009
Employee participation					
Allowances depr./amort. and impairment	13,432,275	(143,677,411)	40,885,187	6,363,033	1,824,861
Net result	76,747,386	62,480,215	13,905,162	20,845,690	28,293,520
Distributed income	72,910,016	59,356,204	13,209,904	19,803,405	43,678,086
EARNINGS PER SHARE					
Income after tax, interest, before depr./amort. and impairment	5.3	(4.4)	3.4	1.7	1.9
Income after tax, interest, depr./amort. and impairment	5.2	(4.7)	3.3	1.7	1.8
Dividend allocated	9.75*	9.50	9.00	12.75	12.50
EMPLOYEES					
Average employee workforce	1	2	1	2	2
Payroll	407,631	436,944	615,110	1,030,126	919,396
Amounts paid in benefits (social security, social welfare, etc.)	21,696,593	15,223,919	21,309,803	18,530,370	14,712,536

* *The dividend will be put to a vote at the Shareholders' Meeting of 2022 called to approve the 2021 financial statements.*
Payroll = total of the 641 "employee compensation" accounts.
Amounts paid in benefits = total of the 645 "social security contribution and welfare", 647 "other social security contribution", 648 "Provisions for personnel costs" and 6,783 "unfavourable variance on the company buyback of treasury shares" accounts.

3.4 Statutory Auditors' report on the annual financial statements

Financial year ended 31 December 2021

At the General Shareholders' Meeting of the Altarea company,

Opinion

In accordance with the mission assigned to us by your General Shareholders' Meeting, we have carried out the audit of the annual financial statements of Altarea relating to the year ended 31 December 2021, as attached to this report.

In our opinion, the financial statements give a true and fair view of the company's operations during the financial year, as well as of the company's assets, liabilities, and financial position at the end of the financial year, in accordance with the accounting principles generally accepted in France.

The opinion set out above is consistent with the content of our report to the Audit Committee.

Basis of the Opinion

Audit guidelines

We conducted our audit in accordance with professional standards applicable in France. We believe that the information we obtained provides a reasonable basis for our opinion given below.

Our responsibilities pursuant to these standards are set out under the section of this report entitled, "Responsibilities of the Statutory Auditors in auditing the annual financial statements".

Independence

We performed our audit respecting the applicable rules on independence, over the period from 1 January 2021 to the date on which our report was published, and, in particular, we have not provided any services prohibited under Article 5, paragraph 1 of EU regulation No. 537/2014 or under the French Commercial Code or the Industry Code of Conduct for Statutory Auditors.

Basis for our assessments – Key points of the audit

The global crisis triggered by the COVID-19 pandemic meant that the financial statements for this year had to be prepared and audited under special conditions. The crisis and exceptional measures taken in response had many consequences for companies, particularly their business and finances, and created doubts about their future prospects. Some of these measures, such as travel restrictions and remote working, also impacted companies' internal organisation and the conduct of audits.

It is in this complex and evolving context that, pursuant to the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the key audit matters relating to the risks of material misstatement that, in our professional judgement, were the most important for the audit of the annual financial statements for the year, as well as the responses we have provided to address these risks.

The assessments thus made are based on the auditing of the annual financial statements, taken as a whole, and the opinion formed by ourselves as expressed above. We do not express an opinion on any aspects of these annual financial statements taken in isolation.

Evaluation of participating interests, investment-related receivables and loans

Risk identified	Our response
The participating interests, investment-related receivables and loans included on the balance sheet at 31 December 2021, a net total of €2,728 million, represent a significant balance sheet item (95% of assets). Participating interests are carried on the balance sheet at their acquisition cost or at their transfer value and impaired on the basis of their value in use. Investment-related receivables and loans related to indirect equity holdings are carried at their contribution or nominal value. As stated in the note 3.2.2.2 "Accounting principles and methods", under the paragraphs "Participating interests" and "Investment and loan-related receivables" of the appendix, the value in use of the participating interests is appraised by management according to multiple criteria such as net asset value, profitability, profitability forecasts, long-term growth prospects, and economic conditions. The market value of assets held by subsidiaries and sub-subsidiaries is taken into account. When there is evidence that the Company will not be able to collect all amounts due, an impairment loss is recorded taking into account in particular the nature of the advance, the subsidiary's capacity to repay and its development potential. Estimating the value in use of these participating interests requires management to exercise its judgement in choosing the information to include depending on the investments in question, information which may be historic in nature (net reassessed position), or forward-looking (long-term profitability). Given the weight of participating interests on the balance sheet, the complexity of the models used and their sensitivity to data variations as well as assumptions on which estimates are based, we have considered the valuation of the participating interests, investment-related receivables, and loans as a key point of the audit, which was also impacted by the COVID crisis.	We have observed and noted the process used to determine the value in use of participating interests. Our work also involved: ▪ obtaining an understanding of the valuation methods used and the assumptions underlying the estimation of the value in use of the participating interests in the context of COVID-19; ▪ comparing the net assets included by the management in its valuations with the source data from the accounts of subsidiaries and examining any adjustments made; ▪ using sampling to test the mathematical accuracy of the formulas used to calculate book values; ▪ using sampling to recalculate the impairments recorded by the company. Over and above ascertaining the value in use of participating interests, our work also consisted in: ▪ assessing the recoverability of investment-related receivables and loans given the analysis performed on participating interests; ▪ reviewing the need to account for a provision for risk in the event that the company is committed to bearing the losses of a subsidiary in negative equity.

Special verifications

We also carried out the specific verifications required by law and regulations, in accordance with professional standards applicable in France.

Information given in the management report and other documents addressed to shareholders, on the financial position and annual financial statements

We have no matters to report as to the true and fair nature and the consistency with the financial statements of the information provided in the management report and documents sent to shareholders concerning the company's financial position and the full year financial statements.

We confirm the sincerity and consistency with the annual financial statements of the information related to the terms of payment referred to in Article D. 441-6 of the French Commercial Code.

Report on Corporate Governance

We attest to the existence, in the Supervisory Board Report on Corporate Governance, of the information required under Articles L. 225-37-4 and L. 22-10-10 and L. 22-10-9 of the French Commercial Code.

As regards the information provided pursuant to Article L. 22-10-9 of the French Commercial Code concerning compensation and benefits paid or awarded to corporate officers, as well as commitments made in their favour, we have verified their consistency with the financial statements or with the information used to prepare the financial statements and, if applicable, with the information collected by the company from the companies controlled by it or in the consolidation scope. On the basis of this work, we confirm the accuracy and sincerity of this information.

As regards the information relating to items that your company deemed likely to have an impact in the event of a take-over bid or public exchange offer, provided pursuant to the provisions of Article L. 22-10-11 of the French Commercial Code, we have verified their compliance with the source documents that were forwarded to us. In light of this work, we have no comments on the said information.

Other information

Pursuant to applicable law, we have confirmed that the required information on acquisitions of the company's shares and voting rights, along with the identities of the company's shareholders and voting right holders, are disclosed in the management report.

Other verifications or information resulting from other laws and regulations

Format of the annual financial statements included in the annual financial report

We have also verified, in accordance with the professional standards of the Statutory Auditors relating to the annual and consolidated financial statements presented according to the single European electronic information format, that this format defined by the European regulation is complied with Delegate no. 2019/815 of 17 December 2018 in the presentation of the annual financial statements included in the annual financial report mentioned in I of Article L. 451-1-2 of the French Monetary and Financial Code, prepared under the responsibility of management.

On the basis of our work, we conclude that the presentation of the annual financial statements included in the annual financial report complies, in all material respects, with the single European electronic information format.

Appointment of Statutory Auditors

We were appointed Statutory Auditors for the company Altarea at your General Shareholders' Meeting of 15 April 2016 in the case of Grant Thornton and 28 May 2010 in the case of Ernst & Young et Autres.

As of 31 December 2021, Grant Thornton was in the sixth consecutive year of its assignment and Ernst & Young et Autres in the twelfth year.

The firms AACE Ile-de-France, a member of the Grant Thornton network, and Ernst & Young Audit, were the previous Statutory Auditors, from 2004.

Responsibilities of the management and individuals responsible for corporate governance in respect of the annual financial statements

It is the responsibility of the management to produce annual financial statements that present a true and fair view in compliance with French accounting principles as well as to implement the internal controls it deems necessary to produce annual statements that contain no significant anomalies, whether these are the result of fraud or error.

When producing annual financial statements, it is the management's responsibility to assess the company as a going concern, to present in these statements, where appropriate, the information required for operational continuity and to apply the accounting standard of operational continuity, unless there are plans to liquidate the company or cease its operation.

It is the responsibility of the Audit Committee to monitor the process of producing financial information and the effectiveness of systems of internal control and risk management, as well as any internal audits, in respect of procedures for producing and processing accounting and financial information.

These annual financial statements have been approved by management.

Responsibilities of the Statutory Auditors in auditing the annual financial statements

Auditing objective and procedure

It is our responsibility to produce a report on the annual financial statements. Our aim is to obtain reasonable assurance that the annual financial statements, taken as a whole, contain no significant anomalies. Reasonable assurance means a high level of assurance, without forasmuch providing the guarantee that an audit conducted in compliance with industry standards systematically affords the detection of any significant anomaly. Anomalies may be the result of fraud or errors and are considered to be significant where it can be reasonably expected that, taken individually or together, they may influence the economic decisions of the users of the statements on the basis thereof.

As specified in Article L. 823-10-1 of the French Commercial Code, our assignment as auditors is not to guarantee the viability or quality of the management of your company.

In conducting an audit in compliance with industry standards in France, Statutory Auditors exercise their professional judgement throughout the said audit. Moreover:

- they identify and assess risks that the annual financial statements may contain significant anomalies, whether these are the result of fraud or errors, establish and implement auditing procedures in the face of such risks, and gather any evidence they deem sufficient and appropriate on which to base their opinion. The risk of failing to detect a material misstatement attributable to fraud is greater than that of a material misstatement resulting from error, since fraud may involve collusion, forgery, deliberate omissions, misrepresentation or circumventing internal control;
- they take note of the relevant internal control for the audit in order to establish appropriate audit procedures in the circumstances, and not to express an opinion on the effectiveness of internal control;
- they assess the appropriateness of accounting methods used and the reasonableness of the management's accounting estimates and the information relating to them provided in the annual financial statements;
- they assess the appropriateness of management's application of the going concern principle, and, depending on the evidence gathered, the existence or otherwise of significant uncertainty related to events or circumstances liable to undermine the company's ability to continue as a going concern. This assessment is based on the evidence gathered up until the date of their report, not overlooking the fact, however, that subsequent circumstances or events may jeopardise capacity as a going concern. Should they conclude that there is significant uncertainty, they draw the attention of readers of their report to the information contained within the annual financial statements in relation to this uncertainty or, if such information is not supplied or is not relevant, certification will either be withheld or given with reservations;
- they assess the overall presentation of the annual financial statements and whether the latter reflect the operations and underlying events in such a way as to give a true and fair view of them.

Report to the Audit Committee

We submit a report to the Audit Committee which sets out the scope of the audit and the programme of work implemented, as well as the conclusions arising from our work. We also bring to their attention any significant weaknesses in internal controls that we have identified in terms of procedures for producing and processing accounting and financial information.

The information presented in the Report to the Audit Committee includes the risks of significant anomalies that we consider to have been the most important for the auditing of the annual financial statements for the financial year in question and which, as such, are the key point of the audit which it is our responsibility to describe in this report.

We also provide the Audit Committee with the statement required under Article 6 of EU regulation No. 537-2014 confirming our independence, within the meaning of the rules applicable in France as they are set out in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the Industry Code of Conduct for Statutory Auditors. Where appropriate, we discuss with the Audit Committee any risks affecting our independence and any safeguard measures thus applied.

Neuilly-sur-Seine and Paris-La-Défense, 28 April 2022

The Statutory Auditors

GRANT THORNTON	ERNST & YOUNG et Autres
French member of Grant Thornton International	
Pascal Leclerc	**Anne Herbein**
Partner	Partner

3.5 Statutory Auditors' special report on related-party agreements

General Shareholders' Meeting to approve the financial statements for the financial year ended 31 December 2021

At the General Shareholders' Meeting of the Altarea company,

As the Statutory Auditors of your company, we hereby present you with our report on related-party agreements.

Our responsibility is to report to you, based on the information provided to us, the characteristics, the main terms and conditions, as well as the reasons justifying the interest for the Company, of the agreements brought to our attention or of which we may have become aware or discovered in the performance of our work, without expressing an opinion on their usefulness and appropriateness or determining the existence of any other agreements. It is your responsibility, pursuant to Article R. 226-2 of the French Commercial Code, to assess the company's interest in entering into these agreements before deciding on whether to approve them.

It is also our responsibility to report to you, as provided by Article R. 226-2 of the French Commercial Code, information pertaining to the performance of agreements previously approved by the General Shareholders' Meeting and that remained in effect during the past year.

We have taken the measures we deemed necessary in accordance with CNC professional guidelines relating to our audit. These measures consisted of verifying that the information provided to us is consistent with the documents from which it was taken.

Agreements submitted to the General Shareholders' Meeting for approval

Pursuant to Article L. 226-10 of the French Commercial Code, we have been informed of the following agreements entered into during the past financial year which were subject to the prior authorisation of your Supervisory Board:

A) Amendment to the subscription agreement for the undated subordinated notes ("TSDI")

Person concerned

Stitching Depositary APG Strategic Real Estate Pool, Supervisory Board member of Altarea.

Type and purpose

On 27 May 2021, following prior authorisation by the Supervisory Board on 26 May 2021, Altarea agreed an amendment to the TSDI subscription agreement initially entered into on 11 December 2012 with APG STRATEGIC REAL ESTATE POOL (APG) to increase the nominal value of the TSDIs from €130.00 to €148.94, bringing the total nominal amount to €223.5 million, an increase of €28.4 million.

Reasons for the agreement

This amendment enables the Company to strengthen its equity and the Group's liquidity, while improving its financial structure and its LTV ratio through a disintermediated financial structure.

B) Creation of two partnerships with Crédit Agricole Assurances, 49% owned by CAA and 51% by ALTAREA

Persons concerned

Crédit Agricole Assurances (CAA), a shareholder directly and indirectly holding more than 10% of the Company's share capital and voting rights; Predica (a subsidiary of CAA), Supervisory Board member of the Company, represented by Ms Najat Aasqui; Ms Françoise Debrus, Chief Investment Officer of CAA, Supervisory Board member of the Company.

Type and purpose

Altarea signed two letters issued by Crédit Agricole Assurances (CAA) on 10 June 2021, following prior authorisation by the Supervisory Board at its meeting of 26 May 2021, agreeing to the creation of two partnerships 49% owned by CAA and 51% by Altarea for two types of Group assets

- one, called "Alta Retail Parks", covering nine Retail Parks owned by the Group in France (Les Portes de Brest Guipavas, Family Village Costières Sud in Nîmes, Family Village Les Hunaudières in Le Mans-Ruaudin, Les Portes d'Ambresis in Villeparisis, Castorama in Pierrelaye, Thiais Village in Thiais, Family Village in Limoges, Family Village and Le Village de Marques in Aubergenville), and
- the other, called "Alta Infrastructures", covering the shops in Paris-Montparnasse station (under concession until 2052) and a portfolio of five Italian stations (Milan-Porte Garibaldi, Rome-Ostiense, Turin-Porte Susa, Padua and Naples-Afragola, under concession until June 2041).

The partnerships relate to investments of €1.0 billion including transfer duties in the assets owned or operated by the Group. They were completed on 8 December 2021 for "Alta Retail Parks" and on 10 February 2022 for "Alta Infrastructures", the CAA Group having invested a total of approximately €486.8 million (excluding transfer taxes), notably via equity investments in the Group's subsidiaries holding the assets or operating the concessions, contributions in kind structured as capital increases and/or acquisitions of shares. On completion of the transaction, Altarea indirectly held around fifty-one percent (51%) of the capital and voting rights of each of these subsidiaries and CAA forty-nine percent (49%).

In this context, Altarea and the subsidiaries concerned entered into various agreements with CAA including:

- in respect of the "Alta Retail Parks" partnership, dated 8 December 2021: an "Investment protocol", to define the terms and conditions for creating the partnership, and a shareholders' agreement, to organise relations between the partners in each subsidiary concerned, the governance of the subsidiaries, and their rights and obligations under the partnership,
- In respect of the "Alta Infrastructures" partnership:

  as the partnerships relates to the Paris-Montparnasse station, dated 26 January 2022:

  (i) "Investment protocol", to define the terms and conditions for creating the partnership, and

  (ii) a shareholders' agreement, to organise relations between the partners in each subsidiary concerned, the governance of the subsidiaries, and their rights and obligations under the partnership,

  with regard to the part of the partnership relating to Italian stations, dated 10 February 2022:

  (i) an agreement entitled "Investment and quota agreement", to define the terms and conditions for creating the partnership, and

  (ii) a "Quotaholder's agreement" to organise relations between the partners in the subsidiary concerned, the governance of the subsidiary, and their rights and obligations under the partnership.

The Altarea Group will continue to control and manage these assets, which will remain fully consolidated in its financial statements.

Reasons for the agreement

The completion of these partnerships should enable the Company to accelerate its partnership strategy pursued for nearly ten years in Retail, an attractive asset class as consumption recovers post-Covid, that is attracting renewed interest from institutional investors on condition of having an efficient asset manager.

Agreements previously approved by the General Shareholders' Meeting

In accordance with Article R. 226-2 of the French Commercial Code, we have been informed that the performance of the following agreements, which were approved by General Shareholders' Meeting in prior years, remained in effect during the past financial year.

Person concerned

APG Strategic Real Estate Pool, represented by Mr Alain Dassas, Supervisory Board member of your company.

Type and purpose

By the subscription contract on 11 December 2012, Subordinated Perpetual Notes (*Titres Subordonnés à Durée Indéterminée* – TSDI) were issued for a nominal value of €109 million, entirely subscribed by APG Strategic Real Estate Pool (transaction authorised by the Supervisory Board on 11 December 2012).

By addendum to the subscription contract on 29 December 2014, the face value of the Subordinated Perpetual Notes (TSDI) was increased to €130 per TSDI, representing a total amount of €195.1 million entirely subscribed by APG Strategic Real Estate Pool (transaction authorised by the Supervisory Board on 29 December 2014).

Conditions

As compensation for these securities, your company did not incur any financial expenses during the financial year ended on 31 December 2021.

Neuilly-sur-Seine and Paris-La-Défense, 28 April 2022

The Statutory Auditors

GRANT THORNTON	ERNST & YOUNG et Autres
French member of Grant Thornton International	
Pascal Leclerc	**Anne Herbein**
Partner	Partner

4

DECLARATION ON EXTRA-FINANCIAL PERFORMANCE (DPEF)

2021 Highlights

Creating sustainable cities

Mounting evidence of climate change, rising inequalities, changing lifestyles, integration of digital technology into daily and working life, etc. Cities are at the heart of a world of multiple transitions: territorial, ecological, social and technological. Concentrating activities and populations – urban areas are now home to 80% of the French population – cities are places of social progress and development.

However, cities are also faced with many challenges: combating climate change, adapting to the vagaries of the climate (heat islands in particular), access for all to quality housing and services (shops, transport, etc.). Citizens and stakeholders are also increasingly well informed, vigilant and demanding. They have high expectations in terms of quality, but also in terms of ethics and commitment to tackling social and environmental issues.

In this context, the Group believes cities will be able to deliver solutions: the layering of different uses and functional diversity are strong drivers for dynamism in the economic and social fabric. There is an urgent need to rethink cities to build attractive spaces that are pleasant to live in, inclusive, resilient, connected and environmentally virtuous.

The Group's CSR approach, "*Tous engagés !*" (We are all involved!), embodies this ambition and is built around three convictions:

- working as a public interest partner for **cities**, to preserve and develop local regions;
- placing **customers** at the heart of actions, working for customer satisfaction across all business lines;
- capitalising on the excellence of **talents**, the Company's biggest asset, to support growth.

The CSR approach is fully integrated into Altarea's four-fold global strategy: Customers, Employees, Climate and Community. For example, in agreement with the social partners, Altarea has renewed its profit-sharing agreement for the years 2021-2023, with an important innovation: in addition to financial criteria, for the first time this agreement includes nonfinancial criteria aligned with the Group's strategic priorities: climate, customer satisfaction, gender-balance in management and internal mobility.

Since 2020, the COVID-19 pandemic plunged the world into a crisis of unprecedented magnitude – a full-scale experience of what the climate crises of the future could be. Altarea has demonstrated its ability to ensure the continuity of its business and that of its partners, and its CSR strategy has emerged stronger from this crisis. The Group has strengths to help it cope with these shocks: diversified businesses, a unique skills platform, and a pronounced entrepreneurial and resilient spirit. The contribution of the Group's employees has also been exemplary.

In 2021, Altarea confirmed its "Green Star 5*" status. With a score of 94/100, up four points on the previous year, the Group has consistently scored above 90/100 since 2016 and gained two places in the rankings to second in its category.

Cities

Altarea wants to be a public interest partner for cities. The Group develops high-quality real estate solutions to develop desirable urban projects with a positive impact and a reduced environmental footprint.

2021 highlights

- **low-carbon city**: Altarea continued its work on reducing greenhouse gas emissions from its activities. In 2021, Altarea updated its decarbonisation strategy. All activities are now covered by decarbonisation targets (scopes 1, 2 and 3) by 2030;
- **nature in the city**: the presence of nature in the city is also a factor of well-being for residents. The COVID-19 pandemic highlighted the vital role of the natural environment to citizens' physical and mental well-being. In 2021, a software tool was rolled out to guide operational staff in the implementation of this approach. This tool lists the relevant measurement indicators and service providers who can address targeted themes: water management, urban agriculture, comfort, decontamination, etc.;
- **positive impact on the regions**: in the context of the COVID-19 pandemic, employment and continuing economic activity were priorities for the Group. Altarea continued its activities as much as possible and maintained its strong support for employment in the region, by contributing to the continuity of its partners' activities.

Clients

Lifestyles, uses, aspirations, customer expectations are changing. Thus, in all its activities, the Group is committed to a process of dialogue and listening. Customer satisfaction is a priority objective, achieved through the quality of life and well-being of occupants, as well as exemplary conduct of its operations.

2021 highlights

- **customer satisfaction**: the Group has retained second place in the HCG/Les Échos rankings of customer relationships. This rewards the speed and quality of responses to customers, as well as support for the latter in the context of the COVID-19 pandemic. In addition, for the fifth consecutive year, Cogedim won "Customer Service of the Year" in the Property Development category;
- **quality of life, health and well-being of occupants**: this has always been a major commitment by the Group, which continues to secure NF Habitat certification for 100% of its housing. In 2021, the approach was extended with new commitments to strengthen actions under way: quality of outdoor spaces, space dedicated to remote working, etc.;
- **exemplary conduct of operations**: in 2021, the Group continued its work to analyse and improve the Group's responsible purchasing practices. This committed structural approach helps strengthen the Group's image as a responsible partner with its partners and customers.

Talents

Altarea has diverse and unique know-how on the market, major assets that give it significant agility in its various business lines. As a responsible company, the Group encourages access to employment for young people. In addition, in order to remain a leader in its field, Altarea embraces the vision of a learning company, focusing on the diversity of learning methods.

2021 highlights

- **employees**: the Group has 1,996 employees in France at 31 December 2021, stable compared to 31 December 2020. In the context of the health crisis, Altarea has adopted a cautious attitude to workforce growth;
- the Group's policy on use **of work-study programmes** has continued to expand. In 2021, Altarea welcomed 431 work-study students, compared with 317 in 2020;
- **employee engagement barometer**: as part of its continuous improvement process, the Group wanted to challenge itself by setting up an employee engagement barometer, attracting a participation rate of 86% (1,582 participants) and a remarkable recommendation rate: 82% of employees are ready to recommend the Group as an employer of choice;
- **skills development**: 100% of employees took at least one training session and more than 4,500 days of training were provided in 2021;
- **Top Employer**: the Group was certified as a Top Employer for the second year running, an award that recognise the ambitious human resources policy pursued by the Group for several years. This certification assesses and rates Altarea on 20 themes such as talent management strategy, work environment, training and skills development, well-being at work, and diversity and inclusion.

TOUS ENGAGÉS!

Altarea's CSR approach

ALTAREA'S CONVICTIONS

CITIES	CUSTOMERS	TALENTS
Developing and preserving regions	Customer satisfaction at heart of Altarea's actions	Excellence as a driver for growth

ALTAREA'S COMMITMENTS

CITIES	CUSTOMERS	TALENTS
Develop desirable urban projects with a positive impact **Develop a resilient, low-carbon city** **Preserve natural spaces and promote nature in the city** **Promote the circular economy**	**Listen customers and deliver customer satisfaction** **Develop a desirable and comfortable city** **Enhance green value by rolling out ambitious certifications** **Be a beacon of best practice in business lines**	**Support skills development** **Foster well-being in the working environment** **Encourage internal mobility and continue training**

KEY RESULTS 2021

CITIES	CUSTOMERS	TALENTS
99% of surface areas under development are less than 500m from transport links -67.3% in CO_2 emissions across the portfolio, since 2010 Energy outperformed Business property RT by over 30% 84% of portfolio waste recovered CAP3000, 1st centre in the world to be BiodiverCity® certified	"Customer Service of the Year" Award for Cogedim for the 5th year running 100% of Residential projects certified NF Habitat 100% of portfolio sites certified at least BREEAM® In-Use 100% of new Business property projects in the Paris region certified at least HQE Excellent and BREEAM® "Very Good"	1,996 employees at 31 December 2021 53% of positions filled through internal mobility and promotion Certified as Top Employer for a second year 100% of employees received training Launch of the 1st employee engagement survey: 82% of employees are ready to recommend Altarea as an employer of choice

4.1 A CSR approach integrated with Group strategy

4.1.1 DPEF summary and European taxonomy

In order to produce the DPEF, the Group conducted an analysis of extra-financial risks that may arise from its activities (see methodological details under Section 4.6.1). A summary of these risks, the main actions and policies implemented by the Group and a reference to a more detailed description together with the results are set out in the table below.

2020 and 2021 were unusual years and the table below also sheds light on the management of these risks in the context of a health crisis.

CSR risks, actions and policies implemented

Risks	Actions and policies	Details	United Nations SDGs	Focus 2021
Risk of operations losing attractiveness and value for customers and investors In a context of major transitions (digital, ecological, etc.), the property expectations of customers and investors can quickly evolve. ***DPEF1***	In order to anticipate the expectations of customers and stakeholders, in all its business lines the Group has introduced: ▪ improved dialogue with customers; ▪ well-being and comfort initiatives in each business line; ▪ continuous efforts on green value and environmental standards (quality, labels and certifications); ▪ a culture of innovation instilled in the Group.	**Customers** 4.3.1 4.3.2 4.3.3 4.3.5	3 Good health and well-being 9 Industry, innovation and infrastructure 11 Sustainable cities and communities	*This reinforced dialogue with customers and the entire Group ecosystem, particularly tenants, buyers, visitors, etc., has been intensified to manage the health crisis, with particular attention to the health, safety and financial health of all.*
Risks associated with the acceptability of projects to local councillors, neighbours, customers (licence to operate) The development of Altarea's activities depends on their acceptability for the regions in which they are to be located, citizens, buyers and the environment. ***DPEF2***	The Group is developing its local presence and rolling out environmental, economic and societal regional development measures: ▪ the Group is developing harmonious, sustainable, mixed urban projects connected to transport networks; ▪ it is contributing to regional development and establishes strong links with the social economy; ▪ preserving local biodiversity is a priority.	**Cities** 4.2.1 4.2.3	8 Decent work and economic growth 10 Reduced inequalities 11 Sustainable cities and communities 15 Life on land	*Thanks to its locations throughout the country, the Group has been able to stay close to the population and conduct solidarity actions. In addition, the actions taken to continue economic activity, resume it quickly after the lockdowns, support retailers and continue activity in the head offices have continued to support many jobs.*

Risks associated with climate change: transition to a low-carbon world
As the property and construction sector is responsible for around 25% of emissions in France, it is directly concerned by the requirement to reduce greenhouse gas emissions and by future regulations (including taxation and more stringent standards, such as environmental regulation RE2020).
DPEF3
	The Group has taken climate change into account in all of its activities and is committed to:
	▪ reduce its direct footprint (contribution to neutrality);
	▪ contribute to a low-carbon city (target of -37% per m² of project emissions between 2019 and 2030) by promoting sobriety and proximity, with initiatives in the key areas for indirect actions:
	  • materials: resource efficiency, use of low-carbon materials, development of refurbishment,
	  • energy: high standard of energy efficiency in its projects, and awareness raising.
		Cities
		4.2.2
			7 Affordable and clean energy
			11 Sustainable cities and communities
			13 Climate action
				The Group continued its initiatives by defining new decarbonisation targets for its activities in line with customer expectations and the transformation of sectors and business models.

Risks associated with the impact of climate change Climate change is exacerbating climate phenomena (heat waves, flooding, etc.) that affect cities and their inhabitants. Property is affected by these risks but is also a source of solutions for customers. ***DPEF4***	In its property projects the Group implements adaptation measures aimed at ensuring the comfort and value of properties for their buyers. The Group pays particular attention to summer comfort, notably by adapting designs and by using nature in the city as a cooling element.	**Cities** 4.2.2	11 Sustainable cities and communities 13 Climate action	*In an unusual health context, comfort in buildings, already a long-term challenge, has become an increasingly important issue. The Group has therefore continued its commitment in this regard, and is rolling out its initiatives using dedicated tools and training, particularly in terms of summer comfort.*

Risks	Actions and policies	Details	United Nations SDGs	Focus 2021
Risk associated with increasing scarcity of resources Limited access to natural resources requires long-term thinking on how we can better manage resources and waste (the circular economy), the use of alternative methods, extending the life of buildings, intensifying their use, etc. **DPEF5**	The Group addresses this issue from the project design stage (reversibility, renovation, etc.) right through to the operational phase (waste management, etc.).	**Cities** 4.2.4	11 Sustainable cities and communities 12 Responsible consumption and production	*The Group is continuing its actions to reduce the impact of its activities on natural resources.* *In addition, the management of resources is all the more strategic as the shortage has contributed to a sharp increase in the prices of certain materials on building sites.*
Societal risks in the subcontracting chain Altarea is a major buyer, making more than €3,000 million of purchases each year, and has an impact on the social and environmental practices of its suppliers and subcontractors. **DPEF6**	Altarea has an ambitious Group-wide approach to supply chain issues, including: ▪ generalised actions (creation of a Group responsible purchasing charter); ▪ actions targeted by type of purchase (CSR clauses in calls for tenders and contracts, training actions, supplier assessments, audits, etc.); ▪ working to build a responsible and sustainable relationship with suppliers.	**Customers** 4.3.4	6 Clean water and sanitation 8 Decent work and economic growth 10 Reduced inequalities 15 Life on land	*The relationship with suppliers and partners, their health, and maintaining their financial health were a concern of the Group in 2020 and 2021, whilst implementing a cross-functional and structured responsible purchasing process.*
Risk associated with skills management The excellence of human capital is the foundation on which the Group's development is based. The world of work demands agility and new skills (digital in particular), Altarea needs to develop and improve the skills of its employees. **DPEF7**	Each year, the Group enhances its recruitment, integration and training policies to maintain and develop the skills of its workforce.	**Talents** 4.4.4	10 Reduced inequalities	*The pandemic has encouraged the Group to be agile in accelerating the deployment of tools for remote working and training. Since then, the Digital Academy (internal online training platform) has been a great success.* *In 2021, Altarea rolled out a mandatory training course on climate and CSR in the Group.*
Risks associated with the Company's loss of appeal Altarea needs talent to successfully fulfil its mission to be an "Entrepreneur for the city". If Altarea is unable to recruit and retain employees, this could have a negative impact on its performance. **DPEF8**	The Group is developing staff retention mechanisms (pay, well-being at work, etc.) and is pursuing a strong policy to improve its employer brand.	**Talents** 4.4.2 4.4.3 4.4.5	5 Gender equality 10 Reduced inequalities	*Since the start of the pandemic, Altarea has ensured the health of its employees and the management of psychosocial risks related to remote working.*
Risks associated with business ethics The Group may be exposed to attempted fraud or corruption risks, the impact of which could have a negative impact on its activities, performance and image. **DPEF9**	The Ethical Charter is a framework for the practices of the Group which is also seeking to reinforce its compliance programme.	**Customers** 4.3.6	N/A	*Greater use of IT tools and remote working created risks (in particular of fraud) which were quickly managed by the departments concerned. Messages raising awareness of this issue were sent out to employees.*
Safety and security risk Risks to security and safety can affect shopping centres, head office and information systems in particular. **DPEF10**	The Security Department was set up in 2017 to manage these issues across all business lines.	**Customers** 4.3.7	N/A	*The health of all has been the priority and the Group has always taken the lead in anticipating issues directly or indirectly related to the health crisis, whether in its premises, its assets and on construction sites.*
Risks of pollution and damage to the environment The Group's property activities may expose it to the risk of polluting its environment. **DPEF11**	The Group is committed to leading the way on environmental practices, particularly through certifications and processes to prevent pollution, both by its assets and on building sites.	**Cities** 4.2.5	6 Clean water and sanitation 15 Life on land	*No real impact of the crisis on this long-term issue, the Group is continuing its actions.*

European taxonomy

As part of its Green Deal for Europe, the European Commission presented a methodology for reporting investments in economic activities considered sustainable. The purpose of this work is to facilitate investments contributing to the achievement of European environmental objectives.

Altarea is obliged to publish data for the 2021 financial year on what proportion of its economic activities - in revenue, capex and opex terms - qualify as meeting the objectives of climate change mitigation and adaptation under the European taxonomy (methodological details related to their calculations are available in 4.6.1).

Proportion of activities meeting European taxonomy objectives

Revenue

In 2021, activities qualifying as meeting the objectives of climate change mitigation and adaptation under the European taxonomy represented 99% of revenue.

In 2021, the Group presents the following assessment:

Share of revenue qualifying for taxonomy

(€ millions)	2021
Total taxonomy revenue of the Group	3,030
of which revenue	2,796
of which rental income	187
of which external services	47
Total revenue eligible for taxonomy	**2,988**
ELIGIBLE ACTIVITIES RATIO	**99%**
Total revenue not eligible for taxonomy	**42**
NON-ELIGIBLE ACTIVITIES RATIO	**1%**

Residential

Within the Group's Residential business, revenue qualifies as "7.1 Construction of new buildings" and "7.2 Renovation of existing buildings".

Business property

Within the Business Property business, revenue from office property development qualifies as "7.1 Construction of new buildings" and "7.2 Renovation of existing buildings".

External services recovered through asset management fees also qualify as "7.7 Acquisition and ownership of buildings".

Retail

Within the Group's Retail business, revenue from the sale of shopping centres qualifies as "7.1 Construction of new buildings".

Rental income from shopping centres qualifies as "7.7 Acquisition and ownership of buildings".

External services recovered from our shopping centres *via* marketing or asset management fees also qualify as "7.7 Building acquisition and ownership".

Corporate

External services recovered from the operation of the head office auditorium qualify as "7.7 Acquisition and ownership of buildings".

Capex

In 2021, activities qualifying as meeting the objectives of climate change mitigation and adaptation under the European taxonomy represented 80% of capex.

Share of capex qualifying for taxonomy

(€ millions)	2021
Total Group capex	86
of which Investment properties	63
of which Net acquisitions of assets and capitalised expenditures	17
of which Right-of-use on tangible and intangible fixed assets	6
Total eligible capex	**69**
ELIGIBLE ACTIVITIES RATIO	**80%**
Total non-eligible capex	**17**
NON-ELIGIBLE ACTIVITIES RATIO	**20%**

Retail

Within the Group's Retail business, capex qualifies as "7.7 Building acquisition and ownership".

Corporate

Capex across the Group qualifies as "6.5 Transport by motorcycles, passenger cars and light commercial vehicles".

Opex

For the purposes of the taxonomy, the following may be included as an increase:

- maintenance costs for head offices and shopping centres;
- external fees for research and development.

The total amount of this increase is €5.7 million, *i.e.* 2% of total opex. These operating expenses were not considered to be significant for Altarea's business model. The Group therefore applies the principle of exemption permitted by the regulations for this KPI.

Main commitments and indicators

Group

Commitments	Indicator	2021 Results	2020 Results	Trend	Comments
Environment					
Measure and manage the footprint	**CO_2 emissions (scopes 1, 2 and 3)**	874,392 tCO_2e	481,242 tCO_2e[a]	↗	The change in emissions is mainly due to COVID-19, which reduced activity in 2020 and pushed back a number of deliveries originally scheduled for 2020 to 2021
Reduce greenhouse gas emissions by 70% from 2010 to 2020[b], then aim for zero emissions by 2030	**Reduction of greenhouse gas emissions from the portfolio since 2010 (scopes 1 and 2)**	-67.3%	-67.7%[a]	=	Continuous reduction in emissions since 2010 thanks to reductions in consumption and the purchase of green electricity
Reduce greenhouse gas emissions from projects by 37% between 2019 and 2030	**Surface carbon intensity (scope 3)**	N/A	N/A	**N/A,** new target	In 2021, the Group reaffirmed the seriousness of its commitment in the fight against climate change with a new target for scope 3 emissions
Raise awareness among employees about strategic CSR and climate issues	**Percentage of employees who have completed and validated a CSR and climate change training course**	88%	N/A	**N/A,** new target	In 2021, the Group signed a innovative profit-sharing agreement. One of the targets under this agreement was that 75% of the target population have taken and passed a CSR and climate course
Implement a strategy to adapt to physical risks	**Deployment of operational business plans by business lines and monitoring**	Deployment of tools to 100% of Residential teams		=	Residential teams are trained and equipped. Monitoring has been put in place
Societal					
Develop mixed operations	**Number of large mixed-use neighbourhoods**	15	13	↗	The Group offers mixed use on all its major operations under development
Support employment	**Number of jobs supported in France**	More than 48,500 in 2019		N/A	The Group supports a large ecosystem of suppliers and service providers and contributes significantly to employment throughout the territory. The calculation could not be updated in 2020 and 2021 due to the COVID-19 pandemic, but the Group continued to support employment through local actions, mainte-nance of building sites, the opening of its sites, etc
Select land near public transport	**Percentage of surface areas under development less than 500 metres from public transport**	99%	99%	=	Proximity to transport links has remained stable since 2016. This shows the Group's determination to deliver well-connected projects
Act for customer satisfaction	**Place in HCG/ Les Échos customer relations ranking**	2nd place in the ranking	2nd place in the ranking	=	The Group has spent 3 years in the top 3 and is recognised as a benchmark in customer relations: speed and quality of customer response and continuing support during the COVID-19 pandemic
Social					
Support Group growth	**Total Group headcount**	1,996	1,983	=	In the context of the COVID-19 pandemic, Altarea adopted a cautious approach to workforce growth
Promote youth employment	**Number of work-study students accepted**	431	317	↗	In a context of stable headcount, the Group has strengthened its commitment to young people
Promoting gender equality	**Percentage of women on the Management Committee**	30%	34%	↘	Most of the committee members who left during the year were replaced by employees of the same gender and new posts were mostly taken by men. A third of recruitments to the Managers Committee related to the Property Development business line which is predominantly male
Extending the sharing of added value	**Percentage of employees subscribing to the "*Tous en Actions !*" programme**	89%	69%	↗	The "*Tous en Actions !*" programme allows everyone to become a shareholder and be associated with the Group's success over time
Continuing skills development according to the needs of the business line and developing the employability of employees	**Percentage of employees having completed at least one training course**	100%	98%	↗	CSR modules and development of the Digital Academy as a learning tool to complement face-to-face and remote learning formats consolidated the changes already seen in 2020
Promoting/Contributing to employee mobility	**Percentage of positions filled internally**	53%	49%	↗	In 2021, the Group continued its policy of mobility and internal promotion

(a) The 2020 indicator has been corrected compared to the 2020 publication due to a change in methodology in the calculation of emissions.
(b) On a like-for-like basis and under constant conditions.

Retail

Commitments	Indicator	2021 Results	2020 Results	Trend	Comments
Environment					
Reduce energy consumption by 40% between 2010 and 2020[(a)] and then by 50% between 2010 and 2030	**Reduction in portfolio energy consumption since 2010**	**-57.8%**	**-54.9%[(b)]**	↘	Continued decrease in consumption since 2010[(a)] thanks to the implementation of the energy master plan and the environmental management system (EMS)
Develop renewable energies	**Percentage of renewable electricity purchased**	**75% (100% at Paris sites)**		=	Since 1 January 2020 the share of renewable electricity consumed by the Paris sites (Bercy Village and Le Parks) is 100%
Implement actions for biodiversity on 100% of sites	**Percentage of sites with a biodiversity action plan**	**100%**	**100%**	=	The target is met and maintained each year
Recover more than 80% of portfolio waste	**Share of recovered waste**	**84%**	**86%[(c)]**	=	Waste recovery is promoted, notably with the implementation of composting for restaurants
100% of BREEAM® In-Use sites	**Share of sites certified**	**100%**	**100%**	=	The figure has been steady since 2015. Altarea is 100% BREEAM® In-Use certified for French assets under management, and targets at least the "Very Good" level
Societal					
Continually improve the customer's visit experience	**Visitor satisfaction index**	**7.7/10**	**7.7/10**	=	The satisfaction index is stable and shows the efforts made to maintain attractive sites and increase leisure activities

(a) On a like-for-like basis and under constant conditions.
(b) The 2020 indicator has been corrected compared to the 2020 publication due to a change in methodology in the calculation of consumption.
(c) The 2020 indicator has been corrected compared to the 2020 publication due to a change in methodology in the calculation of CIW tonnages.

Property Development

Scope	Commitments	Indicator	2021 Results	2020 Results	Trend	Comments
Environment						
Business property	100% of projects have a high level of energy performance	**Percentage of surface areas with performance at least 30% better than thermal regulation**	**100%**	**100%**	=	Since 2016, 100% of Business property surface area has been outperforming thermal regulation requirements by at least 30%
Business property	100% of new projects in the Paris region certified at least HQE "Excellent" and BREEAM® "Very Good"	**Share of new projects certified**	**100%**	**100%**	=	The ambitious strategy of certification is complemented by the most recent or innovative certifications in order to guarantee the building's green value
Business property	Prefer refurbishment, for better use of resources	**Share of refurbishment in the Paris region by surface area**	**34%**	**42%**	↘	The Group always considers the possibility of refurbishment, with equal performance and comfort
Neighbourhoods and Residential	Systematise ecological diagnostics on new projects	**Share of projects with an ecological diagnosis**	**100% of neighbourhoods and 63% of residential projects**	**100% of neighbourhoods**	↗	For many years, the Group has used ecologists to preserve biodiversity on its projects. The use of ecologists is increasingly widespread
Societal						
Residential	Measure share of local purchases	**Percentage of locally sourced purchases**	**72%[(a)]**	**72%[(a)]**	=	Altarea monitors this indicator to strengthen its contribution to the local economy. In 2021, the calculation was refined to better reflect the Group's impacts
Residential	Commitment to customer satisfaction	**Customer Service of the Year Award**	**Awarded Customer Service of the Year[(b)]**	**Awarded Customer Service of the Year[(b)]**	=	The Group won this award for the fifth consecutive year
Residential	Guarantee quality through NF Habitat certification	**Percentage of projects certified NF Habitat**	**100%[(c)]**	**100%[(c)]**	=	The Group has been 100% NF Habitat certified for six years, reflecting its continuous efforts to strive for quality
Business property	Favour mixed-use operations	**Share of multiuse**	**76%**	**78%**	↘	The Group's policy is to offer mixed uses for all its major operations
Neighbourhoods	Develop pleasant living spaces	**Number of WELL Community Standard neighbourhoods**	**Development of two WELL Community Standard neighbourhoods, including Issy Cœur de Ville, the first pilot project in France**		=	The Group reinforces its expertise in terms of quality of life in neighbourhoods

(a) Excluding Histoire & Patrimoine
(b) Property Development category – BVA Group survey – Viseo CI – More information on escda.fr.
(c) Excluding co-development, refurbishments and managed residences.

4.1.2 The Group's CSR approach

The Group's CSR approach is based on several analyses carried out over the past five years:

- a materiality matrix dating from 2016 (see 4.6.1);
- the risk analysis conducted as part of the preparation of the DPEF dating from 2018; and
- in 2020, an update of the priority issues, based on work done with the Group's senior executives. As such, twelve people were interviewed internally about their perception of macro-trends, stakeholder expectations and the Group's positioning.

For the period 2020-2025, the priority CSR challenges identified are as follows:

TACKLING THE CLIMATE CHALLENGE, with a focus on the following themes:

- reduce emissions across all business lines, and in particular in scope 3;
- use the circular economy as a lever for reducing emissions and creating value;
- enable cities to adapt and be more resilient.

STRENGTHEN THE GROUP'S POSITIVE IMPACT in the region:

- be a responsible partner and create economic value for all;
- work with the social economy and short supply chains;
- show solidarity and citizenship.

DEPLOY THE RESPONSIBLE PURCHASING PROCESS to ensure a better relationship with suppliers and subcontractors, *via* focus on safety, social and environmental issues in line with the Group's decarbonisation approach.

TO ACHIEVE REAL TRANSFORMATION: TRAIN, RAISE AWARENESS, REACH ALL EMPLOYEES, in order to obtain tangible and widely disseminated results.

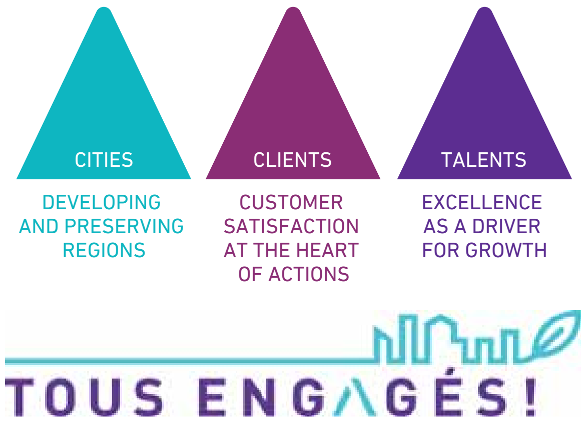
Also, the Group continues its process to progress all the themes in the matrix and the DPEF.

"*Tous engagés !*" (We are all involved!)

Altarea is convinced there is no growth without Corporate Social Responsibility and launched its CSR approach in 2009. It was subsequently updated in 2017 with the materiality matrix and formalisation of the "*Tous engagés !*" (We are all involved!) programme. The latter is based on three main areas:

- working as a public interest partner for cities, to preserve and develop local regions;
- placing customers at the heart of actions, working for customer satisfaction across all business lines;
- capitalising on the excellence of talents, the Company's biggest asset, to support growth.

ALTAREA'S CSR APPROACH



Altarea's CSR approach

Relations with stakeholders

Due to the diversity of its activities and business lines, Altarea has connections with a wide range of stakeholders. The diagram below presents the main ones. Follow paragraph references to find out more about the type of dialogue we have with each.

CARTOGRAPHIE DES PRINCIPALES PARTIES PRENANTES D'ALTAREA

Clients	Buyers of residential units	Office users key accounts	Retail brands	Shoppers
CHALLENGES	Satisfy their expectations and advise them throughout the journey	Support performance and corporate culture	Attract visitors and offer pleasant, innovative spaces	Offer an experience and services
For further information, see chapter	4.3.1	4.3.1	4.3.1	4.3.1

Partners	Government and communities	Investors and analysts	Employees and applicants	Suppliers, service providers, subcontractors
CHALLENGES	Create long-term partnerships for regional revitalisation and development	Sustain financial and extra-financial performance of the Group and its products	Offer excellent career opportunities in an attractive compagny	Make the Group's CSR challenges a major part of its business relationships
For further information, see chapter	4.2.1	4.5.1	4.4	4.3.4 and 4.3.6

4.1.3 Analysis of the impact of the COVID-19 pandemic on CSR issues

Group actions

Altarea has shown great agility since the start of the pandemic to guarantee the continuity of its business in the face of lockdowns, curfews and other imposed restrictions. Actions focused on two priorities:

- the maintenance and resumption of economic activities as soon as possible; and
- a major focus on the health and safety of the Group's employees and partners.

With regard to maintaining economic activity, actions have been taken in all of the Group's business lines. In Property Development, building sites remained closed for a very short time, only during the first lockdown. They were able to reopen quickly thanks to the commitment of the Group's teams and a strong safety culture that has been in place for several years. The instructions of the health protocol were implemented quickly and in conjunction with an internal process to verify its proper application. All the specific health and safety plans – which usually govern the management of risks on each site – have been updated. At the same time, dialogue with the construction companies enabled effective coordination to be put in place to safeguard the health of the workers whilst maintaining work during the successive waves of lockdowns.

The teams showed exemplary innovation and agility to keep activities with customers going: sales, customer relations, prospecting, etc. All dialogues were conducted remotely in all businesses to the same demanding standards as face-to-face meetings. Innovative systems have been systematised or created: electronic signature, online service choice configurator, etc. This agility was rewarded in 2020 by the Group taking second place in the HCG/Les Echos multi-sector rankings in 2020 and 2021.

In shopping centre operations, exceptional work has been done by the management, operations, marketing and management teams to keep them open, comply with the indicators, etc. As such, operational opening plans (PODO) have been drawn up for each centre, setting out the health security arrangements against COVID-19 and the associated communication actions to be implemented within the centre, both before and after reopening. Taken together, these measures ensured the health and safety of the shopping centre's customers and staff. The plans included controlling the number of visitors, obligatory masks, queue management, management of technical equipment (ventilation), staff training, etc. The quality of these PODOs was noted by the local authorities and allowed the centres to be reopened quickly and safely.

With regard to the relations with tenants, the Retail teams have made the daily life of retailers as easy as possible, by implementing measures to reduce costs, whilst maintaining a high-quality welcome for visitors and employees working in the centres. In addition, efforts have been made to support retailers from a financial standpoint, notably with rent waivers for VSEs and support mechanisms for the largest groups. Several hundred agreements have been signed between Altarea teams and retailers to manage this complex period.

In addition, the Group has mobilised to protect its employees, with measures that have been constantly adapted since the start of the pandemic:

- strict health protocols in the offices;
- remote working support through the provision of effective IT tools, online training, remote working tools, etc.;
- facilitated return to on-site working (under optimal protection conditions, made easier by the new head office) to limit the psychosocial risks associated with working remotely.

Finally, to safeguard everyone's health, the infirmary gave employees the opportunity to be tested and vaccinated in the office.

Impact on the CSR approach

Altarea's commitment and CSR strategy have emerged stronger from the COVID-19 pandemic. Faced with this unprecedented crisis, the Group reaffirms its commitment to major strategic issues:

- designing comfortable and resilient cities;
- combating climate change;
- taking care of the health and safety of its employees and stakeholders.

This crisis is a full-scale trial of what the climate crises of the future could look like, and Altarea has learnt the lessons. The Group has assets to cope with these shocks: diversified businesses, a unique skills platform and a pronounced entrepreneurial and resilient spirit. Lastly, the internal mobilisation of the Group's employees has been and remains exemplary.

4.1.4 Governance and implementation of CSR

Organisation

The CSR Department is part of the Strategic marketing, CSR and innovation Department. It is made up of five employees and reports to an Executive Committee member. The management process in place to progress and disseminate the approach is as follows:

- the CSR Department advises Management and the Executive Committee on defining the CSR approach and actions to take;
- the CSR Department relies on the CSR Committee, which meets regularly to implement these actions. This network of twenty coordinators represents each of the Group's business lines (Residential, Business property, Retail) and cross-functional departments (Human Resources, Innovation, Finance, Internal Control, etc.);
- *ad hoc* working groups are formed to focus on targeted and operational topics with special coordinators and other participants. In 2021, working groups were set up to address topics such as climate issues (reducing the carbon impact of activities, adapting to climate change), responsible purchasing and the social responsibility in the Retail business;
- lastly, to stay close to its stakeholders, in 2021 the Group set up a network of operational CSR ambassadors, open to employees in all brands and business lines, one of whose missions is to disseminate the CSR strategy of the Group.

CSR team contact: developpementdurable@altareacogedim.com

Participation in sector organisations

Altarea plays an active role in external bodies, notably to anticipate changes in regulations on sustainability and to discuss best practice. The Group belongs to the following organisations:

- CNCC (Conseil National des Centres Commerciaux, the French Council of Shopping Centres). With members of the CNCC, Altarea recently helped to draft the "Sector CSR reporting guidelines", a guide for implementing the DPEF aimed at retail REITS;
- FEI (Fédération des Entreprises Immobilières, the French federation of property companies);
- FPI (Fédération des Promoteurs Immobiliers, the French federation of real estate developers);
- C3D (Collège des Directeurs du Développement Durable, the French Sustainable development Officers' group);
- HQE®-GBC Alliance France, the professional alliance for a sustainable built environment;
- Charte tertiaire du Plan Bâtiment Durable (sustainable building charter for office buildings);
- Association BBCA (Bâtiment Bas Carbone, or Association for Low-Carbon Construction);
- CIBI, the International Biodiversity & Property Council; and
- OID (Observatoire de l'Immobilier Durable), the sustainable property observatory, an independent general interest association which seeks to promote sustainability in construction. The Group is a founding member.

Altarea is committed

United Nations Global Compact

Altarea is committed to the United Nations Global Compact corporate responsibility initiative and its principles in the areas of human rights, labour, the environment and anticorruption.

Sustainable development goals

Altarea decides its actions in light of the United Nations' Sustainable development Goals (SDGs).

Details of contributions are set out in paragraph 4.1.1.

Paris Climate Action

The Group works with the City of Paris on its Energy Climate Plan. It has been signed up to the Paris Climate Action Charter since 2015. In 2019, the Group renewed its commitment in the Charter to Gold level. Through this renewal, Altarea undertakes to support Paris's vision of a carbon-neutral city and 100% renewable energy by 2050.

Examples of the Group's commitments in this respect:

- propose solutions to reduce greenhouse gas (GHG) emissions: Altarea is committed to using biosourced materials, particularly wood, for 100% of its housing projects in Paris in the medium-term. Its recent partnership with Woodeum reflects this commitment. The Group is also committed to limiting the supply of new materials by promoting building restructuring and the circular economy;
- be a player in the local energy transition, for example by reducing consumption in its shopping centres by 50% by 2030 and by using 100% renewable electricity. Altarea is also committed to installing at least one renewable energy source in all office and retail projects;
- support the region's ecological transition by promoting non-carbon mobility. For example, in Paris, Altarea aims to have no parking at new housing projects and bicycle parking on all office projects.

BiodiverCity® charter

By signing this charter in 2018, Altarea has committed to preserving the biodiversity of cities and integrating living things into all urban projects.

Labels and certifications

Altarea is committed to guaranteeing the green value of its property projects to its customers and obtaining quality and/or environmental certification for 100% of its projects.

Customer Service of the Year

The Group is committed to customer satisfaction and, for the fifth consecutive year, Cogedim won the "Customer Service of the Year Award" in the Property Development category.

Diversity Charter

The Group is committed to the fight against discrimination and has been a signatory of the Diversity Charter since December 2013.

Paris employment agreement

Since 2018, as part of the modernisation of the Paris-Montparnasse station, Altarea has signed a Paris Employment and Business Agreement (Pacte Paris pour l'Emploi et les Entreprises – PPEE) with l'Ensemble Paris Emploi Compétences (EPEC) and Pôle emploi Paris employment services, intended to create 500 to 700 jobs in Paris.

4.2 Working as a public interest partner for cities

4.2.1 Developing desirable urban projects and contributing to the local economy DPEF2

Scope	Objectives/Commitments	2021 Results	2020-2021 Change	Comments
Group	Focus on mixed-use projects incorporating Business property, Residential and Retail space	**15 large mixed-use neighbourhood projects**	↗	The Group offers mixed-use options across all of its major projects to promote proximity and bring cities to life
Business property		**76% of Business property projects are multiuse**	↘	
Group	Support employment	**48,500 jobs supported in France in 2019**	Not applicable	The Group supports a large ecosystem of suppliers and service providers and contributes significantly to employment throughout the territory. The calculation could not be updated in 2020 and 2021 due to the COVID-19 pandemic, but the Group continued to support employment through local actions, maintenance of building sites, the opening of its sites, etc
Residential	Measure share of local purchases	**72% of building site purchases are locally sourced**	=	Altarea monitors this indicator to strengthen its contribution to the local economy. In 2021, the calculation was refined to better reflect the Group's impacts
Residential	Select new land near public transport	**99% of surface areas under development are located less than 500 metres from public transport**	=	Proximity to transport links has remained fairly stable since 2016 in Residential and Retail and has improved in Business property. This demonstrates the Group's commitment to projects with good transport links, which offer convenience and low-carbon mobility
Business property		**100% of surface areas under development are located less than 500 metres from public transport**	=	
Retail	Increase access to public transport and soft mobility	**83% of portfolio sites are less than 500 metres from a transport network with services running at least every 20 minutes**	↗	
Retail	Reach 75% of visitors using a soft mode of transport to come to the centres by 2030	**33% of visitors use a soft mode of transport to reach the centres**	=	The Group promotes soft mobility in its shopping centres and is rapidly expanding its travel retail activity
Retail	Contribute to local employment by systematising employment charters on new projects and organising events to promote employment	**Paris employment agreement for Paris-Montparnasse station**	=	Altarea contributes to local employment by forming partnerships with stakeholders from the region, retailers and job seekers

As an urban developer, Altarea shapes the living environment of millions of users. This mission gives it a great responsibility for the future of the regions where it operates and creates the following challenges and opportunities:

- on the one hand, environmental issues (climate change, biodiversity, natural resources, etc.) are now taken for granted and a major concern for society;
- on the other, the phenomena of metropolisation and the transformation of family units are contributing to land pressure on certain territories: cities must become denser and more accessible to all to meet the needs of each; and
- lastly, after years of growing inequalities, diversity (social, intergenerational, etc.) and solidarity are essential to the cohesion of the regions.

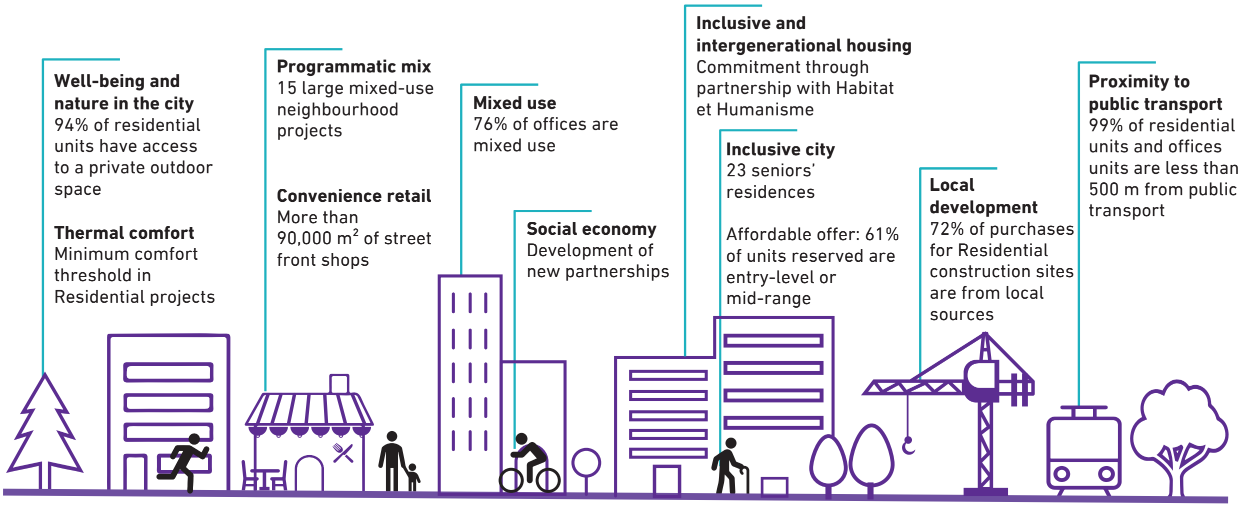
These underlying trends have been exacerbated by the COVID-19 crisis. Responding to this is a key issue for Altarea; today, local authorities are looking for proposals that take account of these transformations and make a positive contribution to the regions. How the Group responds to these new challenges will determine its success.

Altarea is determined to be a public interest partner for cities. The Group's operations provide answers to two key challenges:

- the development of desirable urban projects: Altarea believes in a dense and diversified city, offering a mix of housing, tertiary activities (shops, offices, services, etc.), public services and leisure spaces. The resulting proximity creates conviviality and sustainability. It helps cut travel with the concept of the "quarter-hour city" and gives a more human dimension to cities; and
- support for and positive impact on the regions: Altarea's activities have a significant impact on employment and the Group supports both the local economy and social economy organisations.

The current profound social, societal and environmental changes are bringing in their wake changes to cities and buildings. Altarea is convinced that the response to these changes requires a positive transformation of cities and regions.

DEVELOP DESIRABLE URBAN PROJECTS WITH A POSITIVE IMPACT



4.2.1.1 Desirable urban projects

The density and diversity of the city

The Group puts mixed-use at the heart of its offers. Altarea combines all of its skills to devise and implement large, innovative mixed-use projects, residential property, offices, retail, leisure facilities, hotels, etc. These projects are carried out in collaboration with local authorities, developers, private sector companies, investors and individuals. They enable the Group to engage on issues around complex urban redevelopment and regional development.

The Group is involved with 15 mixed projects across France. All are large-scale, bold projects, the forerunners of the urban living environments of tomorrow.

THE GUILLAUMET DISTRICT

The plan is to revamp the former Toulouse test-flight centre (Centre d'Essais Aéronautiques de Toulouse, CEAT). Its key figures are as follows:

- 13 hectares in surface area, 40% to be used for mixed-use green space (children's' playground, urban farming, orchards, etc.);
- 81,000 m² of housing, including an inclusive intergenerational residence with Habitat et Humanisme, a social landlord and an association for people with disabilities, as well as a collaborative housing programme and senior residence;
- 14,300 m² of shops, services, offices, 9,000 m² of facilities (one nursery, two third-party premises, sports facilities (gymnasium, dojo, gym, fitness area), 17,200 m² of outdoor sports spaces (sports area, tennis courts) and a one-hectare public garden located in the heart of the project);
- 2 third-locations:
  - the Halle aux Cheminées, dedicated to eco-responsibility, consisting of an urban farm, a charity bistro, a repair workshop, rooms available for local associations, shared gardens and
  - the Soufflerie venue, with a metropolitan dimension, which will host cultural leisure activities;
- 75,000 tonnes of concrete crushed on site and reused as a road base;
- the development project received the Stage 2 Eco-neighbourhood label in February 2021 and HQE Aménagement phase 5 certification in April 2021;
- 3 certifications targeted for buildings: NF HQE for housing, HQE Bâtiment Durable and the BEPOS label for offices.

The other large, mixed-use projects currently under development by Altarea are presented in the business review (see Chapter 1 of the Universal Registration Document – Business Review 2021).

Aside from these large-scale district projects, Altarea introduces mixed-use as early as possible in its projects. For example:

- to respond to the environmental, demographic and societal changes in local authorities and society in general, Altarea has created Altaproximité, a specialist in the development of ground-floor retail units, which today has over 90,000 m^2. These retail outlets help liven up the region and boost housing projects. Altarea's integrated marketing (notably to local firms) guarantees a mix of complementary retailers to suit neighbourhood life and which are sustainable as a result of an economic model developed upstream;
- 76% of Business property projects are multiuse;
- Altarea is introducing mixed-use solutions by creating shopping centres in stations (Paris-Est station, Paris-Montparnasse station, Paris-Austerlitz station). The Group is devising and creating a new offering of retail, experiences and leisure in transport hubs that suits new consumer habits and mobile lifestyles.

In addition to this diversity of uses, the Group strives to promote social and intergenerational diversity through a wide range of solutions: by offering housing for all budgets, student residences and senior residences *via* its Cogedim Club® brand or by participating in the development of intergenerational housing, in partnership with Habitat et Humanisme.

Altarea designs places for all times of life, in private, collective and professional spaces. Faced with the challenges of regional development, particularly urban revival through housing, Altarea created an urban development department in 2018. Its mission is to bolster property synergies within the Group and offer local authorities redevelopment projects which create urban value and well-being for local regions.

Proximity to transport links

In Property Development, location and good connections to the transport network are crucial issues with the mass growth of sustainable mobility and questions around the town planning of the future and the place of personal vehicles.

For Altarea, the main areas of mobility research focus on the movements of occupants of the buildings it sells and of visitors to the shopping centres.

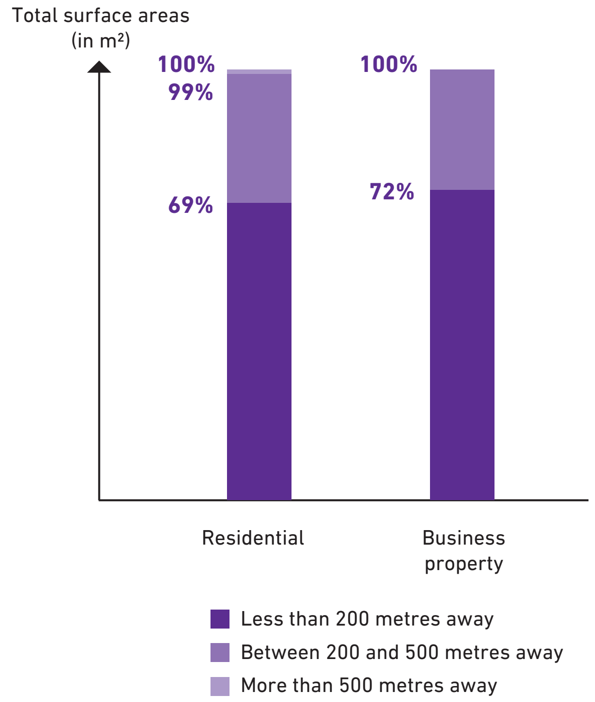
Therefore, for its new projects, in all its business lines, Altarea has been committed for several years to ensuring proximity to public transport networks, and to providing sustainable, practical and cost-effective mobility solutions (car-sharing, shared parking, etc.). The Group is also committed to fostering soft mobility throughout its portfolio, by developing car-sharing, cycling, or through the provision of electric vehicle charging stations.

Residential and Business property

Since 2014, the Group has set itself the goal of always developing its new projects less than 500 metres from a public transport network. Altarea was one of leading players in transparency in this respect, by publishing indicators on each of its activities. In 2021, 99% of surface areas under development are located less than 500 metres on foot from public transport.

These figures have been stable since 2017.

PROXIMITY OF PROJECTS TO PUBLIC TRANSPORT



Retail

In managing its portfolio, Altarea strives to prioritise the acquisition or development of shopping centres close to town centres with good public transport links. The aim is two-fold: to close the gap with consumers by offering them a local shopping experience and to propose alternatives to the car.

Since 2012, Altarea's reporting on the connectivity of the shopping centres in its portfolio to public transport and customers' modes of transportation have made it possible to calculate three indicators:

- proximity to public transport: percentage of sites with at least one line less than 200 metres away;
- availability of public transport: several lines of public transportation available less than 500 metres away on average per site;
- frequency of public transport: percentage of sites with at least one line less than 500 metres away with services running at least every 20 minutes.

The proximity, number of routes and frequency are calculated for 100% of shopping centres in the current reporting scope.

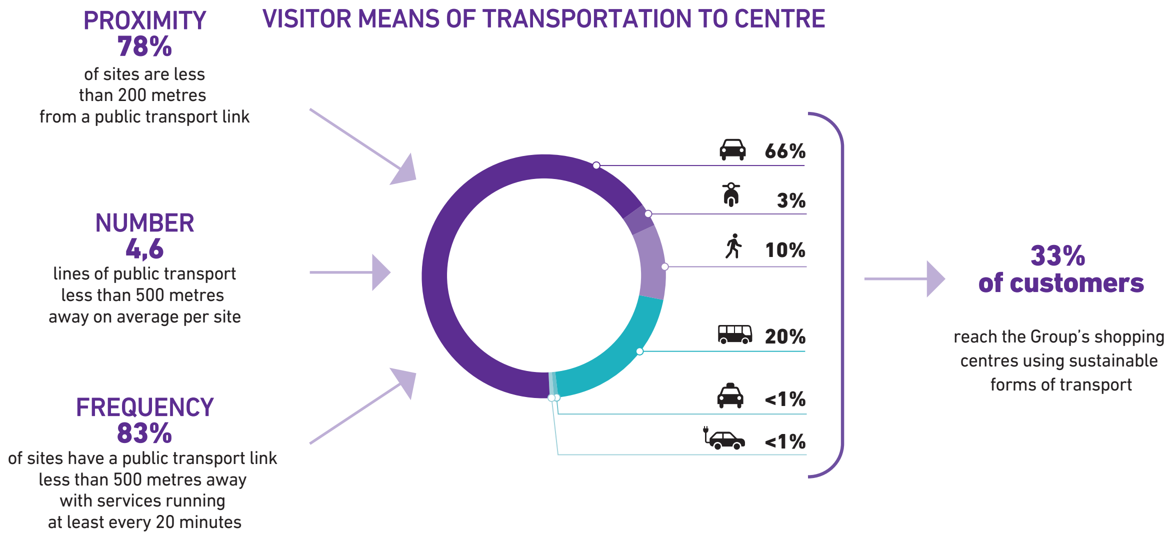
In addition, the Group assesses *in situ*, the breakdown of how visitors come to the main shopping centres. The unique context due to the COVID-19 pandemic made it difficult to carry out these measures in 2020. In 2021, eight shopping centres were the subject of a survey on the method of arrival of their visitors by the Group, which represents 79% in value of the perimeter of the Group's current reporting scope.

Data on the transport links of shopping centres remain stable since the number and frequency of public transport services have themselves remained stable. However, there has been a change in the visitor means of transportation to shopping centres away from the car and towards low-carbon transport such as the underground and train: 33% of customers travelled to shopping centres in the portfolio *via* soft transport in 2021, compared with 44% in 2019. This finding, which contrasts with the trend in visitors' travel of recent years, can be explained by several reasons. First of all, the health context related to the COVID-19 epidemic had a significant impact on the propensity of visitors to use public transport. Also, the change in the scope of the centres surveyed, which includes more sites on the urban periphery, tends to show a use of more carbon-intensive mobility than in previous years.

To go one step further, in 2019 Altarea committed to achieving 75% of visitors using a soft mode of transport to travel to the shopping centres by 2030.

In line with this objective, the Group is developing considerably its travel retail business in stations (Paris-Est, Paris-Austerlitz and Paris-Montparnasse stations and a number of railway stations in Italy), which are by nature high-throughput locations connected to soft mobility.

CONNECTIVITY AND MODE OF ARRIVAL OF VISITORS TO PORTFOLIO SHOPPING CENTRES



4.2.1.2 Urban projects with a positive impact

Altarea, supporting employment in France

As of 31 December 2021, the Group employed 1,996 people. It is a major customer for other firms with more than 3 billion euros in annual purchases (see 4.3.4) and as such has a strong impact on the employment in France. This is why Altarea has for several years been quantifying its indirect economic contribution in terms of employment and local development.

The Group's activities generate a significant volume of purchases, particularly in property development (construction, design and maintenance). Each direct job with Altarea in France supports 22 additional jobs in the French economy.

1 job at Altarea sustains,

22 jobs in the French economy

In total, in 2019 more than 48,500 jobs were directly supported by the Group's activity (purchasing, salaries, taxation, etc.)[1].

These data were obtained using Utopies' Local Footprint® methodology. This robust methodology is based on the macro-economic concept of input-output tables which can be used to perform economic modelling based on national accounts. Based on actual purchasing (by location and sector) and payroll data gathered by the teams at Altarea, the methodology can be used to simulate the socioeconomic impact of the business' activities in France and in gateway cities where the Group is established.

The indicators monitored as part of the study are as follows:

- indirect jobs: jobs directly related to purchases of goods and services by the different Group entities; and
- induced jobs: jobs created by the consumption of direct and indirect employees in France.

In addition to these jobs, over 12,000 jobs are hosted by the Group's shopping centres.

As the years 2020 and 2021 were marked by the COVID-19 pandemic, the methodology for calculating the employment footprint usually used is not relevant to update the figures. Also, the latest data available is for 2019 and will be updated when the context allows.

However, in this exceptional context, employment and maintaining economic activity have remained priorities for the Group since the start of the pandemic. More generally, Altarea has continued its activities as much as possible and maintained its strong support for employment in the regions, by contributing to the continuity of its partners' activities (see 4.1.1):

- in Property development, building sites only closed for a few days during the first lockdown, and activity resumed as soon as possible with the required health measures in place;
- in Retail, the Group supported the retailers' business, in particular by promoting click & collect (see 4.3.1);
- lastly, as the Group's sites remain open, this has made it possible to maintain the activities of service providers working on-site (catering, cleaning, security, etc.).

(1) Given the 2021 headcount, an estimated 47,000 jobs are therefore supported.

Support for employment in shopping centres

Shopping centres are important providers for local employment in the regions where they are located. Actions are taken to further encourage the hiring of local residents *via* partnerships and events in its shopping centres.

PROMOTION OF EMPLOYMENT IN THE GROUP'S SHOPPING CENTRES

Since 2018, as part of the modernisation of the Paris-Montparnasse station, Altarea has signed a Paris Employment and Business Agreement (Pacte Paris pour l'Emploi et les Entreprises – PPEE) with l'Ensemble Paris Emploi Compétences (EPEC) and Pôle emploi Paris employment services, intended to create 500 to 700 jobs in Paris. With the support of regional stakeholders in the employment sector, this agreement contains provision for, in particular, attendance at recruitment forums, presenting jobs to job seekers, young people and seniors accessing careers advice services and the introduction of pre-recruitment training.

In 2020, as part of the second phase of modernisation of the Paris-Montparnasse station, a job dating event took place in January with 100 jobs waiting to be filled. In 2021, in view of the opening of the third phase of the Paris-Montparnasse station, Altarea held a third job dating event, to recruit for new brands, which attracted nearly 150 candidates for the hundred or so jobs to be filled.

The COVID-19 pandemic disrupted the organisation of certain employment promotion events in the Group's shopping centres. Thus, the Employment Forum at the Qwartz shopping centre, usually held in May in partnership with the city of Villeneuve-la-Garenne and Pôle Emploi, was not held in 2020 and 2021.

However, despite this exceptional context, a number of noteworthy pro-jobs initiatives took place during the year. Among them:

- Altarea joined the initiative to build a "Zero Unemployment Space" in the Rosa Parks district (Paris 19), which aims to create a "For-Employment Business" that will hire long-term unemployed people from the neighbourhood by offering innovative services;
- the Issy Cœur de Ville project hosted a "Construction: behind the Scenes" day in October. Organised by the Fédération Française du Bâtiment Grand Paris, this event aims to introduce young people to the construction sector and its career opportunities.

Altarea is committed to continuing to contribute to local employment by drawing up employment charters for new shopping centre projects, and organising job fairs at portfolio sites.

Contribution to local economic development

Altarea intends to play a role in the economic development of the areas where it is established. A survey of local economic development activities in 2017 showed that most subsidiaries were developing partnerships with local institutions, for instance by mobilising local know-how, working with local innovators and developing convenience stores. Altarea structured its approach to promote local roots and continued this work in 2021.

In 2021, **72%** of purchases for building sites in the department were from local sources(1).

The Group also promotes professional integration on construction sites. In 2021, 44% of Business property projects launched in the past two years, had a professional integration clause. This figure is 100% in the Paris region.

For example, on the entire Cœur de Quartier Montaudran project in Toulouse, Altarea set aside a significant number of working hours for people with particularly hardship. In total, 50,603 hours of integration were generated by the Place Centrale project, as well as 4,000 direct and indirect jobs.

Partnerships with positive impact players and contribution to the social economy

In 2021, Altarea continued to analyse its assets and identify bodies having a positive impact, in order to create synergies with them.

Among these positive impact players, the Group pays particular attention to organisations in the social economy. Social economy organisations contribute to the resilience and the management of local life since they create jobs, close the gap between producers and consumers, stimulate the environmental transition and re-establish social tie.

The players of the social economy are natural retail project partners: bringing life to street fronts, new shopping centres and the creation of new neighbourhoods. As a regional developer, Altarea is giving increasing importance to the social economy as they make an active contribution to the creation of pleasant, resilient, independent regions. The Façade Denfert project in Paris is among the examples of projects involving social economy players. Indeed, this operation will host a hybrid site focused on culture and the social economy, whose premises will be carried by an ESUS-approved solidarity real estate company.

In addition, the Group has:

- organised two learning expeditions in 2021, at Les Alchimistes (in Lyon) and at Labo Envie (in Paris), on the themes of food waste and reuse. These learning expeditions, filmed and then broadcast to all employees, aimed at presenting solutions that can be provided by social economy structures;
- conducted a major awareness-raising campaign in 2020 for all employees on short supply chains and intergenerational housing. These two major themes were highlighted during social economy month, with a presentation of solutions that the social economy structures can provide and examples of collaborations within the Group;
- rolled out tools to work better with the social economy, in particular a comprehensive guide to facilitate action by employees. It brings together strategic contacts on the themes of urban agriculture, nature in the city, services for residents, transitional urban planning, soft mobility and the circular economy and educational tools about the social economy.

(1) For the Cogedim Residential and Pitch Immo projects. For projects in the Paris Region, companies located in the same region are also counted.

4.2.2 Energy and climate: developing a low-carbon and resilient city DPEF3 DPEF4

Scope	Objectives/Commitments	Indicator	2021 Results	Change 2020-2021[a]	Comments
Group	Measure the footprint and have a tool to manage the reduction of the footprint	CO_2 emissions (scopes 1, 2 and 3)	**874,392 tCO_2e**	**+82%**	The change in emissions is mainly due to COVID-19, which reduced activity in 2020 and pushed back a number of deliveries originally scheduled for 2020 to 2021
Group	Reduce portfolio greenhouse gas emissions by 70% between 2010 and 2020[b] and aim for zero emissions by 2030	GHG emissions (scopes 1 and 2)	**1.7 $kgCO_2e/m^2$** **-67.3% since 2010[b]**	**+11%**	Continuous reduction in emissions since 2010 thanks to reductions in consumption and the purchase of green electricity. The refinement of the methodology made it possible to obtain a result closer to the reality in 2021. The increase between 2020 and 2021 is also linked to the recovery in activity in 2021
Group	Reduce greenhouse gas emissions from projects by 37% between 2019 and 2030	Surface carbon intensity (scope 3)	**New objective**	New objective	In 2021, the Group reaffirmed the seriousness of its commitment in the fight against climate change with a new target for scope 3 emissions
Group	Raise awareness among employees about strategic CSR and climate issues	Percentage of employees who have completed and validated a CSR and climate change training course	**88%**	New objective	In 2021, the Group signed an innovative profit-sharing agreement. One of the targets under this agreement was that 75% of the target population have taken and passed a CSR and climate course
Group	Implement a strategy to adapt to physical climate risks	Deployment of operational business plans by business lines and monitoring	**Tools on summer comfort monitored by 100% of the Residential teams**	=	Residential teams are trained and equipped. Monitoring has been put in place
Residential	Guarantee a level of summer comfort in 100% of homes	Percentage of projects where the adaptation approach was rolled out	**100%**	New objective	In 2021, Altarea committed to guaranteeing a minimum level of summer comfort in its homes developed under the Cogedim brand
Business property	Achieve high energy performance for 100% of projects	Share of surface areas with better performance than the applicable thermal regulation requirements	**100%**	=	Since 2016, 100% of Business property surface area has been outperforming thermal regulation requirements by at least 30%
Retail	Reduce portfolio energy consumption by 40% between 2010 and 2020[b] and then by 50% between 2010 and 2030	Primary energy consumption of commercial assets	**113 $kWhpe/m^2$** **-57.8% since 2010[b]**	**-12%**	Continued decrease in consumption since 2010[b] thanks to the implementation of the energy master plan and the environmental management system (EMS)
Retail	Increase self-supply on new developments, and purchase 100% of electricity from renewable sources	Percentage of renewable electricity purchased	**100% at Paris sites and 75% at all other sites**	=	Switching to 100% "green" electricity for Paris sites in 2020. In the long term, Altarea plans to have 100% of the electricity consumed by the centres from renewable sources

(a) Like-for-like scope.
(b) On a like-for-like basis and under constant conditions.

Climate evidence requires profound transformations in the way cities operate, to move towards more resource-efficient and resilient urban models. A specific responsibility weighs on buildings and construction, which are among the most energy-intensive and greenhouse gas-emitting sectors in France.

In addition, the consequences of climate change are already noticeable, with an intensification of climate phenomena: storms heat peaks, heat waves made worse in cities by the phenomenon of heat islands. These weather events affect buildings and user comfort. They can impact the built environment, networks, construction sites and the quality of city life.

Today, Altarea has taken stock of these transformations and is enhancing its low-carbon approach every year.

Since 2017, the Group has been working to set emission reduction targets including scopes 1, 2 and 3, with responses proportionate to the contribution of each item and adapted to each business line.

This work was updated each year to take account of major regulatory changes and thinking within the industry on climate issues. 2020 was notably devoted to in-depth analysis of ways to reduce the carbon footprint and quantifying the financial impacts of possible actions. This made it possible to establish a methodology and a trajectory that is intended to be compatible with the Paris Agreement (science-based targets (SBT) approach).

THE GROUP HAS SET THE BASIS OF A CARBON ROAD MAP COMPATIBLE WITH THE PARIS AGREEMENT

Altarea is committed to the science-based target (SBT) initiative to establish a climate road map compatible with the Paris Agreement, and help keep global warming below 1.5°C.

This is a long-term project, in particular because it concerns the property development sector for which the methodology is still being defined.

To date, trajectories have been studied for the energy consumption of the shopping centres, purchases of materials, and energy consumption in the Property Development business.

In 2021, this work was supplemented by workshops involving the financial, technical and CSR departments conducted within each of the business units of the Group. This work was informed by studies carried out with customers and manufacturers in order to define a target for reducing Altarea's scope 3 carbon impact. This target is both ambitious and economically and operationally sustainable.

In addition, climate objectives have been included in the profit-sharing agreement and in the bonus conditions for managers until 2023 and also contribute to this new target.

2022 will be devoted to continuing feedback and monitoring commitments. The Group has also launched discussions on the creation of complementary activities that could contribute to its decarbonisation trajectory.

Altarea participates in sector discussions on climate issues through several organisations of which it is a member, in particular the Hub for low-carbon prescribers. It is also committed to the Paris Climate Action Charter, at the Gold level. The Group therefore undertakes to support the vision of a carbon-neutral city and 100% renewable energy in Paris by 2050.

In addition, adaptation to the effects of climate change is at the heart of policy-making, with the implementation of concrete climate resilience action plans, particularly in Residential.

4.2.2.1 Altarea's approach to combating climate change

The Group's carbon footprint

tCO_2	2021	2020	2019	Comments
Scope 1	1,504	1,557	1,703	The change in emissions is mainly due to COVID-19, which reduced activity in 2020 and pushed back a number of deliveries originally scheduled for 2020 to 2021
Scope 2	319	367	455	
Scope 3[a]	872,569	479,319	658,391	

(a) The 2019 and 2020 emissions have been recalculated to comply with best practices in carbon reporting and to reflect the scope of emissions where the Group has made reduction commitments. Nevertheless, the Group is implementing actions to address emissions not included here, such as those relating to visitor travel (see paragraph "Beyond: being a player in the low-carbon city").

Altarea measures its carbon footprint according to the Greenhouse Gas Protocol (GHG Protocol) methodology, which is compatible with the *Bilan Carbone*® assessment and ISO 14064.

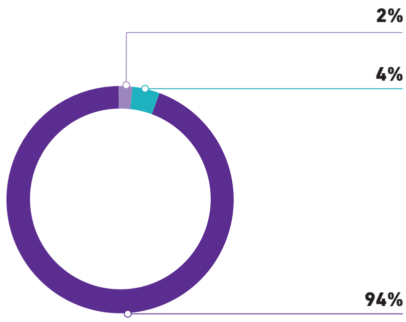
Scopes 1 and 2 (scope 1: 1.5 $ktCO_2e$, scope 2: 0.3 $ktCO_2e$) include the energy consumed by the Group in its shopping centres, as well as business travel by company car. This relatively low footprint can be explained by the Group's activities (mostly office work) and the low-carbon electricity mix in France, with Altarea mainly using electricity in its portfolio of shopping centres.

Scope 3 (873 $ktCO_2e$) mainly includes the purchase of construction materials and the energy consumption of the occupants of the homes and offices sold by the Group, estimated over 50 years.

The Group's total emissions consist of the following, depending on the activity and the different sources of emissions.

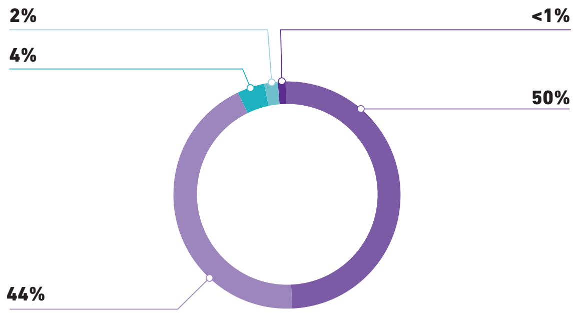
CO_2 EMISSIONS ASSESSMENT OF THE GROUP, BY ACTIVITY AND BY EMISSION SCOPE AND CATEGORY

CO_2 EMISSIONS BY ACTIVITY. SCOPES 1, 2 AND 3



- Corporate
- REIT
- Property Development

CO_2 EMISSIONS BY SCOPE. ALL ACTIVITIES



In decreasing order of control:

- Scopes 1 and 2 (~1%)
- Scope 3: Materials (purchases and construction choices) and building sites impacts
- Scope 3: Energy used by Residential & Business property occupants
- Scope 3: Energy used by Retail tenants
- Scope 3: Other

Regarding design, the Group carries out carbon studies (*Bilan Carbone®* or life cycle analyses (LCA)) to better understand the carbon footprint of projects. These decision-making tools also make it possible to use less carbon-intensive solutions.

This strategy for the global reduction of greenhouse gas emissions is consistent with a vision of the low-carbon city: through a design designed from the start to be low in materials and energy efficient, the Group reduces its responsibility for climate change. Altarea's actions also involve close collaboration with customers, users and suppliers to disseminate best practices.

Finally, the development of a city that promotes proximity also contributes to the reduction of CO_2 emissions. The Group's operations and shopping centres, mainly located near public transport and services, contribute to the reduction of transport and therefore also to the reduction of the carbon footprint of its customers and users. These items were previously included in the calculation of the Group footprint. They have been gradually removed to be closer to sector methodologies, in line with RE2020. These positions were entirely eliminated this year to comply with the new Group commitment.

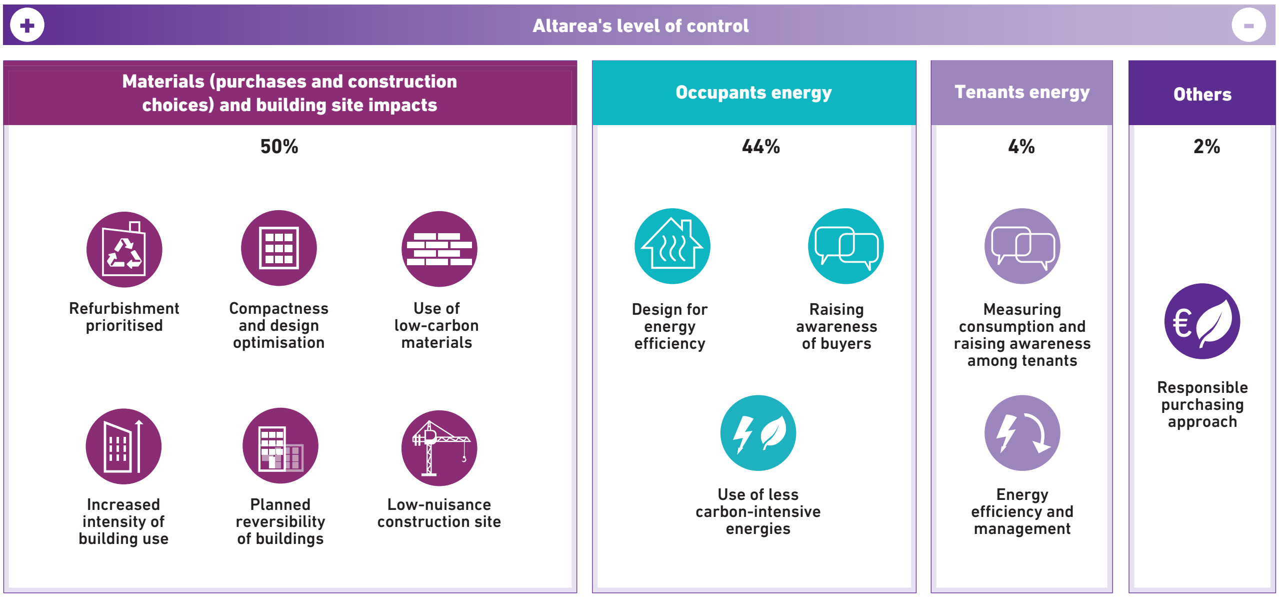
Reducing emissions

Altarea combines major actions in its scopes 1 and 2, and commitments in scope 3:

- favouring resource-efficient construction,
- designing operations that promote "avoided emissions", that is to say, the reduction of emissions for its customers.

The solutions proposed by the Group are detailed below.

ACTIONS TO REDUCE THE GROUP'S SCOPE 3 EMISSIONS, BY EMISSION CATEGORY



Note: in accordance with calculation practices, occupant energy emissions are estimated over a period of 50 years.

Scopes 1 and 2: Focus on the portfolio's carbon footprint

THE GROUP'S COMMITMENT TO ITS ASSETS

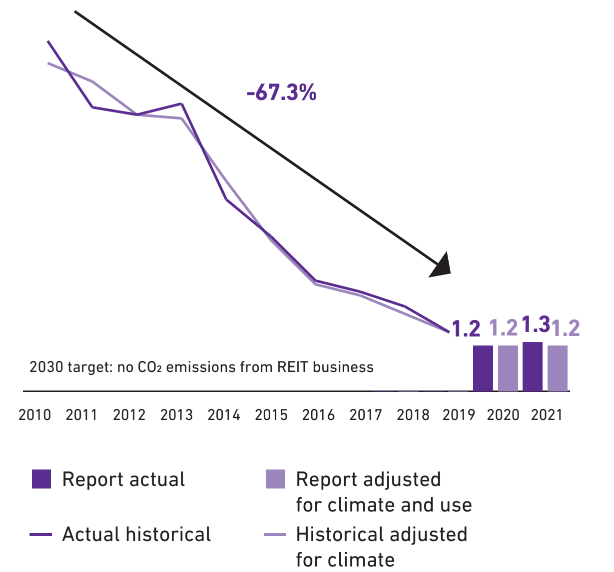
Within its scope of direct responsibility (shopping centres in operation): the Group is committed to reducing scopes 1 and 2 emissions by 70% between 2010 and 2020, and then to aim for zero emissions by 2030.

In 2021, the methodology for calculating greenhouse gas emissions was refined to better reflect the Group's impacts. This revision concerns the calculation of emissions before and after adjustment by the climate correction tool.

Since 2010, the approach implemented for energy efficiency has led to an 81.8% reduction in greenhouse gas emissions per m^2 on a like-for-like basis. On a like-for-like basis and under constant conditions, this reduction is 67.3%, and the target set for 2020 is almost achieved.

In addition, avenues for optimising operations are still to be explored, particularly concerning the extensions of the La Vigie and CAP3000 centres. This increase in surface area has consequences on the technical operation of the buildings, particularly in terms of temperature regulation within the centres. The operation of these assets therefore remains open to improvement.

PORTFOLIO GREENHOUSE GAS EMISSIONS
(ON A LIKE-FOR-LIKE BASIS IN $kgCO_2e/m^2$)



Emissions have been reduced thanks to the Group's considerable efforts to promote energy efficiency and the fact that between 2016 and 2018, 50% of the energy purchased was green electricity, with this figure rising to 75% since 1 January 2019. The target is to switch to 100% renewable electricity in the medium-term. The Parisian sites are already purchasing electricity that is 100% renewable since 2020.

This year, the carbon intensity perimeter was up slightly by 11% compared to 2020, on a like-for-like basis. This increase in emissions is partly due to the revival of commercial activities in 2021 following a decrease in the latter linked to the COVID-19 pandemic in 2020. Nevertheless, emphasis must also be placed on the significant efforts made by the sites to reduce their consumption. The Reflets Compans and Espace Gramont sites, both in Toulouse, have significantly reduced their consumption of gas, which is more carbon-intensive than electricity. This is due in particular to a milder winter than in previous years as well as to the integration of new parameters in the BMS/GTC, which enabled significant savings to be made.

Scope 3: Designing a low-carbon city

THE GROUP'S COMMITMENT TO ITS PROJECTS AND ASSETS

Altarea has committed to reducing the greenhouse gas emissions of its property development activities by surface area intensity by 37% between 2019 and 2030. This commitment covers 94% of the Group's total emissions. The remaining 6% mainly concern emissions related to the energy consumption of the tenants of the Group's shopping centres. On this point, the Group plans to support its tenants in reducing their emissions by deploying the best practices already implemented in the centres (mainly energy efficiency and green energy).

This new quantified commitment is the aggregation of the commitments of each of the Group's property development activities. Each of them is the result of several successive cross-functional workshops between the Finance, Technical and CSR Departments within each of the Group's business units. This work was informed by:

- feedback on low-carbon experiments conducted in recent years;
- the expertise of the subsidiary Woodeum Résidentiel, a developer specialising in low-carbon real estate with its unique solution based on cross-laminated timber (CLT), in which Altarea acquired 50% of the capital in 2019;
- an analysis of the expectations of customers (buyers, elected officials, investors) in terms of low-carbon real estate;
- market studies on materials and other low-carbon solutions already available or under development, based on discussions with more than 25 leading manufacturers on the market or recognised for their innovative solutions; and
- the development objectives specific to each business unit.

Each of the commitments was then validated by the managers of each business unit as well as by general management. Thanks to this multi-factor approach, the Group's objective is both ambitious and economically and operationally sustainable. The methodology used is based on environmental regulation RE2020, which is currently the benchmark in terms of carbon accounting for real estate development activities because it is aligned with national and European commitments in the fight against climate change.

In addition, this commitment is in line with the objectives related to employee incentives and managers' bonuses to reduce the carbon impact of new projects.

Intermediate-stage objectives have also been defined to monitor the progress made in achieving the objective. At the same time, an in-depth feedback system on these exemplary projects will make it possible to accelerate the decarbonisation, or even increase the trajectory initially defined.

Reducing the largest item: emissions from construction materials

50% of the Group's emissions are due to the purchase of materials during the construction stage.

This item is strategic and directly affects the Group's core design business. Reducing the footprint requires multiple solutions and involves a real transformation of design. Among them:

- refurbishment: the Histoire & Patrimoine subsidiary is dedicated to renovations, and the Business property activity has developed major expertise in creative restructuring, as evidenced by the 87 Richelieu building, the Group's new head office. Reusing the superstructure and foundations halves emissions;
- the substitution of CO_2-emitting materials using less carbon-intensive materials (wood, biosourced, low-carbon concrete, etc.): Altarea has a strategic and financial partnership with Woodeum, with the aim of developing low-carbon residential development on a large scale. It also develops projects using wood or biosourced materials. For example, the URB'IN project in Bordeaux has the E2C2 label, with timber frame walls, wooden exterior joinery, and a collective wood-fired boiler. Similarly, Cogedim's Façade Denfert project in Paris 14th arrondissement has chosen wood for the structure and façade, and wood-fibre and hemp-lime insulation;
- innovative building design:
  - improve compactness to consume less materials, reduce infrastructure parking, etc.,
  - increase usage intensity to build less and make better use of buildings. Business property teams incorporate flexibilities to allow for changes in use, the privatisation or the opening of certain areas to open air at certain times of year, for example (catering, auditorium, etc.). Residences for seniors are also open to business travellers, maximising the use of surface area,
  - increase service life by anticipating future uses and reversibility. For example, Altarea offers five-room apartments designed to be split into two apartments. From the design stage, the apartment incorporates the future possibility of having two independent doors, with two electrical panels and a load-bearing wall in the middle for sound insulation.

PARTNERSHIP WITH WOODEUM: ACCELERATING THE PRODUCTION OF LOW-CARBON HOUSING

In July 2019, Altarea acquired a 50% stake in Woodeum Résidentiel, a subsidiary of the Woodeum Group, whose shared ambition is large-scale low-carbon residential development. The aim is to build 2,500 to 3,000 housing units in cross laminated timber (CLT) per year by 2023. This biosourced material has excellent properties (technical and environmental), making it possible to store carbon over the life of the building.

Reducing the second largest source of emissions: managing energy to reduce greenhouse gas emissions

Emissions related to the consumption of future occupants of offices and housing units sold by Altarea represent 44% of emissions. This item represents a significant source of avoided emissions:

- building design is the first area of action, enabling good energy efficiency throughout the lifetime of the building and so lowering energy bills for occupants. The Group uses all available levers (bioclimatic design, envelope and insulation, high-performance equipment, consumption monitoring tools, etc.). A high energy efficiency level is a prerequisite for the projects developed by Altarea. All of the energy optimisation measures implemented are detailed under 4.2.1.3;

- the use of renewable energies when possible: during the design phase, Altarea examines the possibilities of connecting to existing heating networks and carries out feasibility studies on energy supply for major projects. These studies make it possible to compare different possible energy solutions to meet the needs of a building and thus identify the possibility of renewable energy supply. In 2021, 75% of Business property projects used renewable energies and 31% generated them on-site. The energy produced is self-consumed or fed back into the grid.

  Thus, the Issy Cœur de Ville project in Issy-les-Moulineaux will use geothermal energy. Similarly, the Vallon Regny project in Marseille is connected to the wastewater network as a source of renewable energy for the production of domestic hot water, heated and cooled with self-consumption photovoltaic panels. Another example: the La Ferme de Chessy project is supplied with renewable energy (30%) thanks to a wood-fired boiler room;
- raising the awareness of occupants and users: in the final stages in the process, the Residential teams systematically distribute the "Green Gestures" booklet to buyers, as part of the NF Habitat certification. The latter was updated in 2019 with new tips and practical ideas for making better use of housing (energy saving, summer comfort, etc.). Innovative initiatives are also carried out, such as the High Garden project in Rueil-Malmaison, where energy consumption figures will be displayed in the halls;
- in the Retail business line, work is being undertaken with tenants to encourage them to reduce their energy consumption (see 4.1.2.3).

ISSY CŒUR DE VILLE PILOTS E+C- AT NEIGHBOURHOOD SCALE

Environmental performance is a key focus of the project, with:

- the creation of a district energy system: the entire district is supplied with heating, cooling and domestic hot water for housing by a private geothermal energy network;
- more than 70% of energy supplied by renewable energies: this high level is achieved thanks to the diversity of programmes. Centralised production makes it possible to pool needs between homes and offices and to recover waste energy;
- complementary innovative systems: cold storage as ice and use of domestic hot water production systems *via* digital boilers, recovering waste heat from remote servers.

The Issy Cœur de Ville experiment is one of eight pilots in a research project selected in ADEME's "Towards responsible buildings by 2020" call for projects. Its task is to develop and test a method for extending the E+C- approach to district level.

Beyond: being a player in the low-carbon city

A simulation carried out in 2018 indicates that the movements of occupants of the homes and offices sold by the Group could emit 4.5 $MtCO_2e$ over 50 years (not included in the Group's carbon footprint).

To contribute to reducing these emissions within its scope of responsibility, Altarea designs operations to reduce the use of high-carbon mobility:

- the choice of land is the primary action lever: in accordance with its development strategy the Group selects sites with good public transport links (see indicators under 4.2.1);
- in addition, Altarea offers complementary sustainable mobility solutions. In Residential, the Group undertakes to design and equip the bicycle sheds of its projects to high quality standards, with a location adapted for ease of use, secure closing systems, a tyre-pumping and repair station and a water point. In Business property, for example, more than 200 parking spaces pre-equipped with charging stations for electric vehicles have been developed in the Paris region, and precautionary measures are systematically taken to allow them to be installed during the first phase of operation. Similarly, throughout France, the Group's projects offer the best mobility solutions for local regions. In Retail, Altarea is aware that many of its customers still travel by car and is creating spaces specifically for hybrid and electric vehicles. At its shopping centres under development, the Group is planning to display public transport times and traffic conditions in real time as well as alternative modes of transportation (carpooling, pedestrian and cyclist infrastructure, charging stations for electric vehicles, etc.).

Internally, the main focus is on action to reduce emissions from the Company car fleet and roll out the mobility plan at the Group's new head office: a limited number of parking spaces and a mobility pack.

4.2.2.2 Adapting projects to the impacts of climate change

Over the past four years, Altarea has run in-depth analyses of the risks of the effects of climate change on its activities, with a special focus on the intensification of weather events (heatwaves, floods, drought, violent winds, etc.) and their repercussions for lifestyles and the built environment. These analyses took into account two climate change scenarios from the Intergovernmental Panel on Climate Change (IPCC): an optimistic (RCP4.5), and a pessimistic (RCP8.5) scenario.

The Group is currently rolling out its adaptation strategy, starting with Residential.

Residential and Business property

For each of the regions where it operates, Altarea conducted a forward-looking study of local climate changes and the physical impacts of weather events on buildings, construction sites, lifestyles and the comfort of occupants.

On this basis, the Group has designed and rolled out an adaptation action plan, involving the technical, product, CSR and customer teams, etc. Thus, in 2020, in Residential, a detailed guide to summer comfort solutions was rolled out and the adaptation process for summer comfort is now mandatory for all new operations.

Since July 2021, 100% of projects launched have complied with summer comfort guidelines. For example, Wood Parc in Fontenay-sous-Bois (94) has a bioclimatic design offering occupants better summer comfort as most homes are double-facing. The Group is also working to combat the urban heat island phenomenon, for example by incorporating permeable coverings or vegetation, a source of cooling.

Retail

Altarea conducted an analysis of the centres' potential exposure to physical risks related to climate change. A range of technical and governance solutions were identified and are gradually being rolled out across the existing portfolio and new developments. The project includes specifications for the design of climate resilience.

4.2.2.3 Awareness and training

One of Altarea's strong convictions is that the Company's transformation on climate issues will only be achieved with the contribution of all employees. Thus, prior to the deployment of carbon road maps by activity, Altarea decided to roll out, from 2021, an in-depth training course on the subject of climate and CSR. This e-learning course, both informative and fun, is composed of six modules:

- "Climate change", seeking to raise employees' awareness of climate change and the link to Group strategy;
- "RE2020, key principles", seeking to explain the relationship between the RE2020 environmental regulations which came into force from 2022 and issues relating to mitigation and adaptation to climate change;
- "The circular economy in property", seeking to promote circular economy solutions at every stage of the building's life cycle;
- "CSR at Altarea, what is it?", seeking to explain the strategic issues of the Group's CSR efforts and specifying key issues;
- "Insight of low-carbon solutions", seeking to present ways to improve greenhouse gas emissions in the property industry, both on materials and energy, and
- finally, a questionnaire on final certification, conditional on achieving a minimum score of 15/20.

In order to reach as many employees as possible, the monitoring and validation of this CSR training course has been integrated into the new profit-sharing agreement. For the year 2021, the target was for 75% of employees to follow and validate this course with the final certification. This innovative target was achieved thanks to the commitment of all the Group's employees.

Other training sessions are planned for 2022: awareness-raising, more technical focus on specific topics, experience sharing, meetings with players offering innovative solutions, learning expeditions (if the health situation allows), etc.

4.2.2.4 TCFD compliance

Climate risk is a subject of particular attention within the Group. The table below shows the report according to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

1. Governance

Supervision of climate issues by Management

Climate-related topics are supervised and managed by a member of the Executive Committee. Management discusses these issues with this member of the Executive Committee and the CSR team several times during the year. Four ad hoc meetings were held in 2021. As 2021 was marked by the updating of objectives relating to mitigation issues, five additional meetings were organised with the departments of each Group business unit.

At these meetings, management is:

- informed of key issues, new issues and new risks;
- called upon to make decisions about the transformation of the Company on climate issues;
- informed at least once a year on performance trends and the achievement of objectives.

Organisation of the assessment and management of climate-related risks

Mitigation and adaptation issues are integrated to the Group's risk mapping and the resulting strategic decision-making. For example, adaptation issues have been added to the brief of the Commitment Committees in Residential Property Development.

The CSR team, which reports to a member of the Executive Committee, is in charge of climate issues, including risk analysis:

- in 2019, an in-depth assessment of physical risks was carried out on the portfolio and the areas where development projects are located;
- also in 2019, the ESG risk analysis carried out for the DPEF included an analysis of climate risks. It is updated every year;
- the Group's risk mapping includes climate risk. This mapping is managed by the Risk Department, presented to Management and the Executive Committee, and used to decide corrective and preventative action plans;
- in 2020, specific work was carried out on the risks related to mitigation issues: the identification of levers for reducing emissions with initial financial figures. The analysis was further developed in 2021 with short- and medium-term estimates and a detailed analysis of low-carbon sectors.

2. Strategy

Short-, medium- and long-term risks and opportunities, and impact of these risks on strategy and operations

Altarea's business, city building, is a long-term business. Every day, the Group's teams reconcile short-term issues, such as obtaining building permits, managing real estate projects or operating shopping centres, with longer-term perspectives, such as questions of the city of tomorrow, the construction methods of the future or the uses of future residents.

The Group therefore systematically considers the long-term consequences of its choices, since the "products" that it puts on the market – buildings and neighbourhoods – are intended to last at least 50 years (and possibly be modified at the end of 10 years, as it is usually within this period that the first renovation takes place). This long-term approach also applies to the consideration of climate issues.

With this in mind, Altarea has identified the climate-related risks that could have a material impact on its activities, at different times. The potential impacts can be financial, but also physical or strategic (with financial consequences as well).

Risk analysis

Climate risks (from the DPEF)	Potential impacts for the Group	Actions taken
Transition risks DPEF3 As the property and construction sector is responsible for around 25% of emissions in France, it is directly concerned by the requirement to reduce greenhouse gas emissions and by future regulations (including taxation and more stringent standards, such as environmental regulation RE2020). In particular, identification of risks: ■ regulatory: RE2020, carbon taxation, increasing reporting obligations; ■ market: increasing demands from customers or elected officials; ■ reputation: linked to the significant impact of the sector.	**Short- and medium-term** ■ increased design and construction costs (new materials and new techniques); ■ increased investment in operations; ■ access to markets and land more difficult due to increased environmental requirements. **Medium- and long-term** ■ decreased attractiveness of operations.	■ programming systematic testing of new low-carbon solutions and feedback with costing; ■ anticipation of costs in business plans; ■ systematic certification and testing of new labels arriving on the market; ■ regulatory watch; ■ monitoring the expectations of stakeholders: local authorities, elected officials, individual customers, investors, etc.; ■ culture of agility; ■ policy of partnership with key low-carbon players (Woodeum); ■ diversification of the offer and skills ("skills platform"), with subsidiaries specialising in low-carbon construction (such as rehabilitation).
Risks associated with the impact of climate change DPEF4 Climate change is causing an increase in climate phenomena (extreme weather, heat waves and peaks, etc.) that affect cities and their inhabitants. Property is affected by these risks but is also a source of solutions.	**Short- and medium-term** ■ damage to Group assets; ■ loss of comfort for occupants, with a particular risk for senior residences; ■ construction delays; ■ additional costs related to different construction methods. **Medium- and long-term** ■ impairment of Property Development activities and portfolio.	■ risk mapping the portfolio and the areas where it operates, and targeted action plans: in-depth analyses of the risks of the effects of climate change on its activities, with a special focus on the intensification of weather events (heatwaves, floods, drought, violent winds, etc.) and their repercussions for lifestyles and the built environment (according to two IPCC scenarios: one optimistic (RCP4.5), and one pessimistic (RCP8.5)); ■ summer comfort approach in residential projects' design; ■ anticipation of costs in business plans; ■ permanent monitoring by product teams to adapt the offer.

Focus on products and services

In the short term, the entry into force of RE2020 requires a general change in the design of buildings, with a low-carbon approach, even greater energy efficiency and summer comfort conditions. Another short-term risk is the uncertainty related to the revision phases of future thresholds and the associated calculation methods. Like the rest of the industry, Altarea must be agile when it comes to announcing changes.

In the long-term, the entire property sector will have to undergo an in-depth transformation by designing:

- low-carbon or even carbon-neutral neighbourhoods and buildings that produce energy, etc.;
- neighbourhoods and buildings resilient to the physical impacts of climate change;
- as for the existing portfolio, in the short-term the Tertiary Decree will also impose better energy performance.

Altarea's responses

Altarea is anticipating future developments by multiplying low-carbon experiments and building up expertise in ways to reduce its footprint: low-carbon materials (wood, biosourced), renewable energies, district heating systems, design optimisation, innovative heating methods, etc. Building on these experiences, the Group will be able to gradually adapt to new restrictions, in particular the increasingly ambitious thresholds of RE2020.

Concerning the Tertiary Decree, since 2010 the Group has implemented a policy to reduce consumption and emissions across its portfolio, which has significantly reduced its impact.

Longer term, the Group has many strengths that allow it to carry out an in-depth transformation:

- a strong culture of experimentation and entrepreneurship that enables local teams to develop their skills;
- strong agility and adaptability, as demonstrated by its response to the pandemic in 2020;
- developing internal R&D, in conjunction with the technical, innovation and CSR teams.

Focus on the supply chain

In the short-term, in order to adapt to RE2020 in particular, Altarea will have to use new materials and new service providers capable of delivering the low-carbon buildings expected.

In the longer term, Altarea depends on the evolution and decarbonisation of the building materials sector and on technological progress in energy to be able to design and develop zero-emission buildings.

Altarea's responses

Altarea works with its suppliers on low-carbon design. The Group has also systematically monitored the low-carbon solutions available in its supply chain, in order to monitor the rapid changes made by manufacturers.

Integration into financial planning

In the short-term, the changes related to emission reduction requirements will have a financial impact on the balance sheet of the Group's property projects. The requirements to reduce the portfolio's consumption also require investment.

In the longer term, the aim is to review the economic model, by inventing new value creation formats.

Altarea's responses

For the short-term, the potential impacts of RE2020 are already included in the business plans of the Property Development business. Significant costing work based on a range of assumptions was carried out in 2019 to integrate low-carbon construction requirements into financial planning.

Regarding the existing portfolio, climate issues are part of the environmental management system and have been included in financial planning for the past ten years. The energy master plan proposes capex and opex, and the details are decided by the Operating Committee each year.

In the longer term, the innovation team is working on establishing new business models, compatible with climate issues, particularly with regard to the intensity of use and flexibility of buildings.

Link between climate and value creation

Altarea has taken stock of climate issues and the expectations of stakeholders (investors, citizens, elected officials). The Group's license to operate will depend heavily in years to come on its ability to produce resilient low-carbon projects. Likewise, access to capital could be easier for low-carbon operations. In fact, the value creation of the Company is already closely linked to the climate.

The Group's numerous experiments in the regions aims to prepare it to meet the new climate requirements of the market, whether in terms of reducing its footprint or designing buildings adapted to new climate conditions.

Finally, the Group is constantly on the lookout for green financing. It is already taking climate issues into account in its acquisition and divestment policies: for example, in 2019 the Group created a strategic partnership with Woodeum, a major player in timber construction, to anticipate demand for low-carbon construction. In 2021, the Group signed a Green Loan € 350 million, aligned with the Green Loan Principles, for the CAP3000 centre.

A strategy resilient to climate scenarios

Altarea is well aware of the challenges related to the climate transition and the transformations this will entail. However, the Group has the necessary strengths to face future developments: continuous acquisition of skills on the subject of low carbon, awareness-raising among teams, excellent agility, anticipation of financial requirements. The Group's strategy therefore seems compatible with the various climate scenarios, even if this will involve business transformations in the medium-term. In any case, the Group's market is huge, whatever the climate challenges (need for housing, work, consumption, etc.). This market is not threatened by climate issues. However, the Group is doing everything it can to guarantee its access to this market by its agility and its ability to anticipate the climate shocks of tomorrow. This underpins the resilience of its corporate strategy.

3. Risk management

Process for identifying and managing climate-related risks and integration into the Group's risk management processes

Climate risks are included in the Group's risk mapping, which is revised every three years. This mapping covers all of the Group's business lines as well as corporate functions. As such, climate risks are subject to a detailed classification, and are assessed by incidence and impact (financial, legal, image, etc.). The Group's managers are asked to assess these risks, and results are fed back to the Executive Committee and Management. Decisions to manage these risks are thus taken by the Executive Committee, which determines the policies and actions to be implemented. Details of this mapping are not public.

This mapping focuses on current risks (regulatory, physical, market, etc.). In addition, the CSR team monitors emerging risks (emission limits, related risks related to access to materials or to biodiversity, etc.). These topics are included in the DPEF, but not in the Group risk mapping as long as they are emerging.

4. Indicators and targets

The indicators monitored are detailed in this chapter and in Chapter 4.5 Performance. They include a carbon assessment for scopes 1, 2 and 3 for all business lines, and specific indicators related to the energy or climate performance of operations, consumption and emissions of the portfolio, etc. The presentation includes a track record (since 2010 for the portfolio and Property Development). The methodologies used are presented in Chapter 4.6.

The objectives associated with these indicators are presented next to each indicator and in the summary table at the beginning of this chapter.

The Group is committed to setting science-based targets in order to comply with the objective of maintaining global warming below 1.5°C.

Since 2019, Altarea's GRESB rating, which includes a significant component related to climate indicators (in particular energy consumption and CO_2 emissions by the portfolio) has had a significant impact on management's variable compensation. Lastly, in 2021, Altarea:

- defined a new greenhouse gas emissions reduction target for its scope 3;
- incorporated, with the agreement of the social partners, targets relating to climate issues in the profit-sharing agreement and the bonus conditions for managers until 2023.

4.2.2.5 Energy management of the Group's activities

In order to reduce greenhouse gas emissions, it is essential to design and operate buildings in an energy-efficient way. The Group is developing energy-saving solutions also for economic reasons, both for its buyers and users but also for an optimised management of its portfolio.

A high energy efficiency level is a prerequisite for the projects developed by Altarea. Since 1 January 2013, the Group's production is subject to the 2012 Thermal Regulations (RT2012). The regulations are among the most ambitious in Europe and are intended to make Low Energy Building (*Bâtiment Basse Consommation* – BBC) more common. The Environmental Regulation 2020 (RE2020) will gradually replace thermal regulation RT2012, moving from a thermal approach to a more comprehensive environmental approach.

The Group prepares for and anticipates future regulatory changes, notably by holding training and awareness-raising sessions for technical and construction teams. Several projects were enlisted in the "E+C-" Government-run trials aiming to define future regulatory thresholds for energy and carbon. Feedback from these trials will help further enhance the skills of technical teams.

Residential

The Group aims to have all its projects under development certified for energy efficiency alone or as an addition to general NF Habitat and HQE™ certifications, such as E+C-, Effinergie or "RT2012 -10%" and "RT2012 -20%" levels as part of the NF Habitat certification.

In 2021, Residential projects under development with an energy label represented 55% of projects under development. Some projects even exceed the Group's overall ambitions. For example, the Positiv project in Valleiry is committed to a positive energy building approach with the BEPOS Effinergie label 2017, equivalent to the E3C1 level of the future environmental regulations.

55% of Residential projects have an energy label

The energy efficiency has been systematically improved for refurbishment projects. Since energy labels do not apply in large to refurbishment with several heritage constraints, the Group is aiming for greater energy efficiency wherever possible. In 2021, the energy performance requirements of 25% of Residential projects undergoing refurbishment exceeded those of regulations.

Business property

For all projects under development, the Group seeks to achieve a level of energy consumption that outperforms the applicable thermal regulations. In 2021, 100% of Business property projects achieved this objective.

For projects under its Altarea Enterprise brand, the Group set the target of beating regulatory requirements on energy use by at least 30%. In 2021, this target was exceeded because it was also achieved by all projects, all brands combined, with an average gain of 46% (in surface area).

100% of Business property projects exceed thermal regulation requirements by more than 30%

In 2021, all of the Group's hotel projects exceeded the requirements of the applicable thermal regulations by an average of 14% (by surface area).

These figures are stable compared to 2017, reflecting the Group's ongoing commitment.

The Group launches test operations for new labels to anticipate future regulations. In the Issy Cœur de Ville project at Issy-les-Moulineaux the Group is taking part in the "E+C-" trial. This is an experimental Government label that aims to prefigure the thresholds of RE2020. The three Business property buildings are also applying for the BEPOS Effinergie 2013 label, designed to promote buildings that produce as much energy as they consume for heating, cooling, ventilation and lighting.

In addition, a commissioning process was made standard for 100% of Business property projects under development as of 2014, to ensure the proper functioning of technical equipment, notably systems responsible for heating/cooling production and output, and the achievement of planned performance.

Retail

The portfolio's energy performance

In 2021, the methodology for calculating energy consumption was refined to better reflect the Group's impacts. This revision concerns the calculation of consumption before and after adjustment thereof by the climate correction tool.

In 2021 the portfolio's total consumption for the current scope was 49.1 GWh of primary energy. This decrease of 15.7% compared to the year 2020 is partly due to the exclusion of two sites from the scope of reporting current in 2021. The La Vigie centre, whose work was completed in 2020, has also been returned to the current scope.

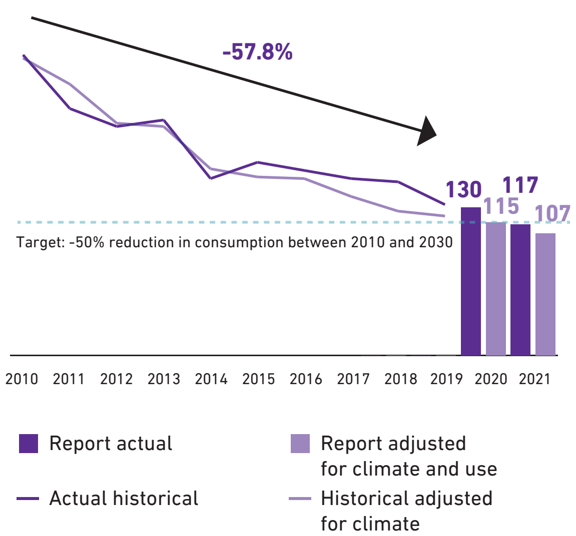
In addition to these changes in the reporting scope, this year Altarea continued two initiatives that enabled it to reduce its energy consumption:

- the portfolio energy master plan: the first energy audits were conducted across the whole portfolio in 2013. The master plan was drawn up in 2017 and allowed the Group to take stock of the progress of reduction efforts. In practical terms, for each centre an action plan was drawn up with a planned milestone in 2020, incorporating structure, technical facilities and operational management in particular. In a context of changes to the BREEAM® In-Use standard, version 6, this energy master plan is being redesigned to also include the new requirements of this certification on the "Energy" theme;
- the environmental management system (EMS) across the full portfolio: 100% of technical and operational teams have received training since 2014. The EMS allows for gradual improvement of the environmental performance (and thus the energy efficiency) of shopping centres thorough implementation of best practices for operations and reporting.

The aim of combining these two actions is to continually improve the environmental performance of the assets and meet the objectives revised upwards by the Group in 2019, on a like-for-like basis and under constant conditions and use:

- 40% reduction in primary energy consumption per m^2 from 2010 to 2020, and 50% reduction in final energy per m^2 between 2010 and 2030;
- 70% reduction in greenhouse gas emissions per m^2 from 2010 to 2020, and zero emissions by 2030.

PORTFOLIO ENERGY CONSUMPTION
(ON A LIKE-FOR-LIKE BASIS IN kWhep/m^2)



At the end of 2021, this energy management approach led to a 57.8% reduction in primary energy consumption per m^2 at like-for-like scope, conditions and use compared to 2010; the target of a 50% reduction in final energy per m^2 between 2010 and 2030 has already been achieved in 2021, reflecting the long-term efforts made by the Group.

In particular, consumption fell by 12% between 2020 and 2021. This decrease was achieved even as commercial activities recovered in 2021 following a year in 2020 marked by lockdown and curfews. It confirms the remarkable focus on energy issues by portfolio sites, and the stepping up of efforts to achieve the Group's ambitious targets. For example, many sites have replaced their old installations, such as lighting replaced with LED lights, or have adjusted the operating hours of their technical equipment.

Electricity made up 86% of the portfolio's energy supply in 2021. The share of gas in the energy mix is unchanged on 2020. This energy mix includes the energy consumption of common and private-use areas managed directly by Altarea. In addition, the Group has chosen, since 1 January 2016, to purchase green electricity with its national contract: 50% between 2016 and 2018, and 75% from 2019. Through the European mechanism for certificates of guarantee of origin, for each kWh purchased by the Group, EDF has agreed to inject one kWh of renewable electricity into the grid. The Group's ambition is to supply its entire portfolio with green electricity.

Energy metering systems for tenants and occupants awareness

The energy consumption of buildings depends on their design but also on their use and management. As such, for Retail projects under development that undergo environmental certification, in order to enable its occupants to access detailed energy monitoring, Altarea goes beyond regulatory requirements for metering and makes dedicated equipment available to occupants. These systems empower occupants, giving them the tools necessary to understand their consumption in detail by use or zone and to rapidly identify sources of overconsumption.

At the level of its portfolio, Altarea is working with its stakeholders in order to gain a better overall picture of the energy used in its shopping centres, including by equipment that does not belong to it. The Group has been collecting annual energy data from its tenants since 2014 in the shopping centres in the portfolio with the highest consumption. Since 2021, this collection has been extended to all tenants within the scope of Group reporting, and therefore anticipates the implementation of the Tertiary Eco-energy system in September 2022.

4.2.3 Preserving natural spaces and promoting nature in the city DPEF2

Scope	Objectives/Commitments	2021 Results	2020-2021 Change	Comments
Neighbourhoods	Have BiodiverCity® certification for all projects	**100% of projects are seeking BiodiverCity®**	=	The Group made this commitment when it signed the charter to preserve cities' biodiversity and incorporate the living environment into all urban projects
Neighbourhoods	Systematise ecological diagnostics on new projects	**100% of projects have in ecological diagnosis**	=	The Group systematically calls ecologist to promote useful, high quality urban biodiversity
Residential		**63% of projects have in ecological diagnosis**	New objective	Since July 2021, the Group has extended its commitment to Cogedim Residential projects
Retail	Ensure 100% of sites have biodiversity action plan and implement initiatives for the portfolio	**100% of sites have a biodiversity action plan**	=	The target is met and maintained each year
Retail	Have BiodiverCity® certification for all new shopping centre projects	**CAP3000 is the first BiodiverCity® shopping centre in the world**	=	This certification reflects the Group's strong commitment to preserving ecosystems

Combatting urban sprawl and the artificialisation of the soil and protecting biodiversity, including in the urban environment, are big issues for local communities. Against a background of extinctions of species and deteriorating natural environments, local and national regulatory pressure is rising, as are public expectations.

The presence of nature in the city is also a factor of well-being for residents. The COVID-19 pandemic highlighted the vital role of the natural environment to citizens' physical and mental well-being.

Altarea structures its approach around the notion of "useful nature", which means the nature dimension of a real estate project cannot be solely aesthetic but must offer additional positive externalities: lasting biodiversity, sense of well-being, refreshing power, etc.

The Group's action is organised around the following principles:

- preserving natural spaces and avoiding artificialisation and waterproofing thanks to land use and open land;
- protecting existing biodiversity and develop high-quality, interconnected green spaces through widespread use of ecologists;
- using vegetation to prevent the effects of climate change, in particular local flooding and the effects of urban heat islands;
- promoting nature in the city for the well-being and comfort of customers and users.

In addition, the Group's activities do not release directly toxic discharge or pollution into the environment or water. On building sites, the Group has its service providers sign a low-nuisance building site charter to ensure that they control their waste, and other risks of pollution.

Lastly, Altarea participates in sector initiatives and discussions. In 2018 Altarea signed the International Biodiversity & Property Council (IBPC)'s BiodiverCity® charter under which it is required to protect biodiversity in cities and incorporate the natural world in any urban project. In 2021, Altarea and several urban and regional players launched the applied research and collective action programme Biodiversity Impulsion Group (BIG) with the aim of developing a common reference framework for indicators and measurement tools. and improve the biodiversity footprint of real estate projects.

THE GROUP'S USEFUL NATURE APPROACH

For several years, the Group has structured an approach around the notion of "useful nature". In 2020, the method was further developed and educational sessions organised for all employees. On this occasion, 100% of employees were able to learn about the challenges of nature in the city and the methodology developed internally.

In 2021, an additional software tool was rolled out to guide operational staff in the implementation of this approach. This tool lists the relevant measurement indicators and a list of service providers that can be mobilised on targeted themes: water management, urban agriculture, comfort, decontamination, etc.

Large mixed-use projects, Residential and Business property

Fight against artificialisation

Altarea's activity is mainly located in areas that are already urbanised. The Group favours urban densification and urban redevelopment rather than urban sprawl and the artificialisation of soils, as evidenced by the number of projects to refurbish or redevelop neighbourhoods and development areas.

Its subsidiary Histoire & Patrimoine has specialised for more than 15 years in restoring old buildings throughout France. In addition, in 2021, 34% of the Group's Business property projects were refurbishments.

Urban redevelopment allows efficient land use and represents an opportunity to reintroduce nature in the city. The Group ensures this by paying particular attention to the quality of the green spaces created, in particular open ground, and to limiting waterproofing.

Protection of biodiversity

The Group pays particular attention to maintaining or enhancing the fauna and flora present. Biodiversity is systematically taken into account in all projects thanks to the Group's ambitious certification strategy.

For large projects, already closely regulated, the Group always exceeds requirements with in-depth studies and action plans. The use of an independent ecologist is systematic in neighbourhood projects and has also been generalised for projects subject to BREEAM® certification. For each of these projects, the ecologist carries out an ecological diagnosis to identify ecologically important areas of the site or those to be reconstructed. This work makes it possible to organise the project around these areas, whilst preserving or creating links to surrounding ecological spaces. The creation of ecological corridors supports qualitative and sustainable urban biodiversity. Ecologist recommendations are subsequently included in the project management specifications for preserving the ecology of the site.

All projects with more than 500 housing units have an ecological diagnostic. As a next step, the Group signed a framework agreement with an independent service provider at the end of 2019 to speed up the implementation of ecological diagnostics in smaller projects. In 2021, 124 ecological diagnostics were carried out. This represents 100% of neighbourhood projects and 63% of Residential projects concerned by a study carried out by an ecologist.

Finally, the BiodiverCity® requirements can be used in addition to environmental certifications such as HQE and BREEAM®. They impose more demanding requirements for biodiversity in a property development. In 2021, this label is pending for several Group projects, in all business lines, such as Promenade Nature in Asnières-sur-Seine (92) in Residential, #Community in Mérignac (33) in Business property, as well as 100% of the neighbourhood projects. The Group is also trialling the pilot version of BiodiverCity® district in its Issy Cœur de Ville project.

Combatting the effects of climate change

As part of its actions to protect natural spaces and biodiversity, the Group is focusing its choices on solutions that also contribute to the fight against the effects of climate change.

With an effective rainwater management plan, planted areas, in particular open ground, make it possible to limit discharges into networks. In addition, vegetation limits urban heat islands thanks to its cooling power.

For example, the Issy Cœur de Ville project in Issy-les-Moulineaux has more than 11,000 m^2 of planted surfaces, including 3,300 m^2 of land. With an improved waterproofing coefficient of more than 75%, the risk of rising water levels in the event of heavy rain is controlled. Also, the significant vegetation of the project helps cool the air when it is hot.

Nature in the city and well-being

Altarea is convinced that the presence of nature in the city is an important factor in the well-being of its inhabitants and users. The Group is working on the concept of biophilic design in its projects (see 4.3.2).

The balance between buildings and green spaces allows natural light to come through and offers nice views, enhancing the comfort felt by users. The COVID-19 pandemic, with its successive lockdowns, has reinforced the importance of this balance in the city. For several years, the Group has paid particular attention to its projects' links to the outside world as part of its quality approach. In 2021, 94% of housing units have access to a private outdoor space (see 4.3.2).

Finally, setting up relaxation areas and encouraging the presence of small animals makes it possible to reinforce the convivial and educational dimensions of a neighbourhood.

PROTECTING BIODIVERSITY IN TOULOUSE

Special importance is given to nature in the project at the former Centre d'Essais Aéronautiques de Toulouse (CEAT).

The collaborative work carried out with the ecologist will reduce the waterproofing of the site by 17% and means that half of the area is open ground. Small animal habitats and corridors will be installed to protect local fauna. They will also be preserved during the works thanks to an adapted construction schedule and the installation of alternative habitats.

Lastly, the neighbourhood greening plan will make it possible to combat heat islands in order to provide a pleasant living environment for residents and users.

Retail

Combatting artificialisation

Compliance with regulatory standards is essential when opening a shopping centre in a region. Land-use plans (*plans d'occupation des sols* – POS) and local development plans (*plans locaux d'urbanisme* – PLU) establish the conditions of land-use by setting a land-use ratio to be applied.

Beyond these standards, the Group also limits the artificialisation of greenfield land by favouring already urbanised land for its new developments, such as zones undergoing urban renewal or stations. For example, CAP3000 and Paris-Montparnasse station have not led to any artificialisation of land as they are located in urban or developed areas. The CAP3000 project has even made it possible to reduce artificialised and waterproofed surfaces and includes 2.5 times more planted areas after the works.

Protecting biodiversity and combating the effects of climate change

Altarea holds the belief that shopping centres must integrate into their environment in order to protect and reintroduce biodiversity and contribute to visitor well-being.

During the development phase, an ecologist is hired as standard, as was the case for the recent projects L'Avenue 83 and CAP3000. The Group uses certifications as tools for continuous progress. Aside from BREEAM®, which is applied to all new developments, Altarea is testing new certifications: CAP3000 was the first shopping centre in the world to receive BiodiverCity® certification, which assesses the performance of property projects in terms of the consideration and promotion of biodiversity. In 2019, the Group undertook to roll out this certification for all of its new Retail projects.

CAP3000: THE FIRST SHOPPING CENTRE TO RECEIVE BIODIVERCITY® CERTIFICATION

Inaugurated in 1969 in Saint-Laurent-du-Var, one of the first shopping centres in France, CAP3000 completed a major refurbishment and extension at end-2019, which is subject to very high environmental standards in terms of biodiversity.

The project incorporated biodiversity in its governance from the design stage through its partnership with the French League for the Protection of Birds (Ligue de Protection des Oiseaux – LPO).

Biodiversity measures are included at all stages of the project:

- architecture that respects and imitates nature: plant screen the length of the Var wetland, buildings that incorporate nesting sites, printed glass to prevent bird strikes, acoustic treatment of delivery bay, reversible architecture, etc.;
- a flagship building site planned to take into account bird nesting seasons;
- responsible management and raising public awareness, with an observatory on-site.

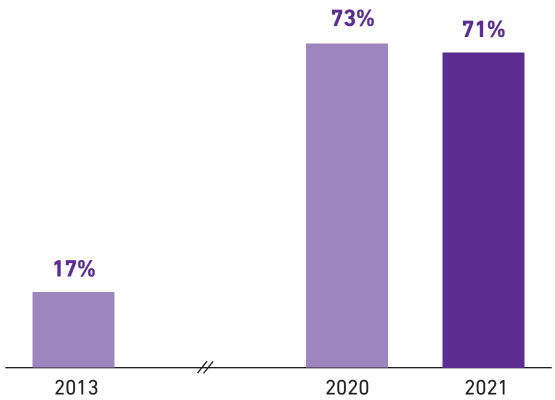
Thanks to all these efforts, CAP3000 was also rewarded with a score of 80% for its Land Use & Ecology under part II Building Management of BREEAM® In-Use in 2020.

In the operational phase, the Group took steps to involve all shopping centres in better taking into account biodiversity. Through BREEAM® In-Use certification – now applying to 100% of the Group's managed sites – respect for and conservation of biodiversity are assessed and improved on a continuous basis. In this context, for example, Altarea has a contractual obligation to ensure that its service providers who manage green spaces do not use phytosanitary products on any portfolio sites.

The Group has prepared specific biodiversity action plans for all its shopping centres within the reporting scope. The current objective is to maintain this coverage rate, and to continue implementing these improvement plans by developing biodiversity activities across the sites.

The score for Land Use & Ecology in the BREEAM® In-Use standards – on average for the portfolio – is maintained. This year it stands at 71% compared to 17% in 2013. This testifies to the efforts of the shopping centre teams to implement actions adapted to their local environment and to contribute to reducing the effects of climate change. For example, the vegetation and fountains of L'Avenue 83 shopping centre help combat heat islands.

CHANGE IN AVERAGE BREEAM® IN-USE SCORE, THEMATIC LAND USE & ECOLOGY



Nature in the city and well-being

Because contact with nature promotes the well-being of visitors, Altarea is also taking care to involve them in the biodiversity initiatives of its shopping centres, particularly through awareness-raising.

This is, for example, the goal of the OCEANS project, which is the result of the partnership between Altarea, through its CAP3000 shopping centre (at Saint-Laurent-du-Var), MK2+ and the Oceanographic Institute Albert I Foundation. This 360-degree virtual aquarium enables visitors to explore the seabed and provides a realistic and immersive virtual odyssey through these rich and fragile ecosystems. The Group's shopping centres have also worked proactively to protect nature, by implementing various initiatives. For example, Parc commercial de l'Ambrésis in Villeparisis set up shelters for wildlife, accompanied by an explanatory poster. Aubergenville Family Village and Les Hunaudières Family Village in Ruaudin mowed and carefully cut the grass in order to preserve the biodiversity of the sites. Various centres, such as Espace Gramont in Toulouse, L'Avenue 83 in La Valette-du-Var and Qwartz in Villeneuve-la-Garenne are also equipped with beehives and produce their own honey every year.

4.2.4 Encouraging the circular economy and resource conservation DPEF5

Scope	Objectives/Commitments	Indicator	2021 Results	2020-2021 Change	Comments
Business property	Favour refurbishments to reduce resource consumption and greenhouse gas emissions	Share of refurbishment in the Paris region by office surface area	**34%**	↘	The Group always considers the possibility of refurbishing a building, with requirements of equal performance and comfort, rather than completely demolishing and rebuilding. Despite a dip since 2018, the figure has been over 30% since 2015
Retail	Recover over 80% of waste at Standing Assets	Share of recovered waste	**84%**	=	Waste recovery is promoted, notably with the implementation of composting for restaurants

The construction industry (buildings and civil engineering projects) generates 70% of all waste in France[(1)]. In light of this, the Group launched a long-term reflection on how best to manage and use natural resources, reuse or reduce waste, and how to put eco-design principles into practice (use of alternative sources, extending building life, intensifying usage, etc.).

The circular economy, which is the opposite of the linear economy (produce, consume, destroy), is a virtuous way to make the most of resources and reduce the environmental impacts of property throughout the life cycle of a building:

- design: the most important phase as the aim is to find a solution that balances the environmental impact of resources used (refurbishment, recycling, reuse, etc.) and a building's capacity to avoid early obsolescence (energy performance, evolving and reversible architecture, ease of deconstruction, etc.);
- construction: reducing waste generated at construction sites, sorting, reusing and promoting recycled or local materials;
- operation: reducing consumption (energy, water, etc.) and waste generation in the operational phase, sorting and reusing residual waste, extending the building's useful life whilst intensifying and diversifying its uses to sustain its economic value;
- end-of-life: increase the life of the building by allowing for changes of use. Where conversion to new use is impossible, a diagnostic is conducted to decide whether the best solution is refurbishment or demolition.

Altarea is committed to building high-performance buildings and adopting the principles and best practice of the circular economy at every stage of its projects. The target is to reduce the consumption of resources and the production of waste during the construction and operational phases. For example, 100% of projects are equipped with water-saving devices, mainly through flow limitation.

Due to its presence in urban areas, Altarea confronts the issues of density and age of the urban fabric. The Group systematically favours refurbishment, which consumes less materials and produces less waste than complete demolition-reconstruction. If the Group carries out a demolition, it ensures that the materials are reused *in situ*, wherever possible, or that they are made available to other stakeholders on material exchange platforms. The Group also designs into its projects a certification approach, which makes It possible to generalise best practices. For instance, clean building site charters, which limit the nuisances related to the building site (noise, vibration, etc.) and set the conditions for sorting and recycling waste.

Moreover, the Group's multi-business model means it is able to offer mixed projects at neighbourhood level but also at the level of each building, making them flexible and scalable over time and thus reducing the risk of obsolescence.

Hazardous waste is not produced directly by the Group's activities. On construction sites, the Group's service providers may have to deal with hazardous waste, particularly in the case of demolitions/refurbishments. For example, by signing a clean site charter, this waste must be treated correctly. In 2021, 95% of projects under development were covered by their own clean site charter.

Altarea is committed to various sector initiatives by participating in working groups and through partnerships, in particular the Reuse Booster (see box below).

RE-EMPLOYMENT BOOSTER

Launched in 2019, this sector initiative brings together customers (project managers, project managers, contractors, etc.) with the aim of organising, structuring and massifying the supply and demand of reuse materials in the real estate sector.

Altarea joined this initiative in 2020 with the Business property project #Community in Mérignac, in which 3,000 m^2 of false floor are reused, representing 1/5 of the building's surface area. In addition, two-thirds of the building was painted with reused paint.

Four other projects joined the initiative in 2021 and other projects are being identified for 2022. Structured feedback makes it possible to extend new practices more widely.

Initiatives specific to each business line (Residential, Retail, Business property) to each project stage and throughout the building's life are also implemented.

(1) *"Waste, key figures" published April 2018 – Agence de l'Environnement et de la Maîtrise de l'Énergie (ADEME). France generated 324.5 million tonnes of waste in 2015.*

Residential

Refurbishment

One of the Group's brands, Histoire & Patrimoine has specialised for more than 15 years in the refurbishment and restoration of old buildings throughout France. The façades and supporting framework of buildings are always preserved, unless there is a proven structural problem. In 2021, this activity represented nearly 200,000 m^2 of refurbishments in progress or completed during the year.

Reuse and recycled or local materials

Whenever a building cannot be refurbished, the Group carries out a demolition and reconstruction looking to reuse the waste from demolition. Waste is reused on the same site wherever possible or made available on materials exchange platforms.

Use of recycled and/or local materials also helps reduce a project's environmental impact. In 2021, 72% of building site purchases were from local sources (see 4.2.1).

THE DEMOLITION OF THE BOBIGNY2 CENTRE

Bobigny Cœur de Ville is a neighbourhood project located in Bobigny that will be built on the site of the former Bobigny2 shopping centre, dating from the 70s.

The preliminary studies ruled out renovation because the shape of the commercial buildings was not very flexible and not adapted to a reconversion.

Altarea carried out both a waste assessment and a resource assessment in order to define an efficient policy for recycling demolition materials.

These assessments have identified a potential for reuse or recycling of demolition waste of 92%. The Group has adopted this approach and will also reuse 10,000 tonnes of concrete on-site for the construction of the future district.

Low-waste construction sites

The Group is steadily extending clean site charters to cover all its Residential projects. These charters have contractual force and notably impose measures to limit the production of waste at source, identify waste on-site, ensure tracking until final destination and conduct effective and efficient recovery of waste. In 2021, 91% of Residential projects (by number of housing units) were covered by a clean site charter. Some sites also ask suppliers to limit product packaging to reduce site waste.

Intensification of use and reversibility

During the design and operational phase, the Group seeks to intensify its use to avoid underuse of spaces. As a result, parking spaces at some residences, such as those planned for the "*Les 5 jardins*" project in Villemonble, may be available to the public when they are not used by residents.

Business property

Refurbishment and recycled materials

The Group has developed unique expertise which means its refurbished buildings achieve energy and comfort performance levels equal to those of its new buildings. Refurbishments account for 34% of Business property projects in the Paris region (by surface area) and have accounted for over 30% since 2015.

34% of Business property projects in the Paris region are refurbishments

The environmental impact is also reduced by using reused, recycled and/or local building materials. As an example, the insulation of 87 Richelieu, Altarea's head office, delivered in 2020, was made from recycled cotton fibres.

Low-waste construction sites

In the construction phase, the Group is aiming to hit the target set by the energy transition law of recycling 70% of construction waste. In 2021, Business property projects set a site waste recovery objective of at least 70%. They surpassed this objective as the real recovery rate for secured projects, delivered in 2021, was 89%, 84% of which materials (in tonnes)[1].

89% of waste from Business property building sites is recovered, of which 84% is material

Intensification of use and reversibility

Owing to the Group's expertise across a range of businesses, 76% of Business property projects is multiuse: offices, retail, facilities, services, etc. For example, some of the spaces on the ground floor of 87 Richelieu, Altarea's head office, delivered in 2020, can be used as workspaces, shops, showrooms, etc. By developing adaptable and scalable spaces, the Group is reducing the obsolescence of buildings.

76% of Business property projects are multi-use

Retail

Construction waste management in new Retail developments

By rolling out the Group's construction charter, which requires contractors to sort and manage construction site waste, excellent performances were posted once again this year in terms of recovery. The CAP3000 refurbishment/extension project therefore recovered 87% of its construction site waste.

(1) Indicator coverage rate: 87%.

Waste produced by the portfolio

At the Group's shopping centres, the overwhelming majority of waste is generated by tenants and there is very little that Altarea can do to control the production level. The Group focuses its actions instead on increasing sorting rates and the rate of energy recovery and managed waste.

Details of the quantities produced, and the monitoring of the share of sorted and recovered waste, are available in the tables of indicators in Chapter 4.5.2.

Improving sorting in shopping centres

The Group has implemented actions to increase this share of sorting: closer monitoring of sorting by merchants and more sorting *via* the inclusion of new types of sorted waste (glass, fermentables, lighting, etc.) in particular.

The breakdown of waste in the portfolio is 82% for mixed non-hazardous industrial waste, and 18% for cardboard and other sorted waste. Thanks to the initiatives implemented, the proportion of sorted waste in the current scope has increased since 2010.

Over the last five years, the Group has been close to its target of 50% of waste sorted and will continue in its efforts to meet it.

Increasing recovery

The Group also looks for the best service providers to recycle, recover and ensure the traceability of waste. In 2021, 14% of the waste produced in shopping centres managed by the Group was recycled, 62% was incinerated with energy recovery and 8% was recovered in another way (reuse or composting, for example). In all, 84% of waste is recovered, the remaining 16% is dumped or incinerated without energy recovery. The Group's goal of over 80% recovery has been overtaken since 2013.

Altarea is also constantly monitoring changes in regulations governing waste treatment. For example, the law on the energy transition for green growth (LTECV) requires the generalisation of source sorting and the recovery of biowaste by means of composting or methanisation by 2025. With this in mind, the Group is currently studying an action plan for early compliance of the retailers in its centres. In 2022, one asset in the portfolio will serve as a pilot centre for this approach, which will be followed by widespread deployment.

Raising awareness among stakeholders

Since waste volumes are directly linked to the commercial activity of tenants, the Group focuses its efforts on steadily increasing the proportion of waste sorted and raising tenant awareness of improved waste management.

Tenant surveys conducted in recent years showed that sorting waste and recycling were the most-cited issues among tenants. As a result, Altarea organises meetings with retailers in its shopping centres, and in particular suggests ways to improve waste management, for example, a welcome guide for new recruits, or regular briefing notes.

RAISE STAKEHOLDER AWARENESS OF WASTE MANAGEMENT

As the production of waste is mainly linked to the activity of tenants, communication and awareness-raising among retailers is essential to maintain a high rate of sorting and recovery throughout the portfolio.

As part of this approach, some sites are developing their own awareness tools for tenants. Thus, in 2021, the L'Avenue 83 site set up several waste sorting awareness-raising meetings with the centre's retailers. These included the sorting of wet waste (coffee grounds, etc.), and the sorting of aluminium.

The CAP3000 and Espace Gramont centres also pay particular attention to developing tenants' sorting practices. In particular, waste sorting and biowaste collection missions were held directly at the restaurant owners of these centres, with the aim of obtaining a more refined sorting and better recovery of biowaste.

4.2.5 Other environmental and health issues DPEF11

Details can be found in the chapter on Risk Management (Chapter 5 of the Universal Registration Document), under “Health and public safety risks”. In addition to these, the following control mechanisms should be highlighted.

Asbestos

In accordance with the French Health Code, Altarea Group performs asbestos tests on all its assets whose building permits were issued prior to 1 July 1997. In addition, in accordance with the regulations, an asbestos technical report is completed for each of these assets and kept up to date.

Legionella bacteria (cooling towers)

The primary source of Legionella bacteria is at the level of the cooling towers used in certain shopping centres. These cooling towers undergo methodological risk analyses every two years and a compliance check every five years.

Consequently, Altarea commissions rigorous monthly inspections during the periods when cooling towers are in use, with the support of carefully selected service providers. Furthermore, recently built properties are equipped with adiabatic dry coolers or dry coolers that do not fall under the ICPE 2921 category (Balticare or Jacir equipment lines, whose technology avoids the spreading of Legionella bacteria).

Termites

Prefectoral orders on termites have been issued in municipalities at risk of wood-boring insects. In those municipalities, a termite diagnosis must be conducted in the event of any transaction. Upon selling or purchasing an asset subject to termite diagnosis, the Group carries out such studies.

ICPE classification

Altarea ensures it has all the certifications or authorisations required for the relevant activities at all sites covered by the ICPE classification. In addition, the Group conducts regular checks and maintenance of ICPE installations. Management of ICPE compliance limits the environmental impacts and nuisances on users and local residents of assets.

Air quality

The Group makes sure that there is effective ventilation and air flows that are suitable for the activities conducted on the premises. In the case of new projects, Altarea complies with the regulations and ensures a minimum supply of 20% new air.

In shopping centres, air renewal is ensured through rooftops or air-handling units. The units can be adjusted manually or managed by CO_2 sensors.

Altarea is also aware of the importance of parking lot ventilation systems. To ensure regulatory indoor air renewal, its covered parking lots are equipped with carbon monoxide (CO) sensors that control ventilation fans.

The Group also ensures the safety of ventilation systems through regulatory checks and maintenance. The systems are replaced when needed to guarantee constant safety and efficiency.

Sanitary water quality

To ensure the sanitary quality of the water provided to its tenants, the Group only distributes water from municipal supply systems, which are subject to rigorous, regular checks and analysis.

Refrigerants

The main refrigerants used by the Group in its portfolio are HFC 407C and R410A. The Group does not use virgin HCFC fluids or recycled HCFC recharges, whose use is banned.

Risk of pollution

The French Environmental Code has instituted an obligation of information for tenants and buyers about major environmental risks. At first, this obligation concerned natural disasters and technological and seismic risks, before being extended to mining, radon and soil pollution. This legislation was last amended on 3 August 2018. The Group took the opportunity of this change to inform its tenants and buyers about the totality of the environmental risks.

Half of the shopping centres are affected by plans for the prevention of natural disasters, including the risk of flooding, subsidence and drought. No Group shopping centre is affected by mining technological risks or soil pollution.

The vast majority of the shopping centres are located in areas of low or very low seismic activity and none are located in areas of high seismic activity.

4.2.6 Sponsorship and partnerships

Group sponsorship policy continues

In 2021, Altarea continued to publicise and apply its sponsorship and partnership policy, in line with its desire to make a positive impact in its regions, around three main themes which, in particular, strengthen the Group's local ties:

- contributing to economic development of the regions by strengthening links to the local social fabric (associations, social enterprises, social economy, etc.) to enhance the positive impacts of its activities on the local economy, particularly jobs (see 4.2.1);
- social initiatives: use the Group's skills to help the most disadvantaged by, for example, promoting access to housing and supporting charities that create social cohesion locally;
- support for culture and artistic creativity, bringing art to a wider public, anchoring the Group's property projects in their cultural context.

The Group's sponsorship and partnership strategy is governed by an internal procedure. This was set up as a third-party assessment procedure and implemented in collaboration with the Internal Control Department. The Group's employees received a sponsorship and partnership best practice guide outlining the Group's sponsorship strategy and procedure.

Contribution to local economic development

The Group continued its sponsorship of the Fondation Palladio, of which it is a founding member. The Fondation Palladio is a forum for thinking about building the city of tomorrow and its living spaces.

Social actions – Long-standing partnership with Habitat et Humanisme

Since 2007, Altarea has continued its historic partnership with Habitat et Humanisme, focused on inclusive and intergenerational housing. Through this initiative, the Group has affirmed its commitment to a more inclusive city and its contribution to the most disadvantaged sector.

This partnership also strengthens local ties between the Habitat et Humanisme associations and the Group's various subsidiaries.

Altarea is the leading partner of Habitat et Humanisme, working together over the long-term to find housing solutions for people on low incomes. The Group contributes in a number of ways:

- participation in the funding of 20 social residences (family Boarding houses and intergenerational houses), accommodating more than 700 people;
- funding three management posts in Habitat et Humanisme in the Paris region, combined with sponsorship of skills to help extend their field of action;
- involvement of Altarea employees in the partnership. In 2021, as part of the Solidarity Hour, the CSR Department organised several events:
  - a connected solidarity race, in which Group employees were invited to participate *via* the "Km for Change" application. Each kilometre run generated one euro donation for Habitat et Humanisme,
  - an Immo Café held jointly by Habitat et Humanisme and Altarea to review the partnership and joint projects such as the Guillaumet district in Toulouse. The Café Immo is a format created by the "Hub by Richelieu", the Group's event planning unit. Since October 2020, events in multiple formats have been held to share projects, expertise, and present teams to Altarea employees,
  - a book was produced, entitled "Building goods to build links", with a preface co-written by Alain Taravella and Bernard Devert, Chairman and founder of Habitat et Humanisme. This book was sent in digital format to all Group employees at the end of the Solidarity Hour event. A few copies were also printed.

Supporting culture and culture for all

Altarea is committed to constantly promoting talents in all forms of artistic expression (sculpture, painting, music, etc.).

In 2021, the Group joined forces with the Opéra Comique to sponsor access to the Opéra for Group employees, with the aim of promoting culture for all.

Local solidarity initiatives

Committed locally, Altarea's teams carry out numerous community initiatives in the regions. This year, several centres organised blood drives and food drives. Toy collections took place in the L'Avenue 83 and CAP3000 centres for the Secours populaire. In the Family Village Costières Sud, a solidarity video was made to support the Restos du Cœur association. Continuing the event at new year 2020, the Qwartz teams again provided support and comfort to the residents and medical staff of the retirement home "La Méridienne", located in Villeneuve-la-Garenne, distributing boxes of chocolate for the holiday season.

Days were dedicated to solidarity with associations such as la Lutte contre le Cancer, la Croix Rouge and le Telethon. In the Brest Guipavas Center, a race for October Rose mobilised the centre's employees and customers. CAP3000 mobilised for this cause by organising a fundraising campaign against breast cancer. The CAP3000 teams also mobilised to help the victims of Roya by setting up a collection in the shopping centre.

Again in 2021, various solidarity actions related to the COVID-19 pandemic were held. In Qwartz, a COVID centre was set up to allow the population to be tested.

4.3 Placing the customer at the heart of actions

4.3.1 Dialogue in the service of customer and user relationships DPEF1

Scope	Objectives/Commitments	2021 Results	2020-2021 Change	Comments
Group	Work to satisfy customers across all our business lines	**Second place in the HCG/Les Échos customer relations rankings**	=	The Group has spent three years in the top three and is recognised as a benchmark in customer relations: speed and quality of customer response and continuing support during the COVID-19 pandemic
Residential	Commit to customer satisfaction	**Awarded Customer Service of the Year for the fifth consecutive year**[(a)]	=	This award recognises the efforts made for several years to support customers
Residential	A quality guarantee: 100% of projects certified NF Habitat[(b)]	**100% of projects certified NF Habitat**	=	The Group has been 100% NF Habitat certified for six years, reflecting its continuous efforts to strive for quality
Serviced residences	Establish a formal dialogue with residents to improve services	**At least one monthly meeting with residents in each of the residences**	=	For several years, the Group has been committed to ensuring ongoing dialogue with residents
Retail	Continually improve and enrich the customer's visit experience	**Satisfaction index: 7.7/10**	=	The satisfaction index of visitors to shopping centres is stable and testifies to the efforts made to keep the sites attractive and pleasant, and to increase leisure offerings
Retail	Strengthen dialogue with tenants	**Deployment of the Brands Pact**	=	In 2020, actions focused on supporting retailers aspects of their business during the various periods of lockdown and relaxation during the year

(a) Property Development category – BVA Group survey – Viseo CI – More information on escda.fr.
(b) Excluding co-development, refurbishments and managed residences.

The changing structure of households, new forms of work and mobility, the growth of the collaborative economy—social and technological changes are transforming customers' ways of life and habits. They are looking for custom solutions and desire a special relationship with their contact throughout the buying experience.

Altarea is committed to changing its offers so that they continue to meet customer needs and expectations. To do so, the Group is strengthening its relationships with its customers. In each of the activities has formal mechanisms for dialogue and assessment of satisfaction: surveys and studies, live or digital interactions, etc. Customer satisfaction is Altarea's priority objective as part of its aim to put creativity at their service.

WE ARE ALL INVOLVED IN PROVIDING CUSTOMER SATISFACTION

Customer satisfaction guides Altarea's action. The Group has created and deployed a wide-ranging training programme for all its employees. The aim is to raise awareness and regularly emphasise the role of each individual in customer satisfaction.

From development to after-sales service, including cross-functional roles, more than 1,000 people were trained and provided with action sheets for each stage of the customer journey.

In 2021, the system was extended. A training module specific to the subject is now included in the induction programme for all new hires. Specific modules have also been rolled out for the sales, customer relations and after-sales service teams.

Residential

Customer Service takes care of customer satisfaction at each step of the buying experience. In-house procedures are dedicated to dialogue and monitoring satisfaction at each step.

Dialogue with customers

The customer journey is based on a human and personalised relationship at each stage of the project with several systems:

- a dedicated contact for more than ten years: the customer relationship Manager accompanies the customer from the signature at the notary to delivery. When the keys are handed over, an after-sales service Manager, also specifically designated, takes over for nearly ten years and ensures continuity of support for the customer in managing guarantees. Each customer is supported for approximately 13 years;
- a personalised online space: as soon as the home is reserved, buyers can log onto their online space to monitor the progress of their project, consult information on the various stages of the purchase process and find answers to their questions *via* the email system for guidance sheets or FAQs (for example customisation, progress of the project, visits, etc.);
- the national network of Cogedim stores: the Cogedim store is a place dedicated to supporting customers in the personalisation of their homes. Customers can view show apartments, browse the choice of materials and equipment as well as customisation packs

and enjoy an immersive digital experience. It means customers can more easily visualise their life in their new home. Since 2016, several Cogedim stores have opened in Paris, Bordeaux, Toulouse, Marseille, Lyon and Nantes;

- customer committees: thanks to this complementary system, the Group closely monitors the expectations of its customers by inviting them to suggest change to the customer experience (see box below).

CUSTOMER COMMITTEES

In early 2020, Altarea implemented a new system: customer committees. Several customers who are signatories to the same project are invited to attend monitoring committees for their project. Customers meet several times with Managers involved in the project (customer relations Manager, programme Manager, etc.) who explain the classic customer journey: stages, deadlines, products, services, etc. and are invited to express their expectations for processes, products and services. This system, which is complementary to the customer experience, enables the Group to adapt its offer to the new expectations of its customers.

Moreover, the Group has partnered up with Sourdline, the leading call centre for the deaf and hard-of-hearing. The customer may thus interact with each contact along the customer path thanks to the presence of an interpreter, *via* webcam, chat or in-person.

Finally, future residents are given a guide on green habits just before they move in to give them tips on improving their comfort (air quality, noise, comfort in summer, planting, etc.) and reducing their environmental impact (energy and water consumption, sorting waste, etc.).

Measuring and monitoring customer satisfaction

Each year, the Group conducts a study to measure customer satisfaction at two key moments in the buying experience: six months after the deed of purchase is signed and six months after delivery of housing. The goal is to better understand the expectations of customers and any possible shortcomings encountered during the buying experience. Questions range across a large spectrum of subjects from customer trust at the time of purchase to the endorsement rate at the end of the experience.

The endorsement rate is considered as the indicator that best sums up the customer experience since it measures his or her attachment to the brand by rating the likelihood of recommending Cogedim or making another purchase. The Group has set as a goal to reach a 70% recommendation rate for each of its regional offices. In 2021, the Group recorded an increase of 9 points since 2015.

In addition, the Customer Services Department monitors spontaneous comments by customers on its Immodvisor platform. This independent platform records and checks the comments submitted by customers. In 2021, over 1,800 comments were checked. They have a satisfaction rate of 92%. This result is up (+15% compared to 2020).

Lastly, mystery investigation is also carried out across the territory, with tests at both physical sites and in sales offices, but also in exchanges by email or *via* social media.

EFFORTS REWARDED

For the fifth consecutive year, the Group was awarded "Customer Service of the Year 2022"[1] for the Cogedim brand, in the category of Property Development. This award assesses the quality of customer relations with mystery shoppers (telephone, email or questionnaire, internet sites and social media).

In January 2022, the Group retained second place in the Les Echos 2022 customer relations ranking carried out by HCG. This multi-sector ranking sets the customer services of the 200 biggest companies in France against each other by testing all of their channels: telephone, letter, email, website and social media.

Cogedim Club® Residences

Altarea develops and manages Cogedim Club® senior residences, designed to meet the specific needs of seniors. To best adapt to their expectations, the Group used several means that combine market research, satisfaction surveys and field analysis.

In addition to the sector's marketing studies, the Group conducts independent studies on the needs of customers in senior residences: "The senior residences of tomorrow" surveys. Launched in 2020, these studies are aimed at Cogedim Club® residents, their families and anyone interested in this service. Around six themes are observed during the year. For example, sustainable development and nutrition were topics addressed in the 2021 studies.

Furthermore, each of the residences has a team dedicated to listening to the needs of residents in their daily routine. Once a month, a plenary meeting[2] is organised between resident tenants in each of the residences in order to listen to their needs and expectations. The following subjects are addressed: life in the apartments and common areas, services and overall satisfaction.

Short-term residents are also questioned through satisfaction surveys.

These *in situ* measures make it possible to understand the level of residents' satisfaction and their level of facility use and identify desired changes. A half-yearly meeting is organised with the management of Cogedim Club® and allows for a discussion about areas for improvement or necessary changes with the agreement of occupants of the residences. The information gathered also serves to modify specifications for future Cogedim Club® projects.

(1) Property Development category – BVA Group survey – Viseo CI – More information on escda.fr.

(2) Remotely adapted system given the COVID-19 pandemic.

Business property

In a context of rapidly changing work patterns and employee expectations in terms of their working environment, the Group listens to its partners and users.

Altarea has a customised offering, designing offices that promote team productivity and the comfort and well-being of staff. In 2017, Altarea has interviewed 18 Real Estate divisions of major companies to assess their needs and expectations. The subjects addressed included the expectations of corporate accounts and their perception of landlord-tenant relations. It made it possible to categorise a building by best integrating their needs.

In 2019, the Group structured its offering by creating the entity Altarea Entreprise Studio with the aim of providing a coherent and efficient response to changing uses and new ways of working so as to offer users innovative products and meet their requirements. Its remit is to design buildings that are able to evolve through time due to their architecture, technical design but also their services.

Altarea Entreprise Studio operates upstream of operations, determining requirements and uses and anticipating new ways of working and designing the office of the future with multiple uses. In particular, in its thinking it incorporates phenomena such as the fragmentation of working methods and coworking and the office building as a means of boosting the appeal of the employer's brand.

Retail

In its shopping centres, Altarea interacts with two customer groups with very distinct requirements and modes of dialogue: visitors and brands.

Measuring visitor satisfaction

The flow of visitors to the shopping centres is testimony to their success and attractiveness and the quality of their image and that of the brands present in them. The Group pays particular attention to measuring visitor satisfaction and reinforcing the attractiveness of the shopping centres. This is done notably by organising leisure activities and holding events and sales demonstrations.

In order to measure the overall satisfaction rate of visitors and better understand what they are looking for in the shopping centres, the Group conducts quantitative and qualitative customer surveys. Based on the results, the teams draw up an operational action plan designed to improve the customer satisfaction index.

In 2021, the satisfaction index reached **7.7/10**

This index was calculated using on-site customer surveys conducted at eight shopping centres, representing 83% of the scope of current reporting by value. The satisfaction index for the shopping centres has held steady since 2015 – a sign of the teams' commitment to keeping the sites attractive and pleasant.

Agility in the face of the COVID-19 pandemic

Since March 2020, the centres have been facing an unprecedented health situation and have implemented major actions to protect their tenants and visitors. Following the first lockdown, the Group conducted a survey to understand the changes in the habits of its visitors, as well as their perception of the health measures put in place. The overall score obtained is 3.9/5. It was calculated on the basis of responses to newsletters and surveys on social networks, carried out in seven shopping centres, *i.e.* 77% by value of the current reporting scope 2020.

Attracting visitors and winning their loyalty

To maintain and reinforce the attractiveness of the shopping centres, Altarea takes care to mix retail outlets, food and drink, leisure activities, culture and services. Whether they involve sales drives, encounters with celebrities, solidarity actions, shows or activities for children, events are essential elements in the life of the shopping centres. They enable us both to attract visitors and reinforce the role of the centres in the region, as well as creating a different, enriching visitor experience.

ACTIVITIES AT THE CENTRES, A FEW EXAMPLES

Despite the particular context of the year, the centres were careful to maintain activities. Bercy Village is committed to creating regular activities and has organised three exhibitions installed in the four passages connecting the Cour Saint-Émilion and the adjacent streets. A Halloween-themed event, with the installation of a climbing wall, was held during the All Saints holiday. The centre also set up a summer flower decoration and a Christmas decoration to compensate for the inability to organise the usual events due to the health context.

An event entitled "World Clean Up Day", which brought together around twenty participants, was also organised in September by the Costières Sud centre in Nîmes. On the programme: collection and recycling of waste collected in the car park, in the retention basins and in the shopping centre's green spaces.

Lastly, a number of solidarity initiatives have been implemented, details of which can be found in Section 4.2.6 Sponsorship and partnerships.

For shopping centres under development, Altarea integrates leisure and cultural activities into its programming far upstream.

Strengthening relations with the brands

The Brands Pact

In 2018, Altarea has been working on a new scheme called the Brands Pact, a programme of initiatives to support the move towards a collaborative relationship with brands. Its objective is to better support them throughout their career at Altarea thanks to better services and more attention, more meetings and exchanges, and more local marketing exercises.

In the last two years, actions refocused on supporting retailers with aspects of their business, during the various periods of lockdown and relaxation during the year: support for digitisation, physical modifications of the centres to make click and collect easier, and even assistance on topics such as increasing online visibility.

The green lease: a tool for environmental dialogue with tenants

Since 2010, Altarea has rolled out the green lease to promote the regular sharing of environmental information with its tenants: the Group applies it to all its new commercial leases as well as to its existing leases when these are renewed.

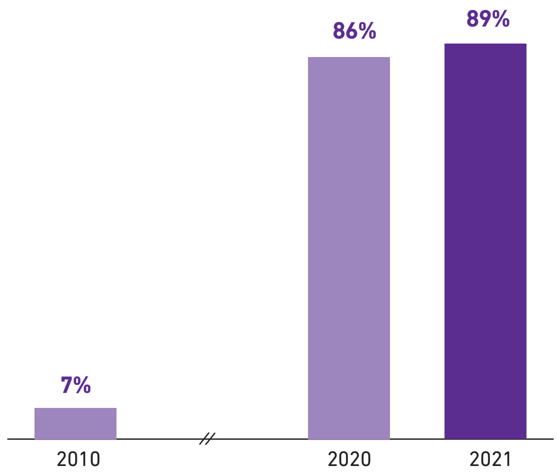
Specifically, the green lease gives Altarea a margin of environmental manoeuvre in two respects:

- the contractual exchange of environmental information allows Altarea to become familiar with tenants' fittings and installations, and also to have regular access to their energy and water consumption and waste production;
- the green lease requires the setting up of an Environmental Committee bringing together owners, tenants and all other stakeholders at each site. This committee is an opportunity to discuss the most effective ways of reducing the centre's environmental footprint.

Under a green lease on assets subject to such environmental certification, tenants undertake to comply with a set of technical, architectural and environmental guidelines that provide maximum power ceilings for any equipment they may install and recommendations regarding interior materials.

As of the end of 2021, the Group had signed 1,227 green leases out of 1,373 active leases in its French portfolio, *i.e.* 89%. This has been steadily increasing since 2010.

GREEN LEASE COVERAGE RATE
(EXCLUDING CENTRES UNDER DEVELOPMENT)



CSR surveys for tenants: a tool for better understanding their expectations

In 2017 and 2018, Altarea conducted surveys of tenants at its shopping centres on issues around sustainability. In all, nearly two thirds of tenants were asked about their actions and expectations regarding CSR.

Since 2019, this initiative has been incorporated in the Brands Pact described above, which includes questions on CSR in annual surveys. The objective is to continue the dialogue on these subjects in the interests of improved cooperation. Over the last two years, discussions with retailers have focused on managing their activity during this period of crisis.

The CSR Department and the Retail Marketing Department are currently defining a new questionnaire for retailers. In 2022, the Group will conduct new surveys, seeking to:

- initiate a dialogue with tenants, in order to know their perception and satisfaction of their centre's CSR commitments;
- retrieve relevant information and data on the CSR actions implemented by tenants in order to identify certain major issues;
- identify new concrete ways to reduce environmental impacts in order to improve the centres' CSR performance with a view to the upcoming application of the tertiary eco-energy plan.

4.3.2 Quality of life and well-being in operations DPEF1

Scope	Objectives/ Commitments	2021 Results	2020-2021 Change	Comments
Neighbourhoods	Develop pleasant living spaces	**Development of two WELL Community Standard neighbourhoods, including Issy Cœur de Ville, the first pilot project in France**	=	As a result of these projects, the Group plans to build up its expertise when it comes to quality of life in neighbourhoods
Residential	Certify 100% of projects NF Habitat[a]	**100% of projects certified or in the process of certification**	=	The Group has been committed since 2016 to NF Habitat certification, a guarantee of quality and environmental performance and comfort
Business property	Integrate well-being approaches into projects	**95% of major Business property projects aim for a well-being label**	↗	The Group systematically addresses the subject of well-being in its projects with a tailor-made approach
Retail	Draw up and roll out a comfort, health and well-being strategy for shopping centres	**Creation of internal guidelines comfort, health and well-being in 2019 Evaluation of 100% of the consolidation scope**	=	Since 2017 the Group has produced its own internal guidelines on well-being and evaluates its portfolio each year so as to identify priorities for action

(a) Excluding co-development, refurbishments and managed residences.

A project's quality of life and well-being are factors that create both social bonds for users and appeal for communities that have roots in sustainable urban development. The latter issue hinges on the search for balance in the diversity of projects (at the level of the neighbourhood and the building) in terms of housing, places of work, retail, services, culture and leisure with respect for the environment in which it is located.

The interior design of buildings is also key, with increasing demands from customers in terms of comfort, health and safety, which include temperature, acoustics, air quality, lighting, uses, aesthetics, etc.

Finally, each activity has its own challenges:

- in Residential, the ease of use and quality of equipment helps ensure the heritage value of the property over the long-term for investors;
- In Business property, comfort and well-being are key factors in attracting employees, investors and users;
- in Retail, proposing a pleasant, practical customer experience and keeping it fresh, combining shops and leisure activities is now indispensable.

In all its real estate transactions, Altarea pays special attention to the quality of city life, going well beyond the applicable regulations to offer the user added value. It therefore deploys means to improve the customer experience with regard to well-being by drawing on external certifications (for example, WELL) and internal requirements.

The Group focuses on three components of comfort and well-being in each activity and for each project:

- quality of the location: the Group opts for proximity and density. Its projects are located at less than 500 metres from public transportation to promote user access and mobility;
- intrinsic quality of the building: air quality, acoustics, lighting, aesthetics, but also quality of use of the building and flexibility, so that it is adaptable to current as well as future uses;
- additional services provided by the project to complement those already offered locally. Altarea uses its skills and multi-product know-how to develop, for example, childcare, quality food stores, leisure activities, etc. The Group also pays particular attention to the place of nature in the city, recognised as a source of well-being by users by developing buildings open to the outside world and green relaxation areas.

Large mixed-use projects

Thanks to its unique multi-activity positioning, Altarea brings together all the skills and services to design large mixed urban projects combining homes, shops, offices, etc. By working with communities, planners and other private stakeholders, the Group develops balanced neighbourhoods adapted to the needs of residents and users. The Group makes sure it offers a range of services, both diversified in the scale of the project and complementary to the offerings already present nearby.

Working on the scale of a neighbourhood also allows the Group to offer quality public spaces, mixing green spaces and recreation areas. The Group pays particular attention to the place of nature in the city (see 4.2.3).

ISSY CŒUR DE VILLE: WELL PILOT NEIGHBOURHOOD

The Issy Cœur de Ville project consists of the redevelopment of a site of about 3 hectares in the heart of downtown Issy-les-Moulineaux as a new mixed-use neighbourhood.

Fully pedestrian and developed around an urban forest, this neighbourhood has big ambitions in terms of quality of life for the city and its users. The neighbourhood will be endowed with a total of 1.3 hectare of landscaped spaces in patios and suspended gardens, in flower boxes and nature areas, shared and private.

It is the first pilot project in France with the WELL Community label, the benchmark standard in health and comfort on the scale of a neighbourhood.

Residential

The Group is developing healthy and comfortable residential buildings that favour social bonding and conviviality. To achieve this, it relies on the NF Habitat and HQE™ certification process and its team of interior designers. The Group also pays particular attention to the connection with the outdoor space, the quality of the indoor air as well as natural ventilation, lighting and cooling solutions.

HEALTH IN RESIDENTIAL: THE TEN COGEDIM COMMITMENTS

In 2021, Cogedim conducted an unprecedented study to analyse the close relationship that French people see between their housing and their health.

The survey also looked at possible solutions to be deployed in housing to meet expectations. The main conclusions of this study are:

- strong awareness of the impact of housing on health, strengthened by the health crisis:
  - 83% of French people believe that their home has a significant impact on their health,
  - 72% consider that the health crisis has made them aware of the importance of their housing for their health,
  - 9 out of 10 French people recognise that the quality of housing has a strong impact on the three pillars of health according to the WHO definition: physical, mental and social health;
- 1 in 2 French people have already moved or are planning to do so to improve their health;
- air quality, the presence of outdoor spaces and temperature control are the priority expectations of French people for healthy housing.

Echoing this study, the Group has made additional quality commitments for its homes developed under the Cogedim brand. Thus, since 1 July 2021, all new projects must meet 10 high quality criteria based on the following three pillars:

- health: air quality, summer comfort, natural light and acoustic comfort;
- well-being: spaces adapted to remote working, larger convertible outdoor spaces, fitting out bicycle storage facilities;
- eco-responsibility: biodiversity promoted in collective outdoor spaces, use of sustainable materials, CO_2 emissions reduced energy and water savings.

NF Habitat and user comfort

The NF Habitat standard exceeds the regulatory requirements in matters of health and safety, and focuses particularly on making pleasant, practical and comfortable places to live, with requirements regarding acoustic quality, visual comfort, proximity to services and public transportation, etc. (see 4.3.3). In 2021, 100% of Residential projects were NF Habitat certified or in the process of being certified.

Moreover, plans for apartments are checked by the Group's team of interior designers to guarantee their practicality: easy circulation, "practical" amenities thanks to the appropriate position of electrical outlets and sufficient space for furniture.

Lastly, special attention is paid to links to the outside world. In 2021, 94% of housing units have access to a private outdoor space (balconies, terraces and gardens). The Group is committed to ensuring that these spaces are of high quality. In 2021, nearly 80% of the balconies had a surface area greater than or equal to 10% of the housing.

94% of the units have access to a private outdoor space

Natural comfort solutions

The natural or passive solutions for ventilation, lighting and cooling depend primarily on the quality of the ground plan, the orientations and the depth of the buildings. A list of architectural guidelines frames the work of architects during the design phase. For example, the Akoya project in Le Grau du Roi favours natural ventilation with 100% of the residential units bi-facing and 90% having natural through-flows of air.

In a context of climate change, the Group has initiated additional work to maintain summer comfort in the homes. This work resulted in 2020 with the implementation of a minimum comfort threshold to be met by combining 15 passive solutions listed in an internal guide (see 4.2.2.2). In 2021, 100% of new projects met this threshold.

Indoor air quality

The issue of air quality is key in residential property. Altarea approaches the problem in a global manner: by imposing health criteria in the choice of materials and the installation of equipment and by supporting buyers in a healthy and responsible occupying process. 100% of products and materials are certified at least A, or A+ for paints. In addition, the quality of ventilation systems is audited.

For example, Altarea is applying the IntAIRieur label on several projects, in particular L'Écrin du Château in Châtenay-Malabry (92). This new measure commits all businesses working on the site to respect the guidelines in order to preserve the indoor air quality of residential units under construction. Once the project is finalised, two manuals are provided to users: one to the occupants and one to the manager. These documents will guide them in the building's daily use and during maintenance operations.

Cogedim Club® Residences

In the context of its Cogedim Club® residences for seniors, the Group adapted its offer to their specific needs by especially favouring the quality of social bonding, one of the principal selection criteria for future residents.

The range of residences combines adapted residential units, a programme of varied entertainment and a location in the city centre close to transportation, shops, health services and cultural programmes. Activities are organised with local bodies such as schools to promote intergenerational ties.

In view of the COVID-19 pandemic, the activity programme has been completely revised in order to maintain a diversified programme adapted to the senior audience, for whom social ties are essential, whilst respecting strict health instructions. For example, the Lyon 6th arrondissement residence Promenade Lafayette celebrated its second anniversary with an evening with all residents, families, elected officials, all external stakeholders and partners, in strict compliance with health rules.

As for quality, the fixtures and furniture in residential units are carefully selected with suppliers to adapt to the constraints of ageing (floorings, level of foundations and bedding, sanitary facilities). They comply with ergonomic recommendations.

THE "GRANDPARENTS & RESIDENTS" PROGRAMME

This programme allows residents and their families to come together during workshops on literature and transmission.

For example, book clubs were set up two years ago. Every two months, residents receive a selection of books and then meet regularly to exchange views on their reading. Once a year, a literary prize is awarded to a novel or story in French, on the theme of family and inheritance.

Finally, the Group gradually rolled out the VISEHA label in its residences. This label attests to the quality of the services offered in the senior residences (see 4.3.3).

Business property

In a world of work increasingly marked by remote working and nomadism, the workplace must be welcoming, comfortable and conducive to conviviality. Altarea develops very high-quality workspaces by placing well-being at the heart of its projects. The Group supports each of its customers in this area with a particular focus on flexibility and biophilic design.

Systematic approach to well-being

The theme of well-being has been integrated for many years through BREEAM® or HQE certifications.

For larger buildings(1), the Group systematically proposes to go further with a well-being label such as WELL or Osmoz. These standards, respectively American and French, place the user and health at the heart of real estate projects. The topics covered range from the quality of the physical environment (air, light, etc.) to conviviality and social interactions. In 2021, 95% of major Business property projects aim for a well-being label.

95% of major Business property projects aim for a well-being label

New ways of working

To respond to the new uses of Business property, the Group is developing interior spaces that are less isolated, more flexible, leaving more room for natural light and vegetation. For example, each floor of the Bridge project, the headquarters of Orange in Issy-les-Moulineaux, features plant-covered balconies and roof terrace gardens accessible for meetings or rest breaks.

In support of the digitisation of activities and communications, the Group offers first-class digital connectivity based on the most demanding standards such as those of WiredScore and Ready2Services (see 4.3.5).

Biophilic design

The biophilic concept consists of integrating elements from nature into the building. Recent studies prove that a design imitating nature has a positive impact on health, creativity and in reducing stress.

The Group is exploring this approach in the context of its projects by reviewing the integration of biophilic design into the building (especially the visual and auditory connection with nature, lighting that respects the circadian rhythm, the presence of water, designs and motifs inspired by nature, the presence of "cocoon" spaces for quiet time alone, etc.).

This initiative was carried out at 87 Richelieu, the Group's new head office, which opened in mid-2020. Altarea employees benefit from an outdoor planted area of 2,000 m² in the midst of Paris's 2nd arrondissement, the largest private green space in the district. Inside, each floor has its own range of greenery, including several hundred plants, some of which have depolluting properties.

Retail

The theme of well-being is already an integral part of BREEAM® and BREEAM® In-Use certification, on which the Group bases its CSR approach for its Retail business. Altarea is going further in taking into account well-being in the design of its projects and the operation of its buildings, drawing on the most recent standards such as WELL and the concept of biophilia. In order to have a tool aggregating the various issues associated with comfort, health and well-being, the Group has defined its own dedicated in-house guidelines since 2017.

(1) From 15,000 m² of floor space.

Property Development

In the context of its systematic sustainable certification approach, Altarea surpasses the regulatory requirements as regards:

- indoor air quality and olfactory comfort: for 100% of projects under development with environmental certification, the Group identifies sources of pollution, both internal (VOCs and formaldehyde) and external (major roads, construction products, business conducted on premises, soil, etc.). It sees to it that there is effective ventilation and control of sources of unpleasant odours and appropriate air flows for the businesses on the premises to ensure healthy circulation of fresh air;
- hygrothermal (heat and moisture) comfort: during the design phase, dynamic thermal simulations are carried out to decide on the technical and architectural options that strike the best balance between comfort of use and energy consumption. Altarea chooses systems that provide the most comfortable temperature and humidity levels in all seasons: in winter, a suitable overriding control makes it possible to maintain a stable temperature in the building; in summer, protection from the sun and dissipation of excess heat are essential for comfortable temperature and humidity levels;
- acoustic comfort: to offer good acoustic performance, Altarea optimises the position of spaces in relation to each other based on internal noise pollution and conducts acoustic studies to assess the level of ambient noise and sound insulation between spaces. In Retail, where the level of ambient noise in different spaces (retailers, food outlets, central area, and offices) can be even more difficult to assess, the objectives are specific to each project. Acoustic measurements are taken during the construction phase to check that these objectives are met.

Portfolio

In its REIT business, Altarea has been implementing comfort, health and well-being actions for its visitors for several years now, notably *via* its management system based on BREEAM® In-Use.

As such, for the health and well-being part of the certification, the shopping centres achieved an average score of 57% in 2021 compared to 63% in 2020. This slight decrease is explained by the change in the BREEAM® In-Use standard, which is becoming more and more demanding. Additional efforts are already being made to achieve or exceed previous scores.

Over the last two years, special attention has of course been paid to the health and safety of visitors and employees working in the centres. The operational plans for the opening of the centres have included the necessary measures of distancing, signage, distribution of hand sanitiser, distribution of masks, support for brands, etc.

During normal operation, shopping centres work to promote ever greater comfort. For example, the L'Avenue 83 centre in La Valette-du-Var provides a wheelchair service, package collection kiosks and a motorcycle helmet check room. Bercy Village, in Paris, holds events themed on well-being, notably artistic workshops and weekly yoga courses from March to October. It makes deckchairs, table football and table tennis tables freely available.

The last two years were marked by strict social distancing measures, so few actions and events were held. The centres are keen to restart actions that promote health and well-being when circumstances allow.

EVENTS TO PROMOTE HEALTH AND WELL-BEING

In a context of a health crisis linked to the COVID-19 pandemic, Altarea centres were able to organise fewer events for visitors in the past two years. Among the events held, some of them raised awareness of health and well-being issues.

Thus, with the participation of Carrefour Market, the Reflets Compans centre is carrying out a Complete opening of public address systems in common areas. This measure takes place every day of the week, from 4 p.m. to 5 p.m. and follows the signing of the charter between the National Council of Shopping Centres (CNCC) and associations concerned by autism, on the implementation of a "silent hour" in shopping centres.

In partnership with the National Institute of Sport, Expertise and Performance (INSEP), Bercy Village hosted an exhibition entitled "A School of Sport", promoting sports in schools.

Internal guidelines on comfort, health and well-being

In 2017 Altarea tested the WELL standards on the Qwartz shopping centre and discovered some new best practices to implement throughout its portfolio.

This study, combined with the Group's experience of the BREEAM® In-Use well-being criteria, enabled it to set its own guidelines in 2017, drawing on these recognised external criteria. This made it possible to evaluate Standing Assets in more detail and roll out a large-scale process of continuous improvement on the issues of comfort, health and well-being.

An inventory was carried out of the entire portfolio in 2017, and since 2018 progress has been measured by the portfolio environmental management system. The 33 criteria evaluated by the standards concern various themes such as air quality (for example verification that CO and NOx checks are correctly carried out and that an alarm is triggered if limits are exceeded) and visitor comfort (for example verification that a rest area is made available to visitors).

The priority themes on which Altarea concentrates its efforts are: indoor air quality, comfort and food. Improvement measures were put in place as long ago as 2017, such as strengthened monitoring of air quality in standard maintenance contracts and partnerships with start-ups to recover unsold food in an innovative way that promotes the circular economy.

In 2020, 80% of the centres for which their BREEAM® In-Use scores about areas for children and adults were reassessed are available. In addition, special attention is paid to the employees of the centres, with an emphasis on thermal comfort and lighting of workstations.

4.3.3 Labels and certifications, creators of green value DPEF1

Scope	Objectives/Commitments	Indicator	2021 Results	2020-2021 Change	Comments
Residential	100% of new projects certified NF Habitat[(a)]	Share of new projects certified	100%	=	The objectives are met. The ambitious strategy of certification is complemented by the most recent or innovative certifications in order to guarantee the building's green value
Business property	100% of new projects in the Paris region certified at least HQE "Excellent" and BREEAM® "Very Good"	Share of new projects certified	100%	=	
Retail	100% of BREEAM® In-Use sites	Share of sites certified	100%	=	The figure has been steady since 2015. Altarea is 100% BREEAM® In-Use certified for French assets under management, and targets at least the "Very Good" level

(a) Excluding co-development, refurbishments and managed residences.

The increasing importance of customer demands with regard to comfort and use as well as the tightening of environmental regulations have pushed the notion of green values to the forefront in the real estate sector. It represents the ability of a building to avoid regulatory obsolescence, or of use, and is thus a guarantee of its sustainability over time. To maintain or advance a building's green value, certifications and labels have gradually become the market norms.

Altarea is committed to a strategy of ambitious, innovative and sustainable certification, specific to each of its activities. Labels and certifications are thus chosen depending on:

- the relevance of the applicable standards and assessment method. In Retail, for example, BREEAM® is the tool most used by the market;
- stakeholder expectations for each project type, whilst seeking to outperform market standards;
- the strong willingness to offer the most recent, ambitious and innovative labels and certifications on broader matters than environmental performance (WELL, BiodiverCity WiredScore®, etc.) in order to stay ahead in all of its activities.

Residential

NF Habitat Certification and its HQE approach

Since 2016, the Group has been committed to NF Habitat certification and its HQE approach.

All of the Group's housing is NF Habitat certified. This certification is a benchmark for the essential qualities of the housing units and common areas of the building. It is reflected in concrete daily benefits: a healthy interior, safe and pleasant for living, controlled expenses, but also a respect for the environment. It covers a certain number of design criteria: size of glazed spaces, water-saving equipment, etc.

Regarding environmental or energy performance, the Group is going even further by seeking for over half of its production, the NF Habitat HQE™ certification (which goes beyond NF Habitat in environmental terms), and even an additional energy label, such as E+C- or biosourced. In 2021, 57% of the Group's Residential projects had NF Habitat HQE™ certification, or an environmental label.

100% of Residential projects are certified NF Habitat, a guarantee of quality, environmental performance and comfort

57% go even further with an additional environmental certification or label

Some projects may benefit from supplemental certification efforts. The Cœur de Ville project in Bobigny, for instance, already committed to Écoquartier labelling, at the community's initiative, is a pilot project of the new HQE Performance standard. The Group is thus participating in defining new standards of reference in terms of sustainable urban development.

VISEHA label and Cogedim Club® residences

To improve transparency as regards the quality of services offered in serviced residences for seniors, the professionals of the sector, among them Altarea, have created a label called VISEHA (Vie Seniors & Habitat). It is based on 13 criteria concerning property features and services offered by the residences, as well as prerequisites relating to the financial health and feasibility of the operator in order to ensure the sustainability of the residences.

Two residences are already certified. These are Terre de Seine in Suresnes and Villa d'Helios in Montpellier. In 2021, the audits for the deployment of this label in the network were continued. The objective is to label all residences from 2022 and to integrate all new residences into this labelling system.

Business property

All Business property projects benefit from a systematic certification process, HQE and/or BREEAM®, respectively the French standard and the European standard regarding the environmental performance of buildings. In 2021, 100% of Business property projects were HQE and/or BREEAM® certified and 83% double-certified.

In the Paris region, which represents almost half of national production, the ambition is higher, with systematic dual certification at a high level of performance. In 2021

- 100% of Business property projects in the Paris region have dual certification, HQE and BREEAM®;
- 100% of Business property projects in the Paris region are HQE certified "Excellent" or higher, 76% of them "Exceptional";
- 100% of Cogedim Business property projects in the Paris region are BREEAM® certified "Very Good" or higher, 63% of them "Excellent".

100% of Business property projects in the Paris region have dual certification at least HQE "Excellent" and BREEAM® "Very Good"

In addition, in 2021, 100% of hotel and Logistics operations have HQE and/or BREEAM® certification.

These numbers were stable compared to 2020.

Some projects also have thematic certifications and labels, such as BiodiverCity® (biodiversity) for the Issy Cœur de Ville project and the WELL label (well-being) for the Bridge project (see 4.2.3 and 4.3.2).

Retail

In 2021, the process of certification continued for the assets managed in France.

100% of the assets managed in France are BREEAM® In-Use certified

Construction certification

56% of shopping centres also have construction, HQE and/or BREEAM® certification.

Altarea chooses the certifications best suited to its customers' needs and the context of projects. Accordingly, the BREEAM® certification, massively adopted by European retail operators, has been used for 100% of Retail projects under development managed by the Group since 2016.

The Group systematically seeks the highest levels of certification for its projects (taking account of technical and economic constraints). Accordingly, 100% of shopping centre projects in development that have a BREEAM® certification obtain an "Excellent" level or higher. CAP3000 obtained a total score of 76% on its BREEAM® certification for the design of its building.

As a complement to BREEAM®, certain Retail projects seek other certifications or labels. For example, CAP3000 has obtained the BiodiverCity® label. The Qwartz site in Villeneuve-la-Garenne and the L'Avenue 83 site in La Valette-du-Var have two certifications: HQE and BREEAM®.

Operational certification

Since 2012, Altarea has embarked upon a process of gradual environmental certification of its operating assets, opting for BREEAM® In-Use certification.

This standard, version 6.0 of which was released in May 2020, assesses the environmental performance of a building in two different areas, based on nine themes:

- Part I "Asset Performance" covers eight themes: Health & Well-being, Energy, Transport, Water, Resources, Resilience, Land Use & Biodiversity and Pollution. It focuses on the intrinsic performance of the building (construction, facilities, fittings and services installed);
- Part II "Management Performance" covers seven of the topics from Part I with the exception of Transport, plus the "Management" theme. It assesses the quality of the management of the asset.

At the end of 2015 an initial objective was reached with the certification of 100% of the assets in its reporting scope thanks to the roll out from 2014 of the operational environmental management system, which makes nonfinancial reporting more organised and reliable and applies best practices and requirements of environmental certification across the Board. Each centre management team received a series of trainings in using this tool.

The Group's new objectives are:

- to maintain the certification rate of the managed assets at 100%;
- to improve its BREEAM® In-Use scores every year. A score of "Very Good" or higher is targeted for score reassessments. All centres except one (at the "Good" level) achieved it.

In 2021, all sites present in the reporting scope had BREEAM® In-Use certification.

These certifications apply to the Asset (intrinsic performance of the building) and Management (operation of the building) categories of the benchmark. Detailed scores are available in Chapter 4.5.3.

In 2021, the average performance of the portfolio per surface area was 66% for the "Asset" part (+18 points on 2013) and 65% on the "Management" part (+22 points on 2013). As explained in 4.3.2, this performance is slightly down compared to 2020 because the BREEAM® standard has become more demanding. Additional efforts are already being made to achieve or exceed the scores previously obtained by the centres.

The improvement in the average performance of Altarea's standing assets in operation bears testimony to the commitment and efforts made by each shopping centre in respect of health and well-being (see 4.3.2), the soil conservation and biodiversity (see 4.2.3), waste management (see 4.2.4), etc. Certain themes such as energy and biodiversity improved notably thanks to actions carried out at Group level.

In addition, the Group has extended its environmental certification approach to sites that are not directly managed. Thus, Jas-de-Bouffan in Aix-en-Provence has been BREEAM® In-Use certified "Excellent" level since 2019.

4.3.4 Responsible supply chain and supplier relationships DPEF6

Altarea is a major customer with more than €3 billion in annual purchases. Nearly 90% of the Group's purchases are linked to construction, of which more than one third is for shell structures, the remainder being spread over all the other items such as electricity, heating/ventilation/air conditioning, plumbing, etc. The other 10% consists mainly of Group's general expenses and the operating costs of the shopping centres.

The societal impact of these purchases is strong, due to their volume and the variety of economic sectors concerned. As a result, Altarea conducts responsible purchasing actions across all of its business lines. In addition, in order to enrich its thinking on this subject and share best practice in the industry, the Group participates in the sustainable property observatory's (OID) responsible purchasing working group.

It should also be noted that Altarea structures itself internally to promote the integration of more virtuous construction and operational methods in its business lines. One of the levers of this integration is the sourcing of finance conditional on high standards of environmental performance.

A Group approach

In 2018, Altarea launched a process for structuring and optimising purchases, led by the Performance Department and the CSR Department. This approach encompasses all of the Group's companies and purchases. It aims to ensure the integration of a CSR approach adapted to each type of product or service.

The approach, developed in conjunction with the various business divisions and subsidiaries of the Group, provides for:

- generalised actions (deployment of a Group responsible purchasing charter);
- adapted systems, by type of purchase (CSR clauses in calls for tenders and contracts, training, audits, etc.); and
- working to build a responsible and sustainable relationship with suppliers.

The responsible purchasing charter

A responsible purchasing charter covering social requirements, health and safety, the fight against corruption, respect for personal data and consideration of environmental issues was drafted in 2019 and updated in 2020. Since 2020, it has been gradually applied to all Group purchases, in particular to Property Development activities. A clause to this effect has been added to the general clauses and consultation regulations, which are systematically used for works contracts.

To accelerate its deployment, the CSR team held awareness-raising sessions on responsible purchasing and training on the objectives and use of the charter for all the Group's subsidiaries. The charter comes with a note, explaining it to suppliers and subcontractors. It helps clarify the content and objectives of the charter and to talk about it to the various stakeholders.

Finally, the charter is accessible to all on the Altarea website.

Adapted systems, by type of purchase

The implementation of adapted systems (contractual clauses, actions rolled out on building sites or in the Group's shopping centres, etc.) by type of purchase began with a detailed mapping of the Group's purchases, which was then supplemented by a review. identification of the major risks (safety, social, environmental, etc.) associated with these purchases.

Since 2020, in close collaboration with the departments concerned, the CSR Department has refined its work on analysing risk points. For each risk and each business line, the CSR team analyses purchasing practices, identifies existing risk management systems and supports each brand in a continuous improvement process. In 2021, one of the highlights was the organisation of a workshop to share best practices between all of the Group's Property Development brands..

Property Development

Safety on construction sites

The safety of all workers on construction sites is a major priority for Altarea. In the context of the COVID-19 pandemic, the Group has been able to show agility to continue its activities whilst ensuring the safety of employees and workers on building sites (checks of health compliance on building sites, adaptation of the protocol for lifting reservations at the purchaser's premises during a pandemic, etc.).

Aside from the health situation in 2020 and 2021, safety issues are addressed at different levels: contractually, through actions on the ground, awareness-raising and internal and external audits.

From a contractual point of view, the issue of safety is the subject of numerous clauses in contracts. They relate in particular to the obligations and responsibilities of the various stakeholders to guarantee the safety of all on the construction sites.

At an operational level, in order to manage safety on construction sites, the Group relies on the project Manager and health and safety protection (H&S) coordinator who is responsible for managing joint working on safety on-site. Particular attention is paid by the Group to ensure that the resources allocated to the H&S coordinator are systematically in line with the high level of urgency required. Prevention specialists also work on large-scale projects.

It should also be noted that the Group took part in the creation of a club at the Caisse Régionale d'Assurance Maladie d'Île-de-France (CRAMIF) dedicated to the subject of safety for project Managers. The work of this club feeds into the Group's safety considerations. For example, at Cogedim, the project management and CSPS contracts have been updated to include the main recommendations of the CRAMIF and the Caisse d'Assurance Retraite and de la Santé au Travail (CARSAT).

In addition, the Group conducts training and awareness-raising actions for its employees, partners and journeymen to encourage best practices (awareness-raising campaigns, training days, reminder of best safety practices through dedicated posters, etc.).

In addition, since 2019, an in-depth audit has been carried out to sustainably improve safety management on building sites.

Finally, in terms of reporting, data is collected across the Group's scope of direct responsibility which makes it possible to monitor site practices in a process of continuous improvement. Substantial reporting of Residential activities is used to report data on construction site accidents to the national level. Based on this increase, it was decided to publish an indicator that takes into account the volume of activity: the number of accidents per 1,000 homes, which stands at 3.46 for 2021. In Business property, data is tracked locally. In 2021, for this activity, the frequency rate of building site accidents was 19.5 (compared with an industry average of 28.1) and the severity rate was 0.1 (compared to 2.4 for the sector).

The fight against illegal work

The fight against illegal work is another major issue in the construction sector, identified as a priority for the Group. Altarea has implemented numerous processes and actions at different levels to combat these practices.

First of all, like safety requirements, the issue of combating illegal work is the subject of many strict clauses in contracts. These clauses relate in particular to contractual, social and tax requirements relating to the employment of personnel. They also relate to the use of subcontractors and requirements to post information informing all on-site workers of the applicable regulations and their rights. These documents are translated if necessary to make them accessible to as many people as possible.

In addition, the Group uses the recognised external service provider "Attestation Légale" to collect, archive and manage all the regulatory certificates required by companies to sign contracts and approve the various subcontractors. These checks make it possible to identify at-risk service providers and so only use partners with practices that meet Altarea's requirements.

In the field, personal access control systems on construction sites help to combat illegal work. Lastly, random audits, carried out by an independent organisation, aim to ensure that the personnel working on the site are indeed those previously declared and authorised.

Site nuisance

A low-nuisance building site charter attached to the works contracts requires, within a contractual framework, compliance with commitments relating to all nuisances that may occur on a building site, whether for Residential, Business property or Retail projects:

- reduction of nuisances caused to local residents (dust, sludge, noise, delivery and parking of vehicles, change to the local traffic plan, site surroundings, etc.);
- reducing the risk of soil and air pollution during construction;
- sorting and reduction of site waste going to landfill;
- protection of nature and biodiversity; and
- management of water and energy resources.

In addition, the site charter also imposes requirements relating to the social and organisational aspects of the site (secure access to the site, etc.).

In Retail, the "clean building site" contact ensures commitments are met throughout the project.

National framework contracts have been signed with technical inspection service providers, CSPS and AMO Environnement, in order to ensure, in particular, compliance with safety and the proper application of the low-nuisance building site charter, notably through audits conducted during the construction phase.

Certifications

The ambitious, systematic strategy to certify all projects is a means of incorporating CSR criteria throughout the building life cycle: sustainable design, environmental and health standards for materials, responsible practices during the construction phase, commissioning, etc. In the tender phase, standard contracts (architect, multidisciplinary design office and project management) set out these sustainability objectives for a project.

Retail portfolio

In order to engage the providers involved in the operation of shopping centres in a CSR approach, Altarea has introduced the following documents applicable to all concerned in the past few years:

- an environmental charter for providers carrying out one-off assignments, covering the following points:
  - construction site impact: limiting noise, accidental pollution,
  - waste treatment: reporting on waste produced, by type and disposal channel,
  - choice of materials: EC branding, preference for labelled and low VOC emission materials;
- an environmental note appended to maintenance and cleaning contracts addressing the following points:
  - management: service provider training plan, provider sustainable development plan,
  - energy: consumption monitoring, continuous maintenance plan for equipment,
  - environment: incorporation of a biodiversity action plan,
  - pollution: management of hazardous waste, monitoring of emissions,
  - materials: limiting nuisances and risks for workers,
  - waste: maximisation of sorting and recovery,
  - water: monitoring of consumption, installation of hydro-efficient equipment,
  - comfort and health: management of bacteriological risks, low VOC or labelled paints;
- an environmental appendix for green-space contracts making for operations that are more respectful of biodiversity. Accordingly, the Group prohibits the use of phytosanitary products on its sites, with the exception of those used for organic farming.

Standardising the use of these contractual documents on sites included in the scope of reporting and sites managed on behalf of third parties (unless otherwise specified by the third-party principals) satisfies the requirements of BREEAM® In-Use certification, integrated in the Group's Environmental Management System.

Moreover, standard contract frameworks for service providers working on portfolio assets were updated in 2017 and have been circulated across all sites since 2018. These new versions incorporate enhanced requirements on CSR aspects such as monitoring indoor air quality, impacting directly on visitor health and comfort.

Corporate

87 Richelieu

For the construction and fitting-out of its new head office 87 Richelieu, Altarea has selected materials according to demanding requirements in terms of environmental and health performance. For example:

- the insulation of the walls is made of recycled jeans and is of local origin;
- the Group has been vigilant in minimising the air pollution caused by the new furniture;
- the origin of the plants has been studied and the soil used is organic.

In addition, for the operation of the building, the Group has incorporated ambitious CSR criteria and requirements when selecting the majority of its partners, facility management and catering in particular. Some concrete applications:

- the use of chemical products for maintenance of the premises is reduced to a minimum;
- disability-friendly contractors (with at least 80% disabled people) maintain the outdoor spaces and take care of waste recovery;
- the clothing of the cleaning staff is made of Oeko-Tex® cotton and the material is recycled at the end of its life.

The goodies

As the previous contract ended, in 2020 Altarea negotiated a new framework contract for the purchase of promotional gifts at Group level. Distributed to various stakeholders (institutional investors, end customers, employees, etc.), the promotional gifts must reflect the Group's commitment to Sustainable development. This is why special attention was paid to the CSR performance of the various candidates throughout the selection process: CSR requirements in the specifications, expanding on the answers given to these requirements in the application file during the oral examination, integration of CSR criteria in the final score, etc. The service provider selected at the end of this process shows a strong commitment in terms of CSR (origin, manufacturing conditions and product design, carbon impact, use of disability-friendly contractors, etc.). As the contract is now effective, monitoring committees are now planned to monitor the CSR performance of these purchases.

A responsible and sustainable relationship with suppliers

In a context of increased competition in the construction market, a major challenge for Altarea is to establish a lasting relationship with its suppliers. To do this, in addition to the ongoing dialogue within the framework of operations, various actions have been put in place to nurture this trusting partnership relationship.

Ecovadis assessments

Altarea launched an evaluation process of some of its suppliers *via* the Ecovadis platform, to measure the level of progress with regard to CSR. Through this approach, the Group seeks to support its suppliers in their progress on environmental and social issues, in order to reduce the areas of risk in its supply chain.

Since 2017, assessments have focused on suppliers of Cogedim housing equipment (sanitaryware, electrical equipment, heating, etc.). They have been mandatory for new suppliers since 2019 and reassessments have been monitored continuously since 2020.

In 2021, a new assessment campaign was launched with the Group's general contracting partners. This campaign is still under way and the conclusions expected in 2022 will inform the Group's responsible purchasing approach.

Supplier regulations

In 2020, the Group launched a reverse factoring solution, in partnership with a bank. The purpose of this programme is to support suppliers in their financing and cash flow issues, particularly in the context of the COVID-19 pandemic.

In addition, the supplier management and invoice processing processes were fully digitised in 2020 and 2021. This helps to limit the risk of fraud and streamline the payment process.

Economic dependency

Altarea makes more than half of its construction purchases with several major players in the sector, which limits the potential for economic dependence. In addition, the Group has put in place a process to control economic dependence in other types of purchases.

4.3.5 New uses and innovation DPEF1

Scope	Objectives/Commitments	2021 Results	2020-2021 Change	Comments
Business property	Strengthen the digital connectivity of projects	**100% of projects in the Paris region are working towards a digital connectivity label**	↗	The Group continues to offer long-term performance to its customers with regard to technology

The real estate industry develops assets that have lasting effects on cities. Yet, practices and expectations of city inhabitants and users have greatly changed and continue to evolve rapidly. Altarea must adapt its offer to the new residential pathway of the French public, new ways of working, digital players, new forms of consumption, etc. The challenge is to guarantee investors and users that the buildings or neighbourhoods built are practical, connected, and planted to adapt to new uses and maintain their attractiveness over the long-term.

A development team dedicated to innovative projects

Altarea has an innovation department that facilitates the emergence of new products and services to improve the daily lives of citizens and the Group's performance. This department has the following objectives:

- develop new property services and offers to better satisfy customers;
- implement new internal tools to increase the Group's productivity;
- stimulate the innovation culture of the teams to support the transformation of Altarea's business lines.

The Innovation team, comprising five persons, has both a watching brief to identify promising innovations and a support role in their deployment throughout the Group. It organises events that introduce specific innovations for property, makes digital tools available and connects employees with innovative external structures.

It is supported by a network of officers across all regions where the Group has a presence.

Developing new offers of property products and services

The Innovation team is creating opportunity files that evaluate the technical, financial and legal consequences of identified innovative projects and products. The goal is to identify the right innovations and the simplest to implement, to clear potential roadblocks and facilitate their deployment.

Plan A co-living offer

After an initial experiment with co-living in Montreuil, the Group decided to draw on this experience to develop a wider co-living offer called Plan A. Mutualising the surface areas makes it possible to build furnished accommodation at affordable rents in major French cities. To ensure the management of these shared living spaces, the Group works with the start-up FlatnYou, specialised in this type of management. Altarea also won a project in Tours that will include 15 Plan A housing units to be rented by international students and a third project, in Rouen, for 20 Plan A units.

Alacaza neighbourhood social network

To promote social ties in its new neighbourhoods, the Group has piloted a mobile application bringing together all local residents and retailers, in order to promote interactions and the creation of local communities of interest.

This solution is part of the Group's desire to design vibrant and human cities.

Partnership with Urban Lab for the Paris Austerlitz programme

A partnership with Urban Lab (the City of Paris' platform dedicated to urban innovation) has been set up to connect players and experiment with innovative urban solutions that meet the challenges of the Paris Austerlitz site programme.

WiredScore and Ready2Services labels

To guarantee long-term technological performance in its buildings, Altarea was one of the first groups to take an interest in the WiredScore and Ready2Services (R2S) labels. WiredScore assesses the quality of internet connectivity, infrastructure and the building's potential connectivity. R2S has a complementary approach which aims to make buildings compatible with future technologies and uses.

READY2SERVICES (R2S) LABEL

The R2S label has as its goal to support the digital revolution in buildings, to make them more adaptive, pleasant for living, serviceable and interoperable. It offers innovative thinking based on upgradability and the openness of systems to combat obsolescence, optimise operation and make services accessible to the occupants. Its standard requires that the building must be able to connect to any exterior network and accommodate future innovations by using communication protocols that communicate with each other.

The Group's "87 Richelieu" head office in Paris is certified WiredScore and R2S. In 2021, 100% of Business property projects in the Paris region (by surface area) sought a digital connectivity label such as WiredScore or R2S.

100% of Business property projects in the Paris region sought a digital connectivity label

Adaptability of buildings and intensity of use

Lastly, in order to guarantee the value of its properties over time, the Group is working to increase the intensity of use of its buildings and the design of adaptable spaces (see 4.2.2).

Implement new internal tools to increase the Group's productivity

Altarea is integrating its approach to innovation into the business and enriching it with external partnerships.

"87 Richelieu" app

The Group is developing a property app which enables employees at its new head office access to a range of services available within the building. The aim of this app is to support employees as much as possible in their new working environment, to improve their efficiency and promote their well-being day-to-day. Altarea was named winner for this application at the second edition of the Digital Real Estate Transformation Trophies in France, organised by Business Immo, the Smart Buildings Alliance and the ESPI group.

Altawiki

In order to help connect operational development teams with innovative projects outside the Company, the innovation team has launched Altawiki, a collaborative tool that now lists over 1,500 of the Group's innovative partners and suppliers. The platform lists several hundred start-ups and structures in the social economy that contribute to shaping the city of tomorrow. This platform makes it possible to easily motivate them to respond to tenders or involve them in projects under development.

Stimulate the innovation culture of the teams to support the transformation of Altarea's business lines

The innovation team supports the operational teams to facilitate the emergence of new products and services. This culture of innovation should make it possible to identify innovative solutions to transform the Group's working methods and business lines.

New destination concept: the example of Nida in Issy-les-Moulineaux

At the heart of its Issy Cœur de Ville project, the Group is developing a new concept of an innovative third space, an open hybrid space that unites the local ecosystem, residents and businesses, reconciling the public interest with economic balance.

The concept and programming of this 1,500 m^2 space were defined *via* a collaborative design method called "Issy Open Design" aimed at selecting project leaders who contribute to the concept and the running of the space during its operational phase.

Development method Building information modelling

Finally, 100% of Altarea's Business property projects in the Paris region have been developed using the building information modelling or BIM method. This method involves virtual modelling of the physical and functional characteristics of a building. The digital model makes it possible to better control construction costs and to facilitate operation of the building.

4.3.6 Business ethics DPEF9

Scope	Objectives/Commitments	2021 Results	2020-2021 Change	Comments
Group	Continue to strengthen the programme for combating corruption	**Strengthening of the third-party assessment procedure through the use of a compliance platform**	Continuing the process	Further work will continue in 2022, notably with the implementation of an accounting control tool
Group	Train and raise awareness among the most exposed employees on the fight against corruption, money laundering (AML/CFT) and fraud	**Anti-corruption e-learning programme: 1,809 employees trained, 74% of the Group** **AML-TF e-learning programme: 325 employees trained, 71% of the target population** **Fraud e-learning programme: a training course on President fraud and bank details fraud was set up. 91 employees trained, 55% of the target population**	Continuing the process	In addition, communication campaigns were run throughout the year on cybersecurity, fraud and compliance (postings, articles in the intranet, emails)

Values and ethics

All Altarea Group employees and corporate officers must comply with the principles established in the ethical charter, appended to the internal rules of procedure. Any breach of these provisions may thus constitute a disciplinary offence subject to sanction. This ethical charter, which is available on the Group's intranet site and systematically appended to the employment contracts of new hires, covers all aspects of the relations between Altarea and its stakeholders, employees, customers/tenants, service providers/suppliers, as well as best practices for internal ways of working:

- protection of privacy;
- rules a publicly listed company must respect concerning the use of inside information;
- duty of loyalty and conflicts of interest;
- respect for the law and applicable regulations;
- respect for the environment and the principal of integrity;
- ban on forbidden practices and corruption.

New employees are systematically reminded of the Group's stated rules, values and principles during induction days. It addresses topics related to Rules of Procedure, the IT Charter, the ethical charter and aspects of health and safety.

Also, any employee who has trouble discerning how to behave in a particular situation can refer their situation to their Manager or, if need be, to the Ethics Director appointed by Management. The consultation with the Ethics Director and their advice are confidential under the ethical charter.

Fight against fraud, money laundering, the financing of terrorism and corruption

Altarea's General Management reaffirmed its commitment to the Group's compliance approach and to the implementation of a policy of zero tolerance towards bad practices and total rejection of corruption and trafficking of influence in all its forms.

This approach is reflected in the implementation of:

- the mapping of corruption risks;
- dedicated training delivered face-to-face, remotely or in the form of e-learning;
- third-party integrity assessment processes;
- anti-money laundering and anticorruption clauses included in all contracts;
- an Ethics Officer, a Compliance Officer and a TRACFIN reporter/correspondent for the entire Group.

The Group's anticorruption policy is restated in its ethical charter. The policy aims primarily to set out the values and rules of conduct to be observed, and to guide employees in their daily activities regarding any ethical questions or conflicts of interest they may be confronted with. For example, hiring contractors or service providers with a relationship with the Group for personal use is prohibited without the approval of the Ethics Director. The following principles must also be mutually enforced in relations with authorities and customers: any act that is likely to be construed as an attempt to corrupt is prohibited and is to be reported. Any payment or acceptance of illicit funds is strictly forbidden in the conduct of Group operations. Where there is doubt as to the legality of a payment, the Ethics Director must be consulted immediately for their opinion.

In order to support the proper and full deployment of the Group's approach to business ethics, an awareness campaign on violations that concern neglecting the duty of probity was conducted for those employees identified as being the most exposed and should be repeated in 2022. Also, with the help of a specialist law firm, courses were held on different sorts of corruption, conflicts of interest, the peddling of influence, favouritism and the criminal repercussions associated therewith, particularly in relations with the public sector. This awareness campaign continues on a regular basis by means of messages issued to employees by senior executives at events such as seminars, committee meetings as well as at induction days for new arrivals.

Moreover, the Legal Department ensures that clauses specific to anticorruption legislation are included in contracts with third parties.

In accordance with the law and in order to display greater transparency in the relations and interests between companies and public officials, the Group has been registered with the digital directory of the High Authority for Transparency in Public Life (HATVP) since 2018. A declaration of activities of representatives of interests is filed each year.

As part of its activities, Altarea uses the services of many external companies. Their selection is governed by formal provisions and generally established in tenders (no monopoly of a service provider, limited use of multi-year contracts, etc.). At the Group's most recent update to its risk mapping the risk of fraud, though limited, was assessed as being slightly greater in terms of impact. This was due to increased media coverage of fraud cases and the increase in "fake President" and "changed bank details" scams which the Group was a target of. To ensure that these fraudulent attempts are unsuccessful, awareness-raising messages are regularly distributed to the most exposed populations, and training is provided to the accounting and financial departments.

On the date on which this document was filed, no cases of noncompliance with internal policies had been identified and no fine linked to corruption had been paid.

Finally, through its management activities on behalf of third parties and transactions, Altarea is subject to the Fifth Directive (combating money laundering and the financing of terrorism). As such, the Legal Department ensures that clauses specific to anticorruption legislation are included in the relevant contracts. The procedures related to customer knowledge were strengthened in 2021 with the implementation and use of a due diligence management tool. Any payment or transfer for which the origin of the funds is undocumented is subject to an in-depth analysis and information to the TRACFIN reporter who is responsible for reporting the suspicion to TRACFIN.

4.3.7 Safety of assets, people and personal data DPEF10

scope	Objectives/Commitments	2021 Results	2020-2021 Change	Comments
Group	Ensure the safety of Group employees	**In-person training of first-aiders at work: 77 employees trained** **Risk-awareness and fire evacuation e-learning programme: 1,195 employees trained** **Fire evacuation exercises overseen by fire-fighters: 2 evacuation exercises bringing together 500 and 1,100 participants** **In-person training on fire prevention: 23 employees trained**	N/A, new commitment	Training actions will continue in 2022

Information on safety of assets, people and personal data is described in the chapter on Risk Management (Chapter 5 of the Universal Registration Document) in the paragraphs headed Risk factors and control.

Access (disabilities)

In accordance with the French Construction and Housing Code, the Group has conducted accessibility diagnoses on the common areas of all establishments whose building permits were issued prior to 1 January 2007. The work required to achieve compliance has since been done or is underway as part of a Programmed Accessibility Agenda (Ad'AP) pursuant to the law of 11 February 2005.

Shopping centres built since 2007 are compliant from the outset.

100% of the sites are equipped with an accessibility log.

Fire safety

To protect people and property against the risk of fire, Altarea has put in place regulatory fire safety systems, which are maintained by appropriately qualified companies and checked by recognised and officially certified bodies.

4.4 Talent at the service of the Group's growth

The Group's ambition: to be the best real estate company. To this end, Altarea has a source of diverse and unique know-how in the market. Its "skills platform" is one of its major assets and gives it significant agility in its various business lines.

It is a question of continuing the success story begun more than 25 years ago by basing itself on a principle of reciprocal commitment for intersecting interests in the service of the individual and the community.

By way of example, the Group has set up an incentive scheme aligned with the Company's values and strategy which includes extra-financial criteria relating to the four main themes: Climate, Customers, Employees, Community.

With a view to continuous development, the Group wanted to challenge itself by setting up a commitment barometer with its employees with a participation rate of over 86%. The lessons learned from this survey will guide the 2022 roadmaps.

In a Group that places people at the centre of its past, current and future success, the HR Department is positioned as a structuring multi-brand element of the Company's general policy. Through an organisation combining proximity and pooled expertise in the service of the different brands, the HR Department applies a modern and innovative policy for an ever more engaging employee experience. It is guided by organisational, managerial, social and societal issues, but also by the need to attract and retain employees, to be a leader in its practices and remain a benchmark employer in its market.

Over recent years, Altarea has developed an innovative training academy, an unprecedented employee shareholding policy, and an emphasis on internal mobility, enabling employees to look forward to long term careers within the Group.

4.4.1 An organisation at the service of business

Change in Group structures

At the end of 2021, Altarea had a total of 1,996 employees, spread across all the Group's areas of expertise, from the development of housing and offices to the management of shopping centres and serviced residences.

In 2021, the Group's ambition was to pursue managerial modernisation through an ambitious programme in which managers have a decisive role to play in supporting the Company's transformation by taking full control of financial, budgetary, environmental, organisational and managerial matters within their scope of responsibility.

The employee experience at the centre of attention

In June 2021, the Group rolled out a new recruitment tool: Smartrecruiters. Each employee has privileged access to the platform and can directly access internal advertisements and post the Group's opportunities on social networks quickly and easily.

In addition to the annual interview, a "continuous conversation" practice has been initiated to monitor objectives over time and encourage the practice of permanent feedback between employees and their Managers.

The year 2022 will contribute to improving the employee experience with the digitisation and implementation of an HR portal that will be offered to all Group employees covering several topics: electronic safe, request for document…

All these efforts to modernise provide more effective support on a daily basis to operational staff. To achieve this, the Group is continuing its global performance management programme to strengthen the effectiveness of the organisation, methods and processes.

An organisation that listens to its internal customers (symmetry of attention)

For the Group, employee satisfaction and customer satisfaction are equally important and at the heart of our strategy. This is why the first Kantar employee engagement barometer was launched in September 2021.

A major event for listening to the perception of employees, this engagement survey is a logical continuation of the Top Employer 2021 certification, which recognises the Group's HR and Managerial practices.

The following areas were the subject of the questionnaire: leadership, organisation, quality of life at work, recognition, optimism for the future, careers, the Group's image, cross-functional business lines, recommendation, etc.

This questionnaire was 100% digital, organised and administered by the independent institute KANTAR – the same as measures the satisfaction of external customers and guarantees professionalism, transparency and the anonymity of responses.

For this first edition, the Group recorded excellent results. With a participation rate of 86%, *i.e.* 1,582 participants and a remarkable recommendation rate: 82% of employees say they are ready to recommend the Group as an employer of choice.

Change in the Group's headcount

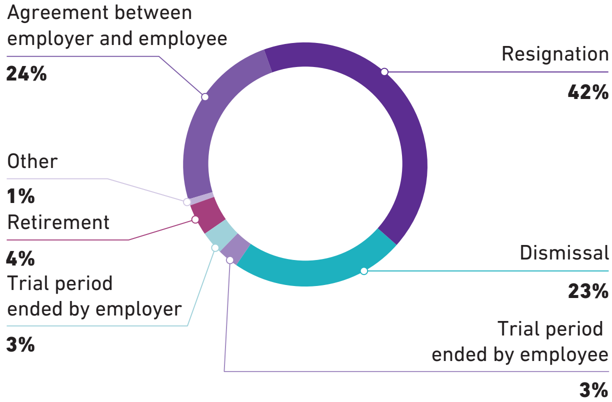
Scope	Objectives/ Commitments	2021 Results	2020-2021 Change	Trend comments
Group	Ensure the retention of our talents	**Departure rate of 14.2%**	↗	**2020 was impacted by the health crisis and departures rose against a backdrop of a tight national and sector labour market. Despite everything, it was successfully kept below 2019: 15.6%**
Group	Systematise exit interviews	**An "Exit Form" was produced and handed out at exit interviews**	=	**The generalisation of these interviews means management now has access to a qualitative summary of the different areas of expertise**

In the context of a health crisis with strong economic impacts, the focus has been placed on developing skills internally.

However, the Group recruited 293 external employees on open-ended contracts, confirming its attractiveness and its strengths in a very competitive market. As of the end of 2021, 98% of employees were on open-ended contracts. The Group is maintaining its commitment to long-term jobs. Thus, the challenges of attracting and retaining talents mostly concerns employees on open-ended contracts.

In 2021, the departure rate within the Group reached 14.2%, and, although it is being successfully controlled amid a tight market for human resources, remains an issue to watch.

REASONS FOR EMPLOYEE DEPARTURE



The main cause for departure of employees on open-ended contracts is resignation. As a response, the Group has renewed and strengthened its induction programme and rolled out exit interviews. These various initiatives are part of a set of employee retention measures which include staying close and listening to employees on a daily basis, offering career opportunities *via* internal mobility, skills development, cross-functional jobs, and sharing value creation.

4.4.2 Talent recruitment, diversity and equal opportunities

Scope	Objectives/ Commitments	2021 Results	2020-2021 Change	Trend comments
Group	Promote youth employment	**Work-study students make up 12.8% of the workforce**	↗	**In a context of stable headcount, the Group has strengthened its commitment to young people**
Group	Promote gender equality	**Women represent 29.6% of members the Managers Committee**	↘	**Most of the Committee members who left during the year were replaced by employees of the same gender and new posts were mostly taken by men. A third of recruitments to the Managers Committee related to the Property Development business line which is predominantly male**

The Group promotes integration and diversity in its recruitment policy and the management of its employees' careers through attentiveness to all potential factors of discrimination (gender, age, disability). Quality social dialogue and respect for the fundamental conventions of the International Labour Organization supplement this policy of diversity and equal opportunities. At the end of 2021, the Group made a strong commitment to the promotion of women in management by signing the Gender Equality Charter in partnership with the Cercle des Femmes de l'Immobilier.

Recruitment policy

The "Human Capital" division of the Group's Human Resources Department conducts a recruitment policy inspired by the Group's values of creativity, cross-functionality and entrepreneurial spirit: non-discrimination, integrity, ethics, objectivity, diversity and intergenerationality. Since December 2013, the Group has been a signatory of the Diversity Charter and all new employees are made aware of this commitment (welcome booklet, induction seminar). A Diversity adviser manages and coordinates the Group's policy in its various areas: gender parity, initiatives aimed at young people and seniors, consideration of disability, and socio-professional diversity.

CONTINUOUS COMMITMENT TO DIVERSITY

The Group has renewed its partnerships with:

- "Nos Quartiers ont du Talent" strengthening its action to reduce regional isolation;
- "Elles bougent" to contribute to future diversity in the property professions by encouraging high school girls to take up technical careers.

In addition, there is aid paid to associations such as the Cravate Solidaire, *via* the apprenticeship tax.

Digital awareness-raising training courses are available to all employees: "good non-discrimination practices" and "let's play diversity".

The Talents & careers Department develops close ties with students by partnering with employment partners at business schools and universities. The "schools" policy also involves communication about the Group's business lines through Articles in the student press or through its presence on numerous forums.

In 2021, the Group took part in several face-to-face and remote student forums depending on the state of COVID restrictions at the time.

The Group has initiated a new partnership with CentraleSupelec. This partnership serves a dual purpose: the students open up new ideas about our housing and the Group enables engineers unfamiliar with our career paths to discover them.

Our "Happy Trainees" and "Engagement Jeunes" labels strengthen our visibility with young people by providing them the HR and managerial best practices.

Promoting gender equality

REPRESENTATION OF WOMEN IN THE GROUP

The Group has always wanted to offer the same opportunities to women and men in all aspects of their professional life.

It sees gender equality as a factor of collective enrichment and social cohesion. Each entity has therefore renewed and intensified its action plans on gender equality, confirming the Group's desire and commitment to maintain and build on measures to promote gender equality in all actions. It is about both performance and wealth creation.

In 2021, the "employee" non-financial incentive criterion illustrates the Group's desire to support equal opportunities between women and men, in particular by promoting the promotion and access of women to management positions, and capitalise on talent by supporting internal mobility.

In December 2021, the Group signed the charter of commitment to gender parity and gender equality in companies and organisations in the real estate sector, reflecting its convictions. Promoting gender equality in the workplace is self-evidently essential for the Group to imagine real estate projects that match the social, societal, environmental and corporate governance challenges of today and tomorrow. Acting in this direction for the employees of the Altarea Group means further developing the power of working together, strengthening operational efficiency, bringing diversity to all levels of the organisation and strengthening the commitment of all the generations that make up the Company, in accordance with our existing commitments under the Diversity Charter.

Access to employment by young people and older people

INCREASE IN THE NUMBER OF WORK-STUDY STUDENTS AND CONVERSION RATE

- In 2021, Altarea increased its number of work-study students by 46% and its interns by 32% compared to 2020.
- In 2021, the conversion rate of work-study students and interns (permanent or fixed-term contracts) was 21.3% (14.2% in 2020).

As a responsible company, the Group sees access to employment for young people and older people as a priority. Its objectives are to facilitate the long-term employment of young people under the age of 27 *via* open-ended contracts, to promote the hiring and long-term employment of employees at least 55 years old and to ensure the transmission of know-how and skills.

As of 31 December 2021, Group employees aged over 50 and under 30 accounted for a third of the Group headcount: 18% and 15% of the total headcount respectively. 23 employees over the age of 50 were hired on open-ended employment contracts in 2020 (14 in 2020).

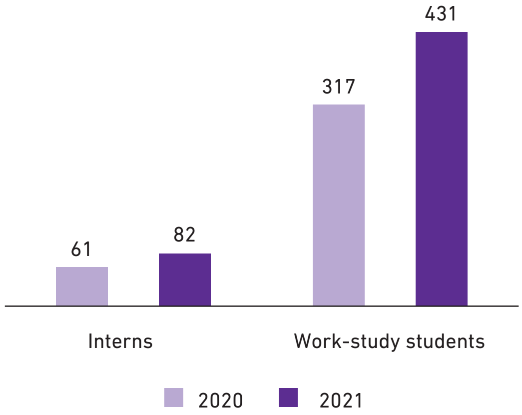
The Group's policy on work-study contracts is being strengthened further this year. In 2021, the Group welcomed 431 work-study students, compared to 317 in 2020, a record for the work-study recruitment campaign.

In addition to the information kits, the Group continued to organise integration seminars fully dedicated to interns and work-study students. The goal is to pass on to them all the keys for success on the job. There was also a mentoring system, known as "buddies", and a time for discussion with Karine Marchand, the Group's HR Director.

20 interns or work-study students were offered fixed-term contracts following their training, and 33 an open-ended contract. The Group hopes to play a societal role by training these young employees in both know-how and behaviour in a corporate setting to facilitate their transition into professional life.

The Group is a partner of Engagement Jeunes, a platform used by large groups and SMEs to share the profiles of young people with each other.

CHANGE IN THE NUMBER OF INTERNS AND WORK-STUDY STUDENTS



All of these initiatives contributed to the Group being awarded the Happy Trainees label the first year of taking part. This bonus was renewed for the fourth consecutive year in 2021. As such, the Group is one of the best businesses in which to take up a traineeship or work-study contract. The Group has also obtained the "Engagement Jeunes" label, which assesses the degree of satisfaction of young people.

Lastly, a Graduate Program was continued with a fresh cohort of six young talents recruited on open-ended contracts. The intake was balanced between women and men from top universities, who will do six-month rotations over 18 months in the various business lines of the Group.

Disability policy

In 2021, 27 employees were declared as workers with disabilities.

In addition, ESATs (*Établissement et service d'aide par le travail*, organisation working for insertion of the disabled into the workforce) are used to provide a range of services (purchase of supplies).

An internal communication campaign and awareness-raising events and workshops on non-visible disabilities were renewed on the occasion of the European Disability Employment Week. More than 200 employees took part in the events: an ESAT sale at head office, information webinars, a challenging quiz linked to the Digital Academy, an event and demonstration by the Handi'Chien association at head office.

Dialogue with employee representatives

The quality of employee dialogue is always a key focus of the Group's employee relations policy.

Since the COVID-19 crisis, Management and social partners have continued their regular discussions, always in conjunction with the occupational health services, to maintain optimal organisation and working conditions for employees.

Each decision involves consultation with the CSEs and the CSSCTs, where they exist, and is managed at Group level. Each CSE was regularly informed and consulted on plans to set up new organisations and new projects.

In collaboration with the members of the CSEs, the nurse and the occupational physician, the HR Department updated its policy for the prevention notably of psychosocial risks by regularly updating its handouts and strengthening its policy on well-being and quality of life at work.

In addition, harmonisation work continued within the Group with an update of its Common Social Base in 2021 to ensure the Group's employees always receive the best social benefits and to facilitate intra-group mobility.

The HR Department is continuing its policy for labour relations and the conclusion of collective agreements/similar action plans at Group level (profit-sharing, employee savings plans, employee profit-sharing, equality at work and QLW).

Thus, the Management and representatives of each Group CSE reached an agreement to set up an inter-company social and cultural activities committee (CASCI) so that all employees can benefit from joint social initiatives, notably sports. The first actions will be held in 2022.

Because of the size of the entities in Italy and Spain, formal mechanisms of employee representation are not required under local regulations. Direct dialogue is promoted between employees, the Deputy Director and the Human Resources Department.

Compliance with the eight ILO conventions

The Group has committed to complying with the eight fundamental conventions of the International Labour Organisation (ILO) and ensures they are applied in its operations, particularly in relation to:

- respect for freedom of association and the right to collective bargaining;
- elimination of discrimination in respect of employment and occupation;
- the elimination of forced labour and slavery;
- the effective abolition of child labour.

The Group also complies with corporate principles in the area of children's rights. In the case of the Retail division (Altarea Commerce), the Group is only present in the countries (France, Spain and Italy) that have ratified these fundamental conventions and transposed them into their domestic labour law. Lastly the Group's ethical charter reiterates the reciprocal rights and duties of employees and the Company and stresses the principle of regulatory and legal compliance. It is available on the intranet and part of the new employee welcome package.

4.4.3 Compensation and value sharing

The compensation policy remains aggressive and targeted with an increased budget allocating €1 million for base salaries. It also rewards individual and collective performance by renewing the 2020 performance bonus levels and strengthens the *Tous en Actions !* Programme. To create an original and attractive employee shareholding scheme.

Salary policy

scope	Objectives/ Commitments	2021 Results	2020-2021 Change	Trend comments
Group	Extend the sharing of added value	**1,013 employees hold Group shares**	↗	**The capital increase reserved for employees was approved despite the absence of profit-sharing in respect of 2020 (63%)**

In 2021, the Group overcame the difficulties generated by the health crisis and its economic impacts thanks to the exceptional mobilisation of its teams, an effective multi-brand and multi-product business model and a sound financial structure.

In an unpredictable context, the Group has adapted its salary policy to reflect its desire to recognise individual performance.

A bonus policy acknowledging success

The awarding of bonuses is a managerial act that acknowledges actual performance and the achievement of individual objectives.

In the context of the COVID crisis, the Group maintained its commitments to employees and wished to reward the performance achieved in 2020 and salute the unwavering commitment of employees in a year of unprecedented pandemic. In order to adapt to the context of 2021, the *Tous en Actions !* programme was strengthened so that each employee on permanent contracts feels involved in the Group's development and results by allowing everyone to be a shareholder of the Group if they so wish.

AN ORIGINAL AND AMBITIOUS EMPLOYEE SHAREHOLDING POLICY

To involve Managers more in the Group's success, a long-term bonus scheme, over three years, equivalent to €10 million, was set up. It consists of the allocation of free shares subject to financial and non-financial performance conditions aligned with the Group's strategy.

At 31 December 2021, 47.5% of the workforce was a shareholder of the Group. These shareholdings represent 3.01% of the capital.

The year 2021 was marked by the renewal of the capital increase reserved for employees. This employee shareholding scheme has enabled Group employees to benefit from a discounted share price; matching by the Company; any dividends from Altarea shares reinvested in the FCPE (employee investment mutual fund), thus increasing the value of their shares. This scheme was overwhelmingly supported by employees of all subsidiaries.

This year, Altarea included extra-financial criteria in the profit-sharing agreement. As CSE does not have a profit-sharing agreement, it is not included in the scope subject to these criteria. Of these, two concern the "Employee" component; one on the number of women in management bodies and a second on the proportion of positions filled internally. In 2021, Altarea achieved a rate of 30% for the female indicator and a rate of 53% for positions filled internally.

Fair pay

In addition to promoting gender equality, Altarea is committed to respecting fair pay between men and women.

As such, in accordance with the law on the professional future and its implementing decree, the entities that make up the Group have measured the indicators defined by the "gender equality" index.

The scores obtained for the results at 31 December 2021 are as follows:

- Altarea Economic and Social Unit: 89/100;
- Cogedim Economic and Social Unit: 84/100;
- Histoire & Patrimoine Economic and Social Unit: 79/100;
- Pitch Immo Economic and Social Unit: 89/100;
- Cogedim Services Operations: 92/100.

Group entities published these scores on 1 March 2022.

It should be noted that the multitude of business lines that make up the Group explains the dispersion of compensation levels by activity. These scores are therefore merely indicative. In addition, the compensation of managers may be supplemented by a variable portion of pay, depending on the nature of the function performed and the level of responsibility.

As part of its salary process, Altarea sets aside a budget dedicated to closing the pay gap between women and men in equivalent positions which is rolled over year to year.

4.4.4 Talent and skills management

Scope	Objectives/ Commitments	2021 Results	2020-2021 Change	Trend comments
Group	Continue skills development according to the needs of the business line and develop the employability of employees	**100% of employees engaged in at least one learning action**	↗	**CSR modules and development of the Digital Academy as a learning tool to complement face-to-face and remote learning formats consolidated the changes already seen in 2020**
Group	Promote/Contribute to employee mobility	**53% of positions filled through internal mobility and promotion**	↗	**Resizing teams as part of the Managerial responsibility project has been a mobility accelerator**

In 2021, to support the development of employee skills, the HR Department set up learning events throughout the year: monthly Academy Thursday; career paths; manager programmes; co-development workshops and confidence workshops to support the Group's managerial responsibility approach, induction seminars, through "variable geometry" formats, constantly adapted to the health context at the time.

Use of collective team or individual coaching. Finally, 18 people were invited to the new emlyon certification process, a large-scale tailor-made programme with the common theme of building projects to help meet the Group's business challenges.

The "Talent Developer" Academy: a learning company vision

The "learning & development" model supported by the Academy created in 2017 relies on the diversity of learning methods: face-to-face, distance learning, synchronous or asynchronous. This hybrid approach, supported by a learning business vision, had been anticipated well before the health crisis to meet the challenges of developing skills and so attracting and retaining talents.

Since March 2020, the Academy has rolled out its digital platform to all Group employees, with a wide choice of à la carte modules for distance learning. Employees can access all the strategic themes in the Group's skills development plan: Group culture & strategy, core business, soft skills & management, digital skills and health, safety and well-being in connection with Altawellness, the Group's offer which includes all actions in terms of quality of life at work.

ACADEMY THURSDAYS

To cultivate the pleasure of learning, the Group has created a weekly remote learning event, open to all employees, called *Jeudis de l'Académie* (Academy Thursdays). This "learning break" has brought together more than 660 employees to explore topical, sociological or philosophical themes!

A monthly newsletter of the Academy was created to share news and programmes related to training and skills development with all Group employees.

A learning dynamic sustained

The addition of an extra-financial criterion relating to "Climate" confirms Altarea's commitment to a low-carbon city. The first step involves raising employee awareness of CSR, with five modules to be validated through certification:

- "Climate change", seeking to raise employees' awareness of climate change and the link to Group strategy;
- "RE2020, key principles", seeking to explain the relationship between the RE2020 environmental regulations which came into force from 2022 and issues relating to mitigation and adaptation to climate change;
- "The circular economy in property", seeking to promote circular economy solutions at every stage of the building's life cycle;
- "CSR at Altarea, what is it?", seeking to explain the strategic issues of the Group's CSR efforts and specifying key issues;
- "Insight of low-carbon solutions", seeking to present ways to improve greenhouse gas emissions in the property industry, both on materials and energy;
- Finally, a questionnaire on final certification, conditional on achieving a minimum score of 15/20.

For the year 2021, the objective was for 75% of employees to follow this course and achieve final certification. This innovative target was achieved thanks to the commitment of all the Group's employees.

These digital courses were accompanied by two "*Fresques du climat*" workshops: 22 employees were able to take part in these sessions.

Other training sessions are planned for 2022: awareness-raising, more technical focus on specific topics, experience sharing, meetings with players offering innovative solutions, learning expeditions (depending on the health situation), etc.

THE ACADEMY AT THE SERVICE OF CSR CHALLENGES

The e-learning course, composed of five modules and validated by a certification, was followed by more than 88% of employees in the target population.

These modules will be offered to newcomers to the Group and available to all employees who wish to view them again.

This agility has made it possible to maintain the level of training with more than 4,600 training days recorded in 2021 and an increase of 20.5% in the proportion of employees having completed at least one training action compared to 2020. The provision of a digital platform accessible to all employees has made it possible to democratise learning content to promote cross-functionality, encourage a learning culture and support internal mobility initiatives.

The Digital Academy has become part of the learning practices of the Group's employees: the share of digital hours increased from 16% in 2020 to 27% of total training hours in 2021.

The Group's training investment represented 3.08% of the payroll (incorporating the entire apprenticeship policy since 2020), an investment that is still significant to finance large-scale actions such as "core business" training, which remain in the majority.

Continuous improvement of the induction process

The induction process has not been forgotten. 100% of new employees had access to the onboarding module on the Digital Academy, and 201 employees were invited to attend the Crescendo seminar.

Since September 2021, the Group has taken even more care in its onboarding process, in particular with the implementation of an automated, "marketed" welcome email, giving newcomers all the key information they need to know, signed off by "The HR IR IT Teams, attention that changes everything".

For 2022, a pre-boarding module will be offered to new recruits to enable them to see themselves in their new position.

Mobility and promotions

The Group continued our committed policy in terms of mobility and internal promotion in 2021.

Mobility and promotion in figures:

- in 2021, 53% of positions were filled internally (scope of extra-financial criteria);
- the Group recorded 199 transfers and promotions, involving 192 employees;
- in 2021, the Group filled 25% of its vacancies through mobility between regions, departments and companies. There were 97 internal transfers and 293 new hires through external recruitment. In addition, 126 employees were promoted.

To drive this internal mobility policy, we carry out individual and collective actions.

Employees express their plans and desire for mobility to their manager during their annual review. The information is collected and studied. HR mobility committees meet monthly and include the subsidiary HR departments. Their objective is to monitor movements and oversee connections between the employees' projects and the positions to be filled.

Employees receive a monthly Altajobs newsletter containing news from the Group in terms of jobs and mobility. Manager testimonials have been offered to employees since September 2020, an opportunity for managers to present their Department to interested employees and explain who they are currently looking for. Short, animated formats on Teams that are intimate, pleasant and spontaneous. Employees can register out of curiosity in order to discover a new job or to obtain additional information before officially applying.

To remind everyone of best practice in terms of mobility, a training programme accessible *via* the Group's Digital Academy was developed. This 20-minute module gives the right advice to employees who are interested in accelerating their career within the Group.

The Group plans to organise a new edition of the Careers and Internal Mobility Forum in 2022. Many events will be planned, allowing employees to discover the Group's business lines.

4.4.5 Employee safety, health and well-being

Scope	Objectives/ Commitments	2021 Results	2020-2021 Change	Trend comments
Group	Extend the Altawellness offering	**A strengthened offer in the context of the health crisis**	↗	**A new, more agile approach has been implemented, including a face-to-face/remote mix**
Group	Manage absenteeism	**The absenteeism rate for 2021 is 2.69%**	↘	**The absenteeism rate remains below 3%**

In line with 2020, employee health and safety was the top priority for 2021.

Since the beginning of the health crisis, the Group has organised itself to strictly apply the measures recommended by the Government, with the provision of masks, hand sanitiser and the reorganisation of spaces and flows to respect social distancing. Remote working has been encouraged, under the responsibility of managers.

The Group even went beyond the recommendations, by mobilising a full-time nurse at head office and by performing PCR tests on employees on a voluntary basis and with absolute respect for confidentiality.

The health team was mobilised for many months to fight against COVID-19:

- PCR tests: 506 tests carried out;
- COVID vaccination campaign in July 2021: 113 employees;
- COVID vaccination campaign 3rd dose December 2021: 405 employees.

Another concern pursued in 2021: preserving the mental well-being and commitment of employees. To this end, the Human Resources Department regularly communicated to all employees through several notes explaining the application of measures decided by the Group to ensure the health and safety of the workforce.

Guides and tutorials on remote working or the risks related to isolation as well as a psychosocial risk prevention module were sent to all managers and/or employees at the Digital Academy.

The Altawellness brand

In September 2018, the Group created the Altawellness brand, an approach designed to take a holistic view of employees and offer them handy solutions to take care of their physical and mental health.

It is reflected in the provision of service platforms and online modules accessible to all on the Digital Academy, face-to-face events promoting the sharing of experiences and remote "Live" formats, and events such as "QWL week" which was held again in 2021.

The Altawellness programme has been significantly strengthened to address the health crisis:

- weekly webinars led by health experts (fight against sedentary lifestyle, nutrition, stress management, etc.);
- regular events (sports walks, amma massages, etc.);
- specific actions during the week for quality of life at work, no smoking month (individual support) and pink October;
- vaccination campaigns (flu vaccination: 107 employees);
- possibility to access personal services on preferential terms to facilitate the daily life of employees (cleaning, childcare, tutoring, etc.);
- social and family support service providing support on personal issues (close relatives dependents, divorce, over-indebtedness, illness, etc.).

In June 2021, the Group signed the Parenthood Charter to promote a work environment and a managerial culture enabling employees to reconcile professional and personal life, while enjoying real quality of life at work, a source of sustainable performance.

Occupational health

The Group's activities do not pose a high risk to the health and safety of employees.

Ongoing initiatives to promote a safe working environment and ensure the health and well-being of employees include regular updating the single document on occupational risk assessment and raising awareness of precautionary measures and personal protective equipment for employees working on construction sites.

The HR Department has also put in place, at Group level, recommendations concerning posture and work spaces in consultation with the occupational doctor and the safety and hygiene of commissions of the Social and Economic Committees (CSEs).

Employees and their beneficiaries enjoy complete and quality supplementary healthcare and disability coverage, which has been renewed, thus maintaining a high level of guarantees while reducing costs.

A head office where life is good

After the relocation of all employees in the Paris region to the Group's new head office, the teams took over all the spaces designed for collaborative working.

The building, which has won several awards, offers working conditions praised by all employees. It is an incredible working tool and a proud showcase for the Group's savoir-faire. This qualitative work environment is constantly evolving to keep up to date with requirements. 2022 will begin with the opening of the "Espace forme": a fitness room dedicated to its employees, in consultation with all the Group's CSEs.

Teleworking charter

Since 2018, the Group has had in place a teleworking charter that strikes a balance between efficiency, work-life balance and CSR. Remote working forms part of a QWL approach, alongside CSR and Sustainable development concerns.

2021 led to an extension of the conditions for remote working, offering flexibility to employees and taking into account their professional and personal situations. The Group adapted successfully, demonstrating agility in arranging for remote, face-to-face and hybrid working formats. A number of tools have been made available to managers and employees, including the remote worker kit and training modules on how to manage remotely and a team work management tool.

Other initiatives

The policy of exceptional leave time for life events will form part of the common social platform. Rules more favourable than those of the collective agreement are thus accorded to employees during important life events.

Work-life balance is also an important issue at Altarea. Beyond numerous existing actions (voluntary part-time working, birth or adoption-related leave, family-related leave, parental leave for childcare, leave to care for a sick child, etc.), the conditions for maternity and paternity leave were improved. Since 2018, employees continue to be paid their gross salary with no condition of length of service for maternity leave and after one year with the Company for paternity leave, now extended to 25 days.

Additional support measures were put in place in the context of the health crisis through a new social and parental support service providing advice on personal issues.

Finally, measures to control the management of IT and communication technology tools made available to employees were reaffirmed. In particular on respect for private life. Each employee has the right to disconnect outside the business hours of the establishment in which they normally do their work in compliance with a minimum daily and weekly rest period provided for by law, except in exceptional circumstances. The Group has reaffirmed its commitment to the right to disconnect through the adoption of a Charter on the right to disconnect for all its entities.

Absenteeism

Absenteeism is the subject of an exhaustive and detailed review each year, with an analysis of each reason by entity. It was monitored even more closely in 2021 due to the health crisis.

The absenteeism rate remains below 3% and is stable compared with previous years.

4.4.6 An HR & Managerial policy popular internally and recognised external

Top Employer 2022

For the second time, the Group was classed as a Top Employer in 2022.

For more than 25 years, the Top Employers Institute has been evaluating companies' human resources and management practices. As a unique and independent observer, the Institute has certified more than 1,500 organisations in 120 countries since its creation. Top Employers certified organisations are committed to providing the best possible working environment for their employees through innovative human resources practices that prioritise human capital.

The Top Employers Institute has assessed and rated all the programmes that Altarea offers to its employees. Its survey covered six major HR areas, divided into twenty themes such as the talent management strategy, the working environment, Talent Acquisition, training and skills development, well-being at work, and diversity and inclusion.

The score obtained by the Group for this second certification increased by five points, highlighting the continuous improvement and commitment of the Human Resources Department and managers for the well-being of employees.

STEER (*PILOTER*)
1 - Business strategy
2 - HR strategy
3 - Leadership

SHAPE (*ORGANISER*)
1 - Organisation & Transformation
2 - Digital HR
3 - Working environment

ATTRACT (*ATTIRER*)
1 - Employer brand
2 - Talent Acquisition
3 - Integration

DEVELOP (*DÉVELOPPER*)
1 - Performance management
2 - Careers
3 - Training & skills development

ENGAGE (*ENGAGER*)
1 - Well-being
2 - Commitment
3 - Recognition and salary policy
4 - Management of departures

UNITE (*RASSEMBLER*)
1 - Values
2 - Ethics & Integrity
3 - Diversity & Inclusion
4 - Corporate responsibility

Happy Trainees 2021

In parallel with this new label, the Group continued to interview young talents (work-study students, interns) about their experiences within the Group. This confidential survey is conducted by our service provider Choose my Company. For the fourth consecutive year, the Group obtained the Happy Trainees label, awarded based on the opinions of work-study students and interns.

89.3% of respondents say they are proud to work for Altarea.

87.5% find pleasure in their assignments.

89.3% believe they have progressed professionally during their experience.

4.5 CSR performance: ratings and indicators

4.5.1 CSR ratings

Altarea's CSR performance is regularly assessed by non-financial rating agencies. Analysis of the results obtained allows it to improve its performance on a continuous basis.

Global Real Estate Sustainability Benchmark (GRESB)

Since 2011, the Group has been voluntarily participating in the Global Real Estate Sustainability Benchmark (GRESB), the reference in the real estate sector for Sustainable development, with 1,520 companies and funds assessed around the world in 2021.

In 2021, Altarea confirmed its "Green Star 5*" status. With a score of 94/100, up four points on the previous year, the Group has consistently scored above 90/100 since 2016 and gained two places in the rankings to second in its category. This ranking attests to its long-term performance. Finally, Altarea has obtained an A rating for transparency, a token of the quality of its institutional publications and the reliability and exhaustive scope of its CSR reporting.

ISS-ESG

ISS-ESG is one of the world's leading non-financial rating agencies. In 2019, it awarded the Group its Prime status again.

Gaïa – Ethifinance index

The Gaïa index is made up of 70 companies offering outstanding guarantees in terms of their management of ESG risks. The Group has been part of this index since 2017.

4.5.2 Group indicators

Key environmental indicators

Group carbon footprint

tCO_2e	2021	2020	2019	Comments
Scope 1	1,504	1,557	1,703	The change in emissions is mainly due to COVID-19, which reduced activity in 2020 and pushed back a number of deliveries originally scheduled for 2020 to 2021
Scope 2	319	367	455	
Scope 3[(a)]	872,569	479,319	658,391	

(a) The 2019 and 2020 indicators have been corrected compared to previous publications due to a change in the methodology used to calculate emissions (see 4.2.2.1).

Key social indicators

			2021	2020
TOTAL HEADCOUNT	**TOTAL HEADCOUNT END OF MONTH**	No.	**1,996**	**1,983**
Breakdown by type of contract	Number of employees on open-ended contracts	No.	1,950	1,931
	Number of employees on fixed-term contracts	No.	46	52
	Percentage of women in the total headcount	%	57%	57%
Breakdown by country	Percentage of employees in France	%	99%	99%
	Percentage of employees in Italy	%	0.8%	0.8%
	Percentage of employees in Spain	%	0.2%	0.3%
Breakdown by age group	under 30	%	15%	15%
	30 to 50	%	67%	68%
	over 50	%	18%	17%
Breakdown by status	Percentage of employees in management positions	%	77%	76%
	Percentage of employees in non-management positions	%	23%	24%

			2021	2020
Recruitment	Number of new hires on open-ended contracts	No.	293	200
	Percentage of women hired on open-ended contracts	%	59%	53%
	Percentage of managers hired on open-ended contracts	%	77%	73%
	Number of fixed-term contract hires	No.	146	115
	Number of work-study contracts	No.	245	168
Departures	Number of departures of employees on open-ended contracts excluding mobility and administrative transfers	No.	274	231
	Total departure rate	%	14.2%	11.5%
	Non-manager departure rate	%	14.2%	12.8%
	Manager departure rate	%	14.2%	11.5%
Reasons for departures	Percentage of resignations	%	42%	45%
	Percentage of dismissals	%	23%	13%
	Percentage of agreements between employer and employee	%	24%	19%
	Percentage of retirements or early retirements	%	4%	3%
	Percentage of probation periods ended by employer	%	3%	4%
	Percentage of probation periods ended by employee	%	3%	14%
Organisation of working time	FTE permanent/fixed-term in FTE	No.	1,979.67	1,966.61
	Average headcount end of month open-ended contracts of working time	No.	1,930.3	1,960.8
	Number of theoretical hours worked excluding overtime	No.	3,167,472	3,146,575
	Turnover rate	%	14.6%	11.0%
Gender equality	Percentage of women among management-level employees	%	49%	48.4%
	Percentage of women on the managing executives committee	%	29%	33.5%
Disabilities	Number of employees having reported a disability	No.	27	21
Antidiscrimination	Number of interns during the period	No.	82	61
	Number of work-study contracts during the period	No.	431	317
Organisation of employee-management dialogue	Number of employee representatives	No.	70	70
	Percentage of employees covered by a collective agreement (%)	%	99%	99%
Fixed compensation	Average gross annual employee compensation – excluding variable compensation and employer contributions	€	59,791 €	61,956 €
	Average gross annual non-management compensation – compensation excluding variable compensation and employer contributions	€	33,753 €	34,119 €
	Average gross annual management compensation – excluding variable compensation and employer contributions	€	66,675 €	69,670 €
Training	Total expenditure on training (euros)	€	4,495,223 €	4,316,038 €
	Percentage of employees who completed at least one training course during the year	%	100%	98%
	Number of training days per year	No.	4,607	3,818
	Average training expenditure per employee trained	€	1,975 €	2,253 €
Promotions	Number of employees promoted in the year	No.	126	136
	Percentage of employees promoted in the year	%	6.5%	7.1%
Mobility	Number of employees having benefited from one or more forms of mobility	No.	97	53
	Percentage of employees having benefited from one or more forms of mobility	%	5%	2.7%
	Percentage of vacancies filled as a result of mobility	%	24.9%	20.9%
Absenteeism/ Accidentology	Rate of absenteeism excluding maternity leave/paternity leave/other causes	%	2.69%	2.95%
	Number of occupational illnesses	No.	1	1
	Number of workplace accidents (with work stoppages excluding accidents on the journey to and from work)	No.	10	8
	Frequency rate of workplace accidents		6.31	2.54
	Severity rate of workplace accidents		0.04	0.11

4.5.3 Retail indicators

Key environmental indicators

Definition of the scopes (detail in 4.6.3)		m² private GLA	Share of 2021 reporting scope
CURRENT SCOPE 2021	**TOTAL**	**620,789**	**93%**
	Shopping centres	253,118	52%
	Life style centres	177,854	27%
	Family villages & retail parks	189,817	14%
LIKE-FOR-LIKE 2020-2021	**TOTAL**	**590,930**	**93%**
LIKE-FOR-LIKE 2015-2021	**TOTAL**	**506,113**	**79%**

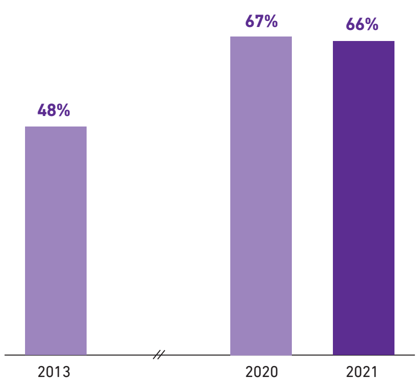
Environmental labels and certifications

Includes new developments subject to a building permit (provisional or permanent), under construction or delivered during the reference year, and portfolio sites included in the 2021 reporting scope (including sites under construction).

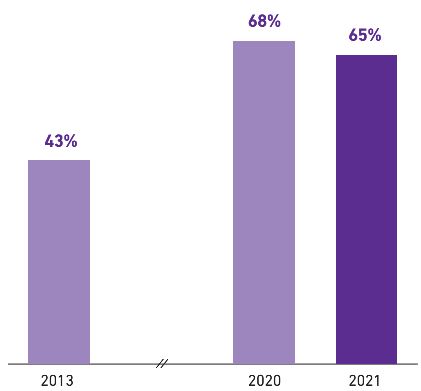
	City	Centre	Construction certification	BREEAM® In-Use certification			
				Category 1 – Asset		Category 2 – Management	
				Level	Score	Level	Score
Portfolio	Aubergenville	Aubergenville Family Village	-	Very Good	63%	Very Good	67%
	Brest Guipavas	Les Portes de Brest Guipavas	-	Excellent	77%	Outstanding	87%
	Geispolsheim	La Vigie	-	Very Good	64%	Very Good	56%
	Gennevilliers	Parc des Chanteraines	-	Very Good	60%	Very Good	56%
	Limoges	Limoges Family Village	-	Excellent	71%	Excellent	72%
	Lille	Grand'Place	-	Very Good	57%	Very Good	62%
	Nîmes	Costières Sud	HQE Very Good	Excellent	74%	Very Good	66%
	Paris	Bercy Village	-	Very Good	56%	Very Good	58%
	Paris	Le Parks	-	Excellent	71%	Very Good	57%
	Ruaudin	Les Hunaudières Family Village	-	Very Good	68%	Very Good	64%
	Saint-Laurent-du-Var	CAP3000	BREEAM® Excellent BiodiverCity	Very Good	64%	Excellent	71%
	Thiais	Thiais Village	-	Very Good	66%	Very Good	69%
	Toulouse	Espace Gramont	-	Very Good	64%	Very Good	67%
	Toulouse	Reflets Compans	-	Good	52%	Good	50%
	Valette-du-Var (La)	L'Avenue 83	HQE Very Good BREEAM® Excellent	Excellent	75%	Very Good	66%
	Vaulx-en-Velin	Carré de Soie	-	Very Good	70%	Very Good	65%
	Villeneuve-la-Garenne	Qwartz	HQE Excellent BREEAM® Very Good	Very Good	64%	Very Good	59%
	Villeparisis	Parc de l'Ambrésis	-	Very Good	59%	Very Good	63%

Ongoing target: 100% of the reporting *scope* BREEAM® In-Use certified

CHANGE IN AVERAGE BREEAM® IN-USE SCORE "ASSET" PART



CHANGE IN AVERAGE BREEAM® IN-USE SCORE "MANAGEMENT" PART

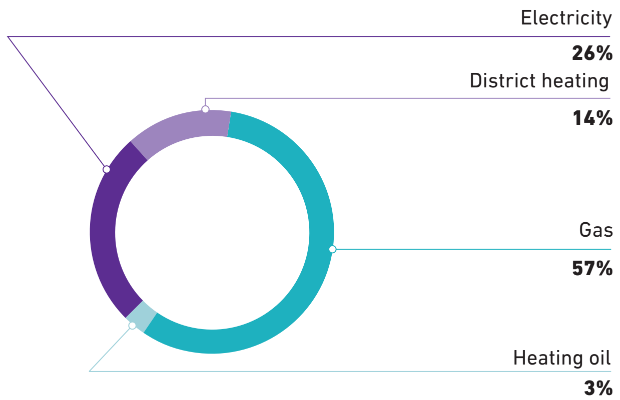


Greenhouse gas emissions

		tCO_2e	$kgCO_2e/m^2$
LIKE-FOR-LIKE SCOPE OF REPORTING	2021 GHG emissions	724	1.7
	2020 GHG emissions	651	1.5
	2010-2021 change, constant conditions	**-64.9%**	**-67.3%**
	2020 TARGET: 2010-2020 REDUCTION UNDER CONSTANT CONDITIONS		**-70%**
	2030 TARGET: ZERO EMISSION		**-100%**
CURRENT SCOPE	2021 GHG emissions	725	1.7
	2020 GHG emissions	833	1.8

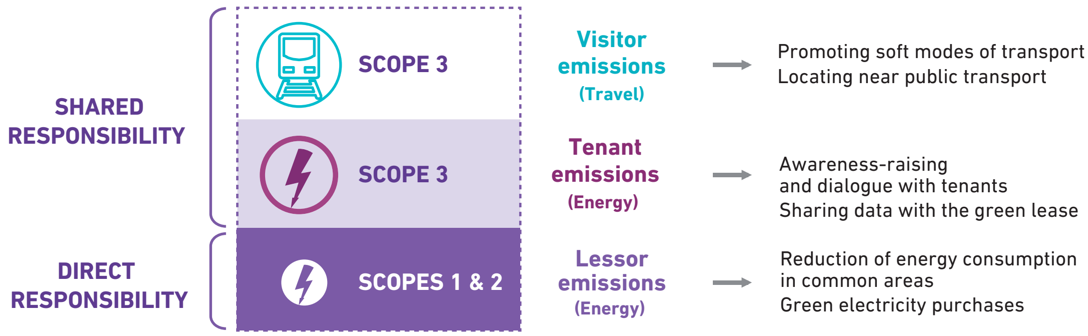
		tCO_2e	$kgCO_2e/m^2$
DETAIL OF CURRENT SCOPE	Shopping centres	388	1.6
	Life style centres	331	2.0
	Family villages & retail parks	6	0.2

BREAKDOWN OF EMISSIONS BY SOURCE
(CURRENT SCOPE 2021)



BREAKDOWN BY SCOPE
(CURRENT SCOPE 2021)

Taking action on greenhouse gas emissions from shopping centres



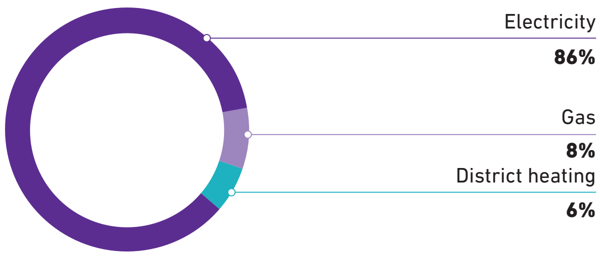
Energy

		GWhpe	GWhfe	kWhpe/m²
LIKE-FOR-LIKE SCOPE OF REPORTING	2021 consumption	48.9	23	113
	2020 consumption	55.7	23.3	129
	2010-2021 change, constant conditions	**-54.9%**	**-48.1%**	**-57.8%**
	2020 TARGET: 2010-2020 REDUCTION			**-40%**
	2030 TARGET: 2010-2030 REDUCTION[(1)]			**-50%**
CURRENT SCOPE	2021 consumption	49.1	23.1	113
	2020 consumption	58.2	24.8	128

(1) An objective that goes beyond the regulatory requirements.

		GWhpe	GWhfe	kWhpe/m²
DETAIL OF CURRENT SCOPE	Shopping centres	35.0	15.8	147
	Life style centres	12.7	6.7	78
	Family villages & retail parks	1.4	0.6	41.2

ENERGY MIX (CURRENT SCOPE 2021)



In addition, the Group collects energy data from tenants annually. In 2020, all sites collected tenant consumption data. These have an average consumption of 344 kWhpe/m². These statements make it possible to establish a consumption profile according to the different types of businesses.

Water

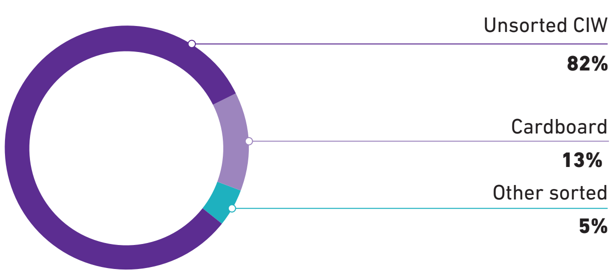
		m³ (common and private areas)	L/visitor (common areas)
LIKE-FOR-LIKE SCOPE OF REPORTING	2021 water consumption	248,282	1.11
	2020 water consumption	248,793	0.96
CURRENT SCOPE	2021 water consumption	251,048	**1.12**
	2020 water consumption	258,618	0.93
	Change 2020-2021	-2.9%	+20.4%
	Change 2010-2021	-9%	+85.8%
ONGOING OBJECTIVE: KEEP A RATIO PER VISITOR			**1.25**
2030 TARGET: KEEP A RATIO PER VISITOR AND REDUCE CONSUMPTION (ON A LIKE-FOR-LIKE SCOPE)			**1**

Waste

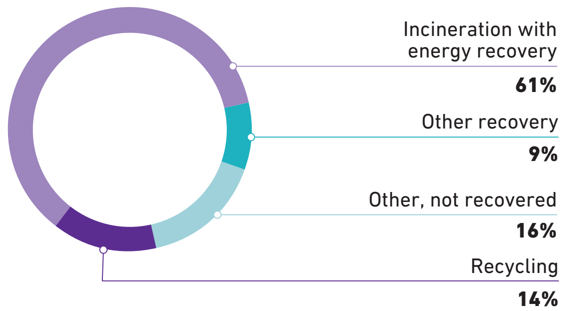
		Tonnes	kg/visitor	Percentage of waste sorted	Percentage of waste recovered
LIKE-FOR-LIKE SCOPE OF REPORTING	2021 waste generated	10,539	0.16	18%	85%
	2020 waste generated	12,331	0.17	17%	86%
CURRENT SCOPE	2021 waste generated	10,598	0.16	**18%**	**84%**
	CONTINUOUS TARGETS ON SORTING AND RECOVERY			**50%**	**>80%**
	2020 waste generated[(a)]	12,497	0.17	17%	86%
	Change 2020-2021[(a)]	-15.2%	-4%	+8.4%	-2.3%
	Change 2010-2021[(a)]	+78.0%	+201.3%	-7.9%	+195.3%

(a) Note: the decrease in the share of sorted waste is due to a change of methodology in accounting for tonnages of waste. Based on the same methodology, the share of sorted waste in 2021 would be 42%.

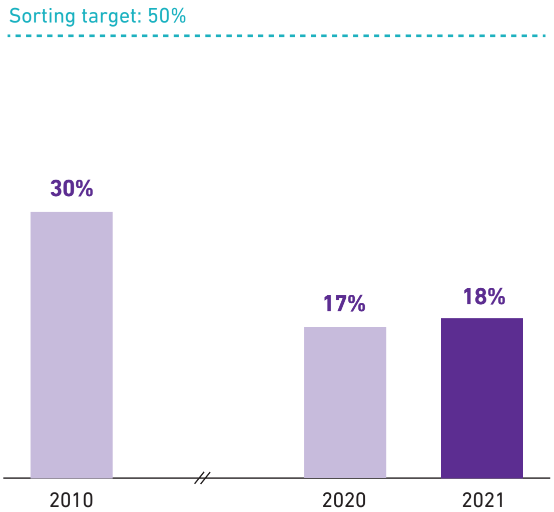
BREAKDOWN BY TYPE OF SORTING (CURRENT SCOPE 2021)



BREAKDOWN BY TYPE OF END OF LIFE (CURRENT SCOPE 2021)

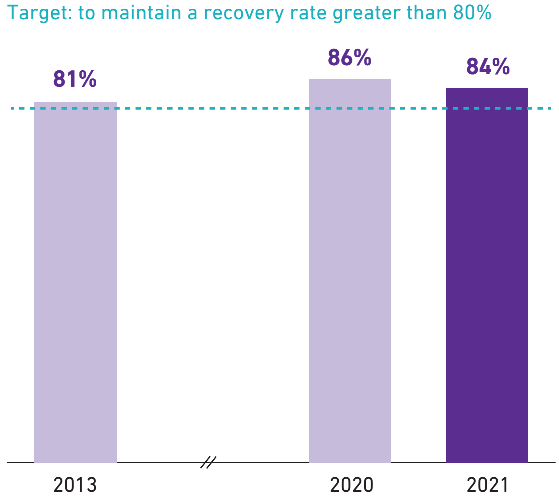


CHANGE IN THE SHARE OF SORTED WASTE
(CURRENT SCOPE 2021)



Note: the decrease in the share of sorted waste is due to a change of methodology in accounting for tonnages of waste. Based on the same methodology, the share of sorted waste in 2021would be 42%.

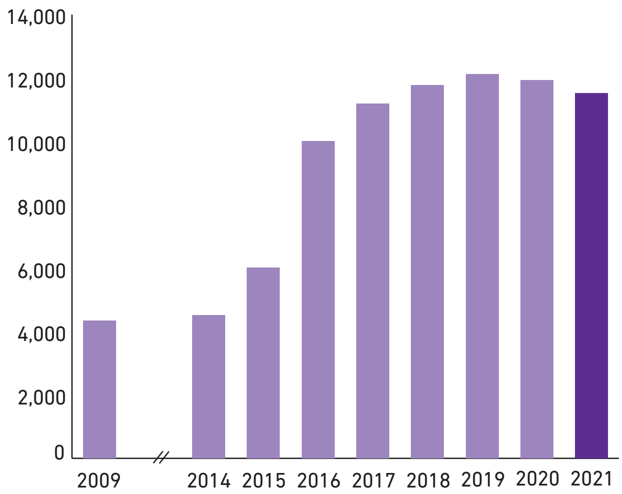
CHANGE IN THE SHARE OF RECOVERED WASTE
(CURRENT SCOPE 2021)



4.5.4 Residential indicators

Change in scope

NUMBER OF UNITS RESERVED DURING THE YEAR



Key environmental indicators

Percentage of projects with environmental certification or label[(1)]

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Target	2021
20%	41%	59%	68%	68%	53%	45%	46%	50%	49%	55%	49%	**>25%**	**57%**

The share of homes with environmental certification or a label is stable, or slightly up, despite the strong increase in activity and the integration of new subsidiaries.

Percentage of projects with an energy performance better than applicable regulations[(1)]

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
42%	71%	86%	89%	61%	43%	29%	41%	35%	54%	46%	**55%**

Since the entry into force of RT2012 on the 1 January 2013, the proportion of residential projects with an energy performance higher than the regulation has been stable, or risen slightly, despite the strong increase in activity and the integration of new subsidiaries.

(1) Excluding co-development, refurbishments and managed residences.

Key societal indicators

Percentage of quality certified projects (NF Habitat)[1]

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Target	2021
100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	**100%**	**100%**

The Group has long been committed to the development of quality housing. Since 2009, it has been involved in NF Habitat certification, the benchmark certification for housing quality in France.

Percentage of projects within 500 metres of a public transport stop

2014	2015	2016	2017	2018	2019	2020	Target	2021
99%	96%	97%	98%	99%	99%	99%	**>95%**	**99%**

Proximity to public transport is a prerequisite of all Group projects. Housing developed by the Group have been very close to public transport networks since 2014.

Percentage of locally sourced projects purchases[2]

2017	2018	2019	2020	Target	2021
66%	77%	73%	72%[a]	**>70%**	**72%**

(a) As the calculation methodology was refined in 2021 to better reflect the Group's impacts, the 2020 data was recalculated.

The Group is attentive to its contribution to the local economy and quantifies the share of purchases made from companies close to building sites.

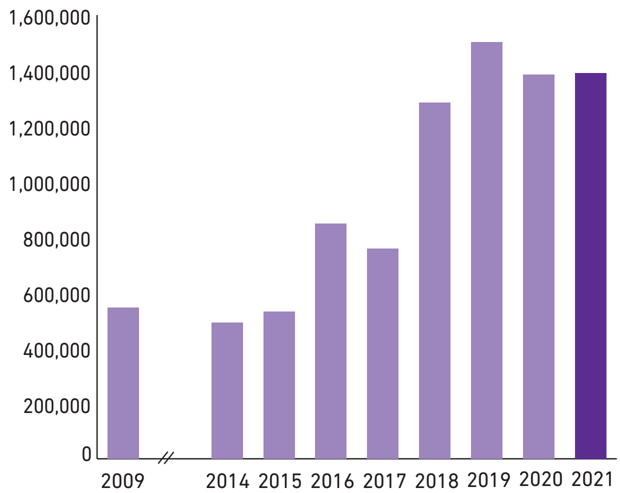
(1) Excluding co-development, refurbishments and managed residences.

(2) Excluding Histoire & Patrimoine.

4.5.5 Business property indicators

Change in scope

BUSINESS PROPERTY PORTFOLIO AT 31 DECEMBER *(in m²)*



Key environmental indicators

Percentage of projects with environmental certification

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Target	2021
At least one environmental certification	42%	76%	90%	97%	97%	97%	98%	97%	100%	100%	100%	100%	**-**	**100%**
Double BREEAM®/HQE certification in Paris region	-	-	-	-	23%	29%	52%	57%	100%	100%	100%	100%	**-**	**100%**
HQE at least Excellent and BREEAM® at least Very Good	-	-	-	-	-	-	-	-	100%	100%	100%	100%	**100%**	**100%**

The Group has been very committed to the main environmental certifications since their creation. As of 2010, a significant proportion of projects were already certified. Since 2017, 100% of projects have been doubly HQE and BREEAM® certified at high levels.

Percentage of projects with an energy performance more ambitious than the applicable regulation

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Target	2021
Level THPE, BBC, Climate Plan or RT2012 equivalent	77%	90%	94%	91%	-	-	-	-	-	-	-	**-**	**-**
Level ≥ RT-30%	-	-	-	-	86%	89%	99%	100%	100%	100%	100%	**100%**	**100%**

A high level of energy performance is a prerequisite for the Group. All projects outperformed the thermal regulation (RT) by at least 30%. This makes it possible to anticipate future regulations, notably the RE2020.

Percentage of projects with renewable energy

	2019	2020	2021
Percentage of projects using renewable energy	86%	79%	**75%**
Percentage of projects producing renewable energies (self-supply or fed back to the grid)	38%	27%	**31%**

The Group strives to reduce the carbon footprint of its projects by using renewable energy whenever possible.

Proportion of refurbishment projects in the Paris region

2014	2015	2016	2017	2018	2019	2020	2021
20%	40%	47%	66%	66%	55%	42%	**34%**

The Group has developed know-how in creative restructuring. The share of refurbished projects in the Paris region has been over 30% since 2015.

Key societal indicators

Percentage of projects less than 500 metres from a public transport stop

2014	2015	2016	2017	2018	2019	2020	Target	2021
94%	95%	92%	100%	100%	100%	100%	**100%**	**100%**

Proximity to public transport is a prerequisite of all Group projects. Since 2017, 100% of projects have been located less than 500 metres from a public transport stop.

Share of multi-use projects

2017	2018	2019	2020	Target	2021
78%	81%	83%	78%	**>75%**	**76%**

The Group offers mixed use for the majority of its projects.

Percentage of projects in the Paris region targeting a digital connectivity label

2017	2018	2019	2020	Target	2021
71%	87%	90%	99%	**100%**	**100%**

The Group is committed to guaranteeing long-term technological performance in its buildings in order to meet needs related to the digitisation of the world of work. The target was achieved in 2021.

Share of well-being-certified projects in the Paris region (WELL or Osmoz)

2017	2018	2019	2020	2021
82%	87%	86%	89%	**95%**

The Group monitors this indicator but no longer makes it an objective; it seeks *ad hoc* approaches to meet the needs of its customers in terms of well-being.

4.5.6 Corporate indicators

In 2020, the Group moved into its new head office, 87 Richelieu. The operating contracts include ambitious CSR clauses on building management and monitoring of consumption and waste, including a zero-plastic policy.

2021 is the first year of full occupation of this new head office. However, it should be noted that this does not represent a normal year of occupancy of the building, in particular due to the COVID situation, which led to lockdowns, curfews, and considerable use of remote working.

The figures below show the main environmental indicators for 87 Richelieu for 2021. The calculations were based on 26,493 m^2 of surface area and 1,060 average FTE employees on permanent contracts in Richelieu.

	GWhpe	kWhpe/m^2	kWhpe/FTE
2021 energy consumption	8.18	308.90	7,720.55

68% of consumption in 2021 comes from the electricity network and 32% from the urban heating and cooling network. In final energy, they amount to 4.35 GWh.

	tCO_2e	$kgCO_2e/m^2$	$kgCO_2e$/FTE
2021 GHG emissions	250.67	9.46	236.48

	m^3	L/m^2	L/FTE
2021 water consumption	10,467	395.09	9,874.53

	Tonnes	kg/m^2	kg/FTE	Percentage of waste recovered
2021 generated waste	60.60	2.29	57.17	99%

4.6 Methodology and concordance tables

France transposed the European Directive of 22 October 2014 on the disclosure of non-financial information in Order no. 2017-1180 of 19 July 2017 and Decree no. 2017-1265 of 9 August 2017. These texts amend Articles L. 225-102-1 and R. 225-104 to R. 225-105-2 of the French Commercial Code initially established by Article 225 of the Grenelle 2 law of 2010 and its implementing decree in 2012. To comply with this requirement, Altarea has published a Declaration on Extra-Financial Performance (DPEF) since the financial year ended 31 December 2018.

This document contains the main methodological information necessary for transparency, for the reader, of the information contained in the DPEF. Additional details on methodology is available in the Group's environmental and societal reporting guidelines on request by writing to: developpementdurable@altareacogedim.com.

4.6.1 Establishment of the Declaration on Extra-Financial Performance (DPEF) and European taxonomy

Identification and rating of Altarea's extra-financial risks

To identify its extra-financial risks, as required in the DPEF, the Group mobilised existing resources: the materiality analysis (see below), the Group risk mapping (updated in 2019—see Chapter 5 of the Universal Registration Document—and in line with the risks identified in the DPEF), and the main trends developed in the integrated strategic report. The risks analysed are gross risks, before the mitigation measures taken by Altarea, in accordance with the requirements of the Directive.

Following an exhaustive cataloguing of the Group's risks and challenges, we carried out a process of classification and ranking in order to create broad families of risks, removing insignificant or irrelevant risks and retaining the most important ones for the business. This work was performed jointly with the various internal stakeholders (CSR Department, the HR Department, the Risks and Internal Control Department).

The risks deriving from this selection were then rated on the basis of the evaluation scale used by the Risk and Internal Control Department for Altarea's risk mapping (rating of probability of occurrence and of severity).

Appropriate policies and indicators have been associated with each of these risks. The risks and their rating were presented by the CSR Department:

- to the Finance Department, allowing joint work on the business model to be extended; and
- to the Group CSR Committee, which brings together a representative of each business line.

These exchanges led to the list of risks and policies identified being added to and amended.

Lastly the summary document of risks and their ratings was presented to management in the context of an exchange on the Group's nonfinancial risks, to validate this analysis with the Executive Committee and confirm its strong link to the Group's strategy.

During the process, the list of risks was also presented to the independent third-party organisation who are verifying the Group's DPEF.

CSR materiality matrix

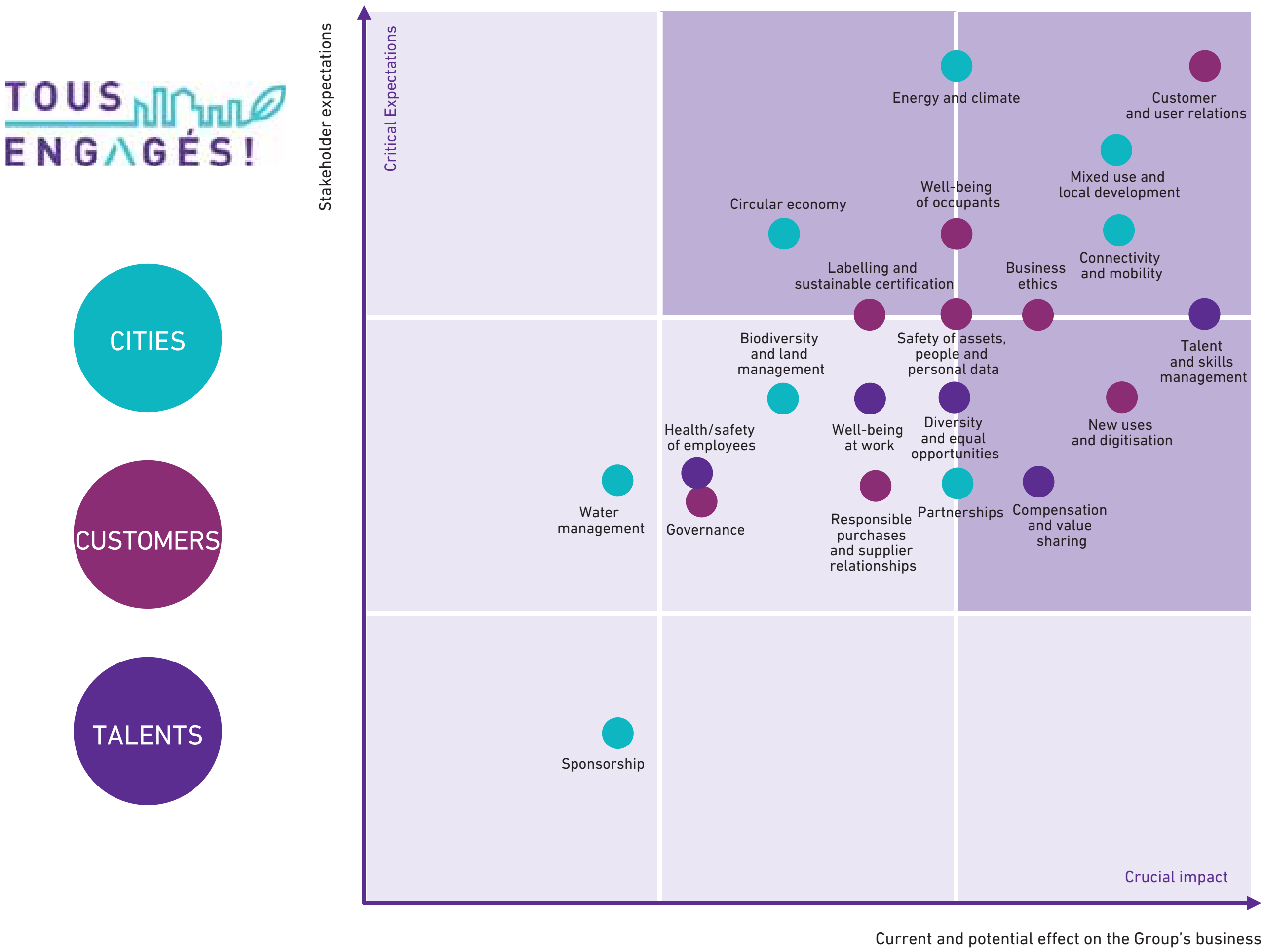
The Group's materiality matrix, dating from 2016, was used to help deploy the Group's CSR approach and to identify risks during the preparation of the DPEF in 2018 (see previous paragraph). It is based on a detailed analysis of the regulatory environment and trends, interviews with 13 external stakeholders (investors, customers, retailers, local authorities, etc.) and an internal consultation held by the CSR Committee (see Section 4.1.4).

The matrix identifies 21 CSR issues, grouped into two areas:

- current and potential effect on the Group's business model; and
- level of expectation of internal and external stakeholders.

Of these 21 issues, 14 were identified as material. The two approaches of materiality and risks complement each other and offer an overview of the Group's CSR risks. In addition, these issues were supplemented and updated in 2020 as they had changed significantly (see 4.1.2).

MATERIALITY MATRIX



European taxonomy

The Altarea Group brought together a multidisciplinary team of around ten people to prepare its reporting. As the taxonomy combines financial and non-financial expertise, this working group is composed of the Performance Department, the Finance Department, the CSR Department and an external advisor.

The elements of the European taxonomy presented in Section 4.1.1 require the following methodological clarifications:

- the items reported in this chapter are based on:
  - the consolidated financial statements for the year ended 31 December 2021 based on our Finance tools,
  - Note 1 "Financial statements",
  - the accounting principles in Note 3, 2 "Accounting principles and methods",
  - the details given in Note 3, 7, "7.1 Investment properties" and "7.3 Right-of-use assets on property, plant and equipment and intangible assets";
- in addition, we considered that the Property Development business qualified under the activity "7.2 Renovation of existing buildings" by extrapolation from the proposed description of the activity "7.1 Construction of new buildings" in which these two activities are distinguished only by the nature of the final building (new or existing).

Revenue

- Group revenue corresponds to consolidated net revenue as presented in accordance with IAS 1-82[(1)] excluding the following:
  - joint ventures under IFRS 11,
  - associates according to IAS 28 (but additional KPIs possible for equity-method affiliates provided a reconciliation is provided);
  - revenue from discontinued operations and IFRS 5,
  - grant-related income;
- Revenue is made up of the following three items (see Note 1 "Financial statements"):
  - Group revenue,
  - rental income,
  - external services;
- The only external services qualifying under the EU taxonomy are those corresponding to:
  - asset management fees for offices or shopping centres in which the Group holds shares,
  - revenues related to the operation of the auditorium at 87, rue de Richelieu.

Capex

- Capex corresponds to the increase in the gross value of property, plant and equipment and intangible assets for the financial year, before impairment, depreciation, amortisation and any revaluation, including those resulting from revaluations and impairments, for the financial year in question excluding fair value adjustments. Also included is the increase in the gross value of property, plant and equipment and intangible assets resulting from business combinations[(2)];
- Note: the capex indicator also covers long-term leases and leases (right-of-use assets under IFRS 16);
- The capex indicator thus covers the following items (see Note 3 "Other information attached to the consolidated financial statements"):
  - right-of-use assets for investment properties,
  - net asset acquisitions and capitalised expenses,
  - right-of-use assets on property, plant and equipment and intangible assets; only this last line does not qualify under the EU taxonomy.

Opex

- Opex means all non-capitalised direct expenses related to[(2)]:
  - research and development,
  - building refurbishment measures,
  - short-term leases,
  - maintenance and repairs;
  - as well as any other direct expenditure related to the day-to-day maintenance of property, plant and equipment by the Company or by a subcontracted third party and which are necessary to ensure the continuous and efficient operation of these assets (*e.g.*: maintenance supplies, cost of employees assigned to maintenance, IT dedicated to maintenance).
- In the denominator, the basis for calculating opex is all of the Group's operating expenses:
  - personnel costs,
  - other overheads.

(1) As defined in Article 2 of Directive 2013/34/EU: amounts derived from the sale of products and the provision of services after deducting sales rebates and value added tax and other taxes directly linked to revenue;

(2) Annex 1 of Article 8 of the Delegated Act of 7 June 2021 concerning the application of the European Taxonomy.

4.6.2 The CSR management system

Deployment of the CSR approach: General Management System (GMS)

In order to disseminate best practices across all of its activities, Altarea has implemented management systems suited to each business line which, overall, constitute the Group's General Management System (GMS). The implementation of this GMS facilitates access to the requirements of qualitative and environmental certification guidelines whilst developing employee skills.

GROUP GENERAL MANAGEMENT SYSTEM

Residential	Business Property	Property Development Retail	REIT Retail
Guide of best practices for Residential properties **NF Habitat** **NF Habitat HQE™**	Dedicated EMS **BREEAM®** **HQE**		Standing Assets EMS **BREEAM® In-Use**
Additional tools: training on regulatory changes and certifications, biodiversity guide, SSE guide, well-being guide, summer comfort guide, etc.			

Environmental Management System (EMS) for certifications

Property Development (Residential)

The Group has integrated a certification approach, "the Guide to Best Practices for Residential property", into its development and construction process. As of 2016, all residential property developed is NF Habitat certified(1). Some of the Group's buildings even exceed the NF Habitat requirements and it has committed to the higher-level HQE environmental approach, providing additional benefits to residents such as greater comfort, brighter spaces and even better thermal performance.

Business property Development and Retail Development

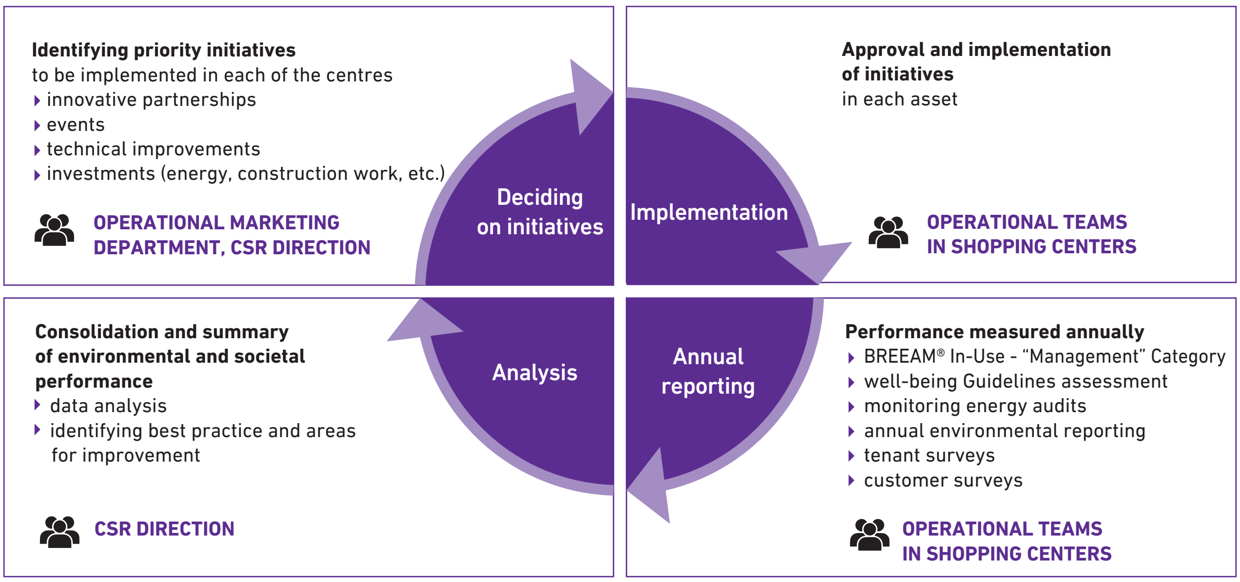
In 2010, the Group implemented *SME Projets Tertiaires* (Office and Retail Development Projects EMS). It provides each developer or operator with a working tool that catalogues all requirements for HQE, Building Research Establishment Environmental Assessment Method (BREEAM®) and Leadership in Energy and Environmental Design (LEED®) at each stage of the project and accompanies them in the development and realisation of the Group's office and retail projects (Retail and Business property).

Retail portfolio

In 2021, the Group continued to use the "Guide to best operational environmental practice" developed in 2014. This was a direct result of the implementation of the "Standing Assets EMS" rolled out in 2013, and contributed to the maintenance of BREEAM® In-Use certification on 100% of the shopping centre portfolio managed in France by Altarea. The "Standing Assets EMS", partly based on BREEAM® In-Use certification, has covered 100% of the scope of reporting since 2013 and makes it possible to measure all of the energy consumption of assets. This structuring approach makes it possible to continually improve operations whilst also making the reported environmental data more reliable.

In Retail, the environmental management approach has since been extended to all CSR issues.

THE AUDITED ENVIRONMENTAL MANAGEMENT SYSTEM (EMS) FOR THE RETAIL PORTFOLIO



(1) *Excluding co-development, refurbishments and managed residences.*

Tools to complement EMS

Training

In general, employees regularly attend training sessions, at the initiative of the various Group departments, in particular when the regulations change.

With regard to CSR topics, in 2020 the Group carried out structuring work to formalise an ambitious training plan to support the deployment of the Group's CSR strategy. Its content was developed based on the Group's CSR priorities and the needs expressed by employees. It covers the Group's major CSR challenges: climate change, the circular economy and the positive socioeconomic impact on the regions. The plan provides for diversified formats to best address the selected topics with attractive and innovative teaching methods, suitable for everyone from generalist to expert. For example, to meet the time constraints of employees, the plan includes very short e-learning modules. A number of learning expeditions will also be organised to inspire employees.

In 2021, the deployment of this training plan focused on climate and CSR strategy issues (see 4.2.2.3) and other training courses are planned for 2022.

Awareness actions

The Group is also stepping up CSR awareness-raising actions. The relocation of the head office to 87 Richelieu has made it possible to set up user-friendly and collaborative formats, despite the context of the COVID-19 pandemic. The spaces have been designed to develop cross-functionality between all teams.

The CSR Department took advantage of the Sustainable Development Weeks to challenge employees on the theme: "CSR and you". To do this, it organised a series of conferences, accessible at the head office and by video, in partnership with Engage University. Prestigious contributors took part, such as François Gemenne, researcher and member of the Intergovernmental Panel on Climate Change (IPCC).

Altarea employees are also made aware of CSR issues through the network of operational CSR ambassadors. This network is open to employees of all brands and all business lines, and one of its missions is to disseminate the Group's CSR strategy.

In addition, each year, on the occasion of social economy month, Altarea conducts an awareness-raising campaign for all employees on the cooperation with social economy organisations (see 4.2.1.2).

Lastly, in 2021 the CSR Department began a tour of the regions where the Group operates to discuss CSR and other topics. These meetings also represent an opportunity to raise employee awareness.

Tools and thematic guides

Each year, the CSR Department produces and circulates tools and guides to raise awareness of employees of the various themes around sustainability and how to facilitate their inclusion. For example:

- on the theme of the circular economy: a guide to reuse to understand the methodology behind reuse in real estate and have ready-to-use tools, as well as a grid showing ways to support the circular economy in a real estate project;
- in-depth tools on summer comfort solutions to be implemented on projects;
- a guide on the multiple certifications and labels available on the market which provides employees with information by theme on the basics and technical and financial restrictions;
- two guides aimed at providing information on how to develop and promote biodiversity in the Group's projects. One is specific to Retail (development and operation) and the other is specific to Neighbourhood projects (housing development, Business property, hotels and mixed projects);
- finally, a guide dedicated to the social and solidarity economy (SSE), which provides information on the world of the SSE and includes mapping and contact details of the stakeholders that can be mobilised for Group projects (see 4.2.1.2).

Internal guidelines

In order to roll out initiatives to improve comfort, health and well-being at its assets, the Group has produced dedicated internal guidelines in 2017. Drawing on established third-party systems (particularly BREEAM® In-Use and WELL certifications), the Group has set its own requirements for assets in operation, which are sent to each centre in the form of a checklist. It comprises 33 criteria, from the design phase (accessibility of the building, quality of air renewal, implementation of recommendations from an acoustic study for example) to the operational phase of an asset (raising awareness about healthy eating, provision of baby changing facilities in the mixed areas, etc.).

These guidelines form part of a continuous improvement approach which aims to annually review each site's performance in terms of comfort, health and well-being and to put actions plans in place. Portfolio reviews started in 2017 and continued until 2021. In all, 27 shopping centres were reviewed.

4.6.3 Methodology and verification

Verification

Altarea contracts an independent third-party organisation to carry out the following:

- verification of the Declaration's compliance with the provisions of Article R. 225-105 of the French Commercial Code;
- verification of the truthfulness of the information: key performance indicators and actions.

Comprehensiveness of reporting scopes and guidelines used

Reporting covers nearly all of Altarea's Property Development and portfolio activities, as well as its head office. CSR reporting coverage rates provide an appreciation of its comprehensiveness compared to financial reporting.

COMPLETENESS OF ALTAREA EXTRA-FINANCIAL REPORTING

	THE ENVIRONMENT					SOCIAL
BUSINESS	CORPORATE	RESIDENTIAL	BUSINESS PROPERTY	PROPERTY DEVELOPMENT RETAIL	REIT RETAIL	CORPORATE
STANDARD	GRI CRESS	Internal definition (Methodology and verification chapter)			GRI CRESS Recommandations EPRA	GRI CRESS
PERIOD	1 January to 31 December N	1 October N-1 to 30 September N and as of 30 September N for new housing		1 January to 31 December N		1 January to 31 December N
SCOPE	Head office Total 26,493 m^2	419 projects 24,779 Residential	49 projects 609,152 m^2 Net surface area or floor area	1 project 3,165 m^2 Net surface area or floor area	620,789 m^2 GLA	1,996 employees
REPORTING COVERAGE	100%	100%	100%	100%	94.4 % (surface area) 92.6% (in value)	100%

Compliance of reporting with national and international guidelines

Altarea drew on recognised national and international guidelines to produce its internal reporting guidelines and extra-financial communication.

The Group's extra-financial reporting is compatible with the European Public Real Estate Association (EPRA) "Best Practices Recommendation on Sustainability Reporting", published in September 2011 and the GRI G4 Construction & Real Estate Sector Supplement (CRESS) sector supplement.

In Retail, Altarea also follows the recommendations of the CNCC (National Council of Shopping Centres) 2018 sector reporting guide on the DPEF. This guide, to which Altarea contributed, sets out the reporting recommendations for the shopping centres sector, following the publication of the transposition into French law of the EU Directive on disclosure of nonfinancial information.

Reporting period

The Group has opted whenever possible to base its nonfinancial reporting on the same period as its financial reporting.

For the Retail REIT activity, the key portfolio data (value and area) are those at 31 December of the reference year. However, since 2016, for reasons related to the availability of data, the reporting for footfall, revenue and all environmental data has been provided over a rolling year running from 1 November of the year preceding the reporting year to 31 October of the reporting year.

In Property development, the length of the calculation processes requires that the Group use a staggered reporting period for environmental data and social data related to Group procurement of goods and services (particularly indirect and induced jobs).

On collection, for the reporting period, of more precise data for prior periods, the indicators are recalculated with this new data.

Information about the scope of social reporting

The scope of social reporting includes all of the Group's fully integrated legal entities with a payroll that is not nil.

Description of environmental reporting scopes

Corporate

The corporate scope of reporting includes environmental data for Altarea's head office at 87 rue de Richelieu, in Paris, where the Parisian teams moved to in June 2020.

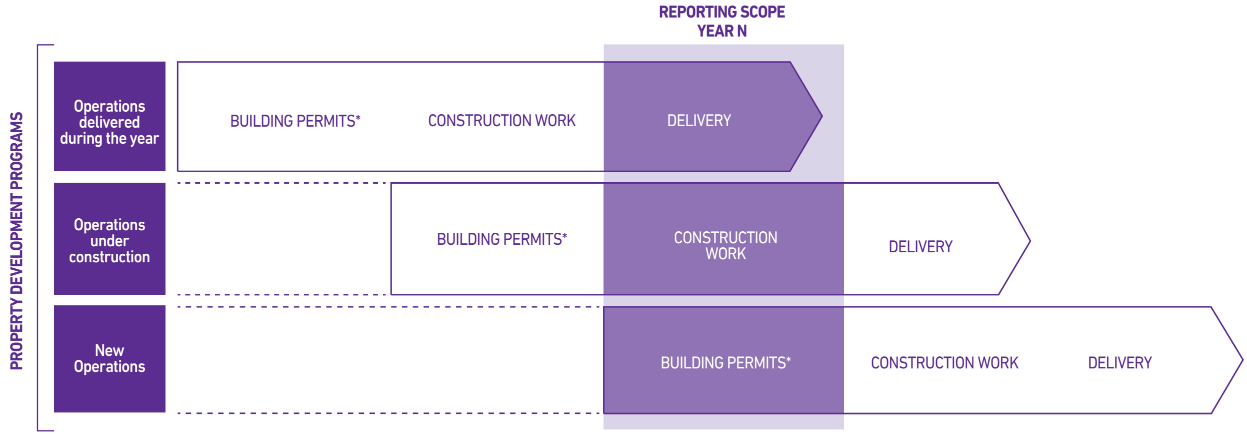
Property Development

The scope of reporting for Property Development includes operations which, during the reporting period:

- have obtained a building permit (except for new housing projects, which involve the acquisition of land);
- were in progress;
- were delivered.

The following diagram summarises the way in which projects are entered and booked out for each of the activities (Residential, Business property and Retail).

SUMMARY OF METHODS FOR INCLUDING PROJECTS IN THE SCOPE OF REPORTING



** The acquisition of land for new housing projects.*

In order to facilitate understanding of the indicators related to the Property Development activities, the Group opted to retain the same accounting method for each category, each certification and each label, although the key dates in the certification process vary according to the category of asset and certification.

Retail portfolio

Scope of ownership

The scope of ownership includes all assets in which Altarea ownership is not zero.

Scope of reporting

The assets included in this scope are the French assets of the scope that have been held for at least 12 months in the reference year. As a result, any acquisitions or disposals made during the reference year are excluded from the scope of reporting.

Sites undergoing construction during the reference year are included in this scope unless they are completely closed for at least one month in the reference year or if creation of gross leasable area (GLA) exceeds 20%. If the creation of GLA exceeds 20%, it is nonetheless included if overconsumption related to construction can be isolated.

Due to the health situation imposed by the COVID-19 pandemic, some sites had to close for one or more months in 2020 and 2021. These sites are maintained within the scope of reporting, and consumption is commented on in light of the events of the year.

Scope of current reporting

The assets included in the current scope of reporting are those included in the scope of reporting with the exception of:

- sites not managed by Altarea and therefore over which the Group has no operational control;
- sites on which no Altarea representative carries out on-site management.

Scope of like-for-like reporting

The like-for-like basis consists of two phases:

- between 2010 and 2015, it includes all assets in the scope of reporting held throughout the period. Given its share in the total portfolio, the CAP3000 centre, which was acquired in 2010, was reintegrated in the 2010-2015 scope on a like-for-like basis. The data previous to the acquisition of the centre are generally known, limiting the data which needs to be estimated;
- due to disposals and acquisitions of sites since 2010, a new like-for-like basis was established for the 2015-2021 period to reflect the Group's portfolio as accurately as possible. It includes all of the assets in the scope of reporting held throughout the 2015-2021 period. Given its significant share of the scope, the Carré de Soie centre was reintroduced on a like-for-like basis in 2019.

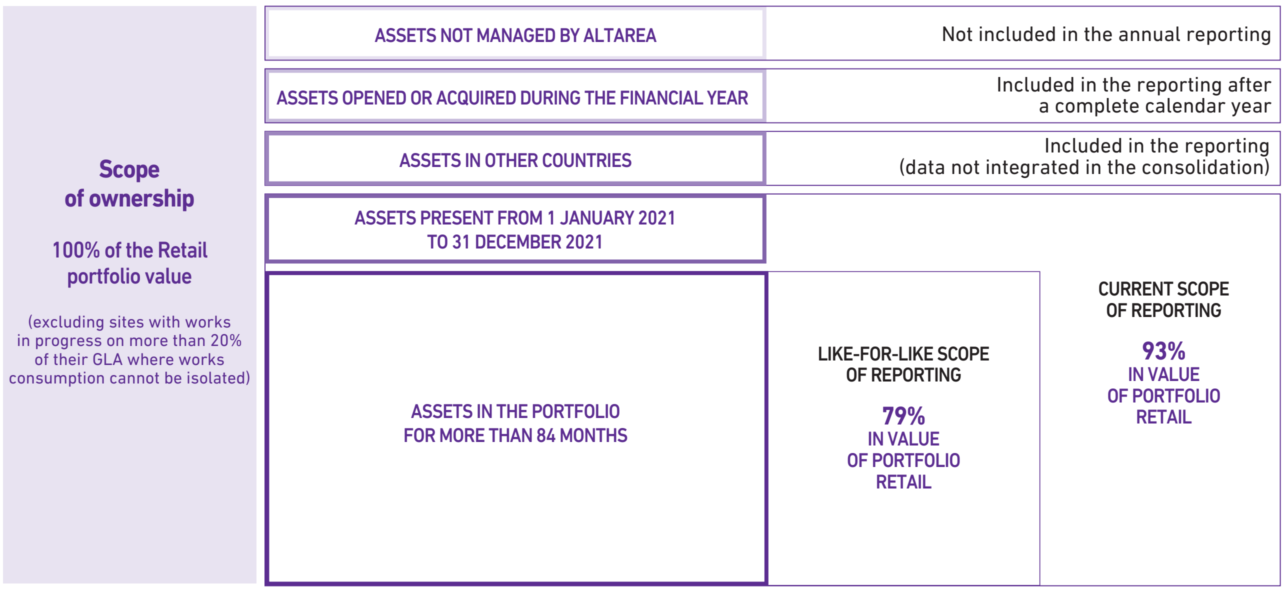
Changes in Group indicators between 2010 and 2021 are calculated by adding the changes seen between 2010 and 2015 on the 2010-2015 like-for-like basis and those seen between 2015 and 2021 on the 2015-2021 like-for-like basis.

All assets included in the scope of current reporting and the overall scope – including partially owned assets – are recognised in full if Altarea manages them directly. Assets directly managed but not owned by the Altarea Group are excluded from the scope of current and overall reporting.

For indicators covering all assets we specify the portion of the current reporting scope or like-for-like basis covered by the indicator, compared with the Group's scope of reporting for the reference year. The indicator for this scope is expressed as a percentage of the value of the assets within Altarea's scope of reporting.

We include only consumption managed or paid for directly by Altarea within the current and like-for-like scopes. As a result, environmental data that are directly managed by tenants are excluded, except for shopping centres for which a specific process for collecting tenant consumption data has been implemented (see 4.2.2.5).

REPORTING SCOPE FOR THE REIT DIVISION



4.6.4 Materiality matrix concordance table

The table below can be used to determine the issues identified in the materiality matrix in the DPEF chapter.

Level of importance	Matrix issue	Location
Capital	Customer and user relations	Customers Theme: 4.3.1 and 4.3.2
Capital	Mixed use and local development	Cities Theme: 4.2.1
Capital	Energy and climate	Cities Theme: 4.2.2
Capital	Connectivity and mobility	Cities Theme: 4.2.1 and 4.2.2
Capital	Well-being of occupants	Customers Theme: 4.3.2
Capital	Business ethics	Customers Theme: 4.3.6
Capital	New uses and digitisation	Customers Theme: 4.3.5
Capital	Talent and skills management	Talents Theme: 4.4.4
Capital	Compensation and value sharing	Talents Theme: 4.4.3
Capital	Diversity and equal opportunities	Talents Theme: 4.4.2
Capital	Safety of assets, people and personal data	Customers Theme: 4.3.7
Capital	Labelling and sustainable certification	Customers Theme: 4.3.3
Capital	Circular economy	Cities Theme: 4.2.4
Capital	Partnerships	4.1.4 and Cities Theme: 4.2.6
Significant	Well-being at work	Talents Theme: 4.4.5
Significant	Responsible supply chain and supplier relationships	Customers Theme: 4.3.4
Significant	Biodiversity and land management	Cities Theme: 4.2.3
Significant	Health/safety of employees	Talents Theme: 4.4.5
Significant	Governance	Chapter 6 of the 2021 Universal Registration Document
Moderate	Water management	4.5.3
Moderate	Sponsorship	Cities Theme: 4.2.6

4.6.5 DPEF concordance table

The table below refers to the aspects of the DPEF to be found in the DPEF Chapter that are required by Article L. 225-102-1 of the French Commercial Code.

Elements of the DPEF	Location
Description of the business model	Strategic report incorporated and Business Review (introduction and Chapter 1 of the 2021 Universal Registration Document)
Description of the main risks associated with the Group's activities	4.1.1
Respect for human rights	4.3.4 and 4.4.2
Fight against corruption	4.3.6
Climate change	4.2.2
Circular economy	4.2.4
Food waste	In view of the nature of our activities, we do not consider that this issue constitutes major CSR risk or that it warrants being dealt with in this management report.
Collective bargaining agreements	4.4.2
Combatting of discrimination and promotion of diversity	4.4.2
Employee benefit obligations	4.2.1, 4.2.6 and 4.3
Combatting of tax evasion	The Group is committed to complying with applicable tax legislation in all countries where it is established. Each year it files a "country-by-country" (CBCR) tax report with the French administration in accordance with the standard set by the OECD and European Union aimed at combating tax fraud and optimisation. Moreover, the Group has no direct financial interest in, nor makes any investment in or has any transactions with countries featured on the black and grey lists of tax havens produced by the EU or on the list of uncooperative countries or territories produced by the Financial Action Task Force (FATF). As a reminder, Altarea has opted for the SIIC status and as such is subject to a particular tax regime, particularly in terms of distributive obligations (see 8.1.2.3), the compliance with which is monitored by an internal and external team of tax experts and discussed with the Group's auditors. Finally, for some complex questions or transactions, the Group refers to top tax advisers and communicates with the tax authorities. Altarea monitors tax investigations and disputes closely.
Combatting food insecurity, respect for animal welfare, responsible, fair and sustainable food system	In view of the nature of our activities, we do not consider that this issue constitutes major CSR risk or that it warrants being dealt with in this management report.

4.7 Independent third party's report

Year ended the 31 December 2021

Independent third party's report on the consolidated Declaration on Extra-Financial Performance

To the General Shareholders' Meeting,

In our capacity third-party organisations independent ("third party"), accredited by COFRAC (COFRAC Inspection Accreditation, no. 3-1681, scope available on www.cofrac.fr) and member the network of one of your Company's Statutory Auditors (hereinafter "entity"), we carried out work to formulate a reasoned opinion expressing a conclusion of limited assurance on the compliance of the consolidated Declaration of Extra-Financial Performance, for the financial year ended 31 December 2021 (hereinafter the "Declaration") with the provisions of Article R. 225-105 of the French Commercial Code and on the fairness of historical information (recorded or extrapolated) provided pursuant to Article R. 225-105, I 3° and II of the French Commercial Code (hereinafter the "Information") prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), presented in the management report in accordance with the provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

Conclusion

Based on the procedures we have implemented, as described in the "Nature and scope of the work" section, and the information we have collected, we have not identified any significant anomaly that would call into question. the fact that the consolidated Declaration of Extra-Financial Performance complies with the applicable regulatory provisions and that the Information, taken as a whole, is fairly presented in accordance with the Guidelines.

Preparation of the Declaration on Extra-Financial Performance

The absence of a generally accepted and commonly used reference framework or established practices on which to evaluate and measure the Information allows the use of different but acceptable measurement techniques that may affect comparability between entities and over time.

Consequently, the Information must be read and understood with reference to the Guidelines, the significant terms of which are explained in the Declaration.

The entity's responsibility

It is the responsibility of Management to:

- select or establish appropriate criteria for the preparation of the Information;
- prepare the Declaration, including a presentation of the business model, a description of the principal extra-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators;
- put in place the internal control that it deems necessary to prepare Information that is free from material misstatement, whether due to fraud or error.

The Declaration was prepared in accordance with the entity's Guidelines as mentioned above.

Responsibility of the independent third party

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Declaration with the requirements of Article R. 225-105 of the French Commercial Code;
- the fairness of the historical information (recorded or extrapolated) provided in accordance with Article R. 225-105, I 3° and II of the French Commercial Code, *i.e.*, the outcomes of policies, including key performance indicators, and actions taken to address the principal risks.

As we are responsible for drawing an independent conclusion on the Information as prepared by management, we are not authorised to be involved in the preparation of such Information as this could compromise our independence.

It is not our responsibility to comment on:

- the entity's compliance with other applicable legal and regulatory provisions (in particular in terms of information required under Article 8 of Regulation (EU) 2020/852 (green taxonomy), the vigilance and anti-corruption plan and tax evasion);
- the fairness of the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- compliance of products and services with applicable regulations.

Regulatory provisions and applicable professional doctrine

Our work as described below was carried out in accordance with the provisions of Articles A. 225 1 *et seq.* Of the French Commercial Code, the professional guidance issued by the Compagnie nationale des commissaires aux comptes relating to this intervention in lieu of an audit and the international standard ISAE 3000 (revised)[1].

Independence and quality control

Our independence is defined by the requirements of Article L. 822-11 of the French Commercial Code and the French Code of Ethics (*Code de déontologie*) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, ethical rules and the professional guidance of the Compagnie nationale des commissaires aux comptes regarding this intervention.

Means and resources

Our verification work mobilised the skills of five people and took place between September 2021 and March 2022 on a total duration of intervention of about nine weeks.

To assist us in carrying out our work, we called on our specialists in sustainable development and social responsibility. We conducted five interviews with the people responsible for preparing the Declaration, representing in particular the CSR technical and Human Resources Departments.

Nature and scope of the work

We have planned and carried out our work taking into account the risk of material misstatement in the Information.

We believe that the procedures we have conducted, exercising our professional judgement, enable us to formulate a conclusion of limited assurance:

- we obtained an understanding of all the consolidated entities' activities and the description of the principal risks associated;
- we assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;

(1) ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.

- we verified that the Declaration covers each category of information provided for in Article L. 225-102-1 III in social and environmental matters as well as respect for human rights and the fight against corruption and tax evasion;
- we verified that the Declaration provides the information required under Article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under Article L. 225-102-1 III, paragraph 2 of the French Commercial Code;
- we verified that the Declaration presents the business model and a description of principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;
- we referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented, and
  - corroborate the qualitative information (actions and outcomes) that we considered to be the most important presented in Annex 1. For certain risks (climate change, subcontracting chain and skills management), our work was carried out at the level of the consolidating entity, for other risks, work was carried out at the level of the consolidating entity (Altarea SCA) and in a selection of sites listed below: Suresnes-Résonance (housing project), Reflets-Compans (shopping centre);
- we verified that the Declaration covers the scope of consolidation, *i.e.* all the consolidated entities in accordance with Article L. 233-16 of the French Commercial Code;
- we obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes that we considered to be the most important presented in Appendix 1, we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data, and
  - detailed tests on the basis of sampling or other means of selection, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities listed above and covers between 23% and 100% of the consolidated data selected for these tests (23% of surface area certified in Business Property and 100% of social data);
- we assessed the overall consistency of the Declaration based on our knowledge of all the consolidated entities.

The procedures implemented as part of a limited assurance engagement are less extensive than those required for a reasonable assurance engagement performed according to professional standards; a higher level of assurance would have required us to carry out more extensive procedures.

Paris-La Défense, 18 March 2022

Independent third party

EY & Associés

Philippe Aubain

Partner, Sustainable Development

Appendix 1: The most important information

Social Information

Quantitative Information (including key performance indicators)	Qualitative Information (actions or results)
■ The total headcount ■ The absenteeism rate ■ The departure rate ■ The proportion of employees who participated in at least one training course during the year ■ The number of training days ■ The proportion of employees who have taken and passed a CSR and climate training course during the year ■ The representativeness of women in management ■ The number of work-study students recruited during the year ■ The rate of positions filled through mobility and internal promotion	■ The development of recruiting, integrating and training systems for employees ■ Promotion of diversity and equality of chances ■ Strengthening well-being and quality of life at work ■ Raising employee awareness and training in the strategic challenges of CSR and the climate

Environmental Information

Quantitative Information (including key performance indicators)	Qualitative Information (actions or results)
■ The share of certified areas or in the process of environmental certification (the environmental management system) ■ Primary energy consumption and CO_2 emissions per m^2 of shopping centres ■ Energy performance and the share of areas exceeding the requirements of thermal regulations ■ Group CO_2 emissions (scopes 1 and 2 as well as the evaluation made of scope 3) ■ The share of recovered waste, including the percentage of material recovered ■ Water consumption ■ The share of projects with an ecological diagnosis ■ Levels sought or obtained in BREEAM®	■ A reduction in the direct footprint ■ Update of the decarbonisation strategy ■ Use of energies that emit less greenhouse gases ■ Improving the energy efficiency of projects ■ Limiting exposure to climate change ■ Site waste recovery and reduction of raw materials' consumption ■ Development of activities linked to wood construction ■ Preservation of existing biodiversity ■ Strengthening the Group's innovation culture

Societal Information

Quantitative Information (including key performance indicators)	Qualitative Information (actions or results)
■ Percentage of locally sourced purchases by building sites ■ The visitor and customer satisfaction index ■ The proportion of sites promoting well-being and comfort of users (NF Habitat and WELL certifications for Residential and Business property activities) ■ The share of signed green leases ■ The share of surface areas under development less than 500 meters from a transport network (urban integration)	■ The employment footprint (direct, indirect, induced and hosted jobs) ■ Cogedim Club's CSR approach ■ Progress of the responsible purchasing approach ■ Safety on construction sites ■ The contribution to the economic development of the territories and to local employment ■ Dialogue with customers and visitors ■ The implementation of wellness and comfort approaches in each business line ■ Strengthening green value and environmental quality (quality, labels and certifications)

5

RISK MANAGEMENT

5.1 Organisation of internal control and risk management

5.1.1 Objectives set for internal control and risk management

In accordance with AMF guidelines, the Altarea Group's internal control system complies with the general principles of risk management and internal control set forth in the reference framework developed by the AMF in July 2010. Internal control aims to ensure:

- compliance with laws and regulations;
- proper observance of instructions issued by Management;
- effective functioning of the Company's internal procedures, particularly those intended to protect its assets;
- the regularity and reliability of accounting and financial information, in order to present a true and fair view of the assets, financial position and results.

The scope for the application of the Company's internal control is that of the Altarea Group, that is, the Altarea parent company and all companies that it controls as defined by Article L. 233-3-I of the French Commercial Code, except for property development joint ventures that are managed by a commercial partner. The system implemented within the Group is based on a risk management system that aims to identify the main risks to control in order to: safeguard the Company's value, assets and reputation; secure decision-making and other processes to ensure that targets are reached; encourage consistency between actions taken and corporate values; and unite employees around a shared understanding of the major risks.

We remind you that internal control and risk management systems, like any system of control, are subject to inherent limits, and cannot fully guarantee that objectives will be achieved.

Moreover, the information provided on identified risks is not necessarily exhaustive and does not cover all of the risks to which the Group could be exposed in the course of its activities. Only major risks are identified here.

5.1.2 Governance of internal control and risk management

5.1.2.1 Internal control and risk management system

The internal control and risk management system is run by the Internal Control Department, reporting to the Group Chief Executive Officer.

Internal control system

The Altarea Group internal control system relies on:

- a structure by activity based on three business lines and support functions, with a system of delegation of powers and responsibilities;
- a definition of the missions and responsibilities of the governance bodies (see 6.2.3 "Supervisory Board");
- procedures and *modus operandi* specific to the business and objectives of the Group's different business lines, with separation of functions;
- a human resources and skills-management policy, based on a strategic training plan and a shared approach revolving around annual appraisals.

The Group also has internal information dissemination tools, including an intranet, procedural notes, instructions and closing schedules.

Risk management system

The Group's main risks are regularly presented in detail to the Audit Committee. They are identified through a risk-mapping process organised by business processes and support functions. The risk-mapping is periodically updated.

The Internal Control Department uses risk mapping to prepare its action plan. Other sources, such as summaries of internal-control review work and comments and recommendations formulated by the Statutory Auditors are analysed and taken into consideration in defining actions to be taken. The control systems put in place to manage the main risks to which the Altarea Group is exposed are described in Section 5.2 "Risk factors and risk control systems" of this document.

5.1.2.2 Control environment

Internal control is based on rules of conduct and integrity established by the Company's governing bodies and communicated to all employees. The key elements of the internal control procedures are as follows:

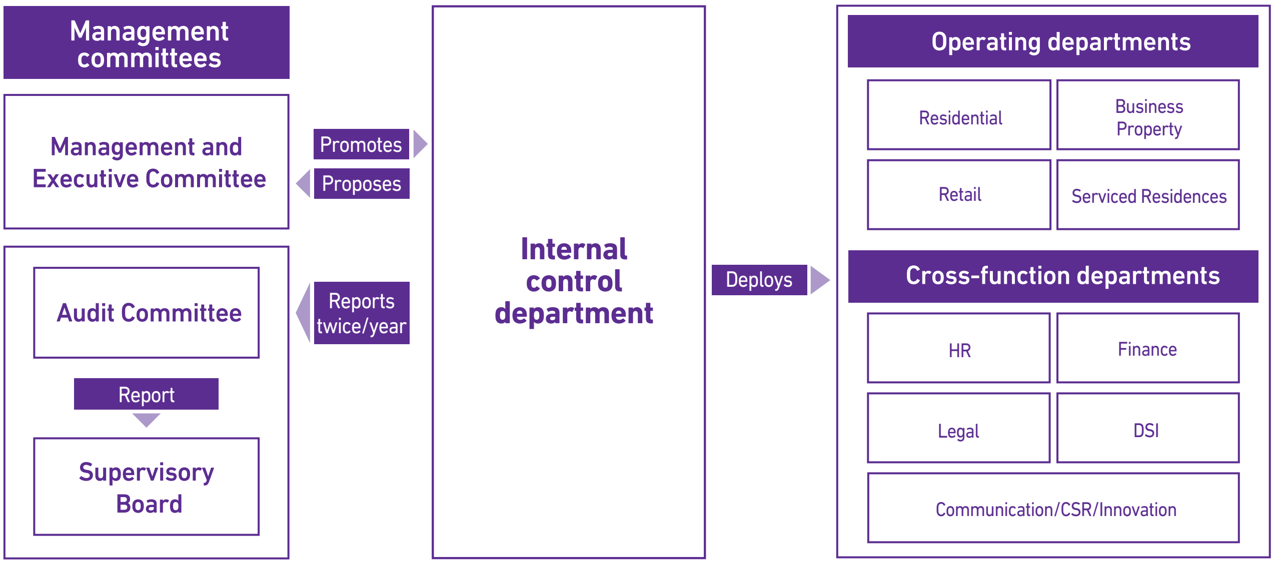
- the ethics charter sets out the Altarea Group's values and rules of conduct that all Group employees and corporate officers must respect in their working relationships. The clear and precise principles outlined in the charter should inspire and guide everyone in their daily tasks, enabling them to resolve issues of conduct, professional ethics and conflicts of interest in a clear and consistent way. The charter is available on the Group's intranet site and a copy is systematically distributed to every employee when recruited;
- all procedures and internal rules of the Group govern its various activities: operational procedures on how to behave in conducting the normal business of the Company and rules that expand upon the principles in the ethics charter on conflicts of interest, the fight against corruption and money laundering or insider trading.

The Group seeks to reinforce and monitor its control environment on a daily basis through the development of its compliance programme, in accordance with the various regulatory requirements.

5.1.2.3 Internal control and risk management

Internal control and risk management is everybody's business, from employees right up to the governance bodies.

Management is responsible for the overall organisation of the internal control system and, for the implementation of its strategic vision, has an Executive Committee which meets regularly. It is under its leadership that internal control procedures are established and that orientations are taken in order to control the risks associated with the Company's business. The Supervisory Board, assisted by the Audit Committee, plays an important role in terms of control as part of its permanent duty to oversee the management of the Company (see 6.2.3 "Supervisory Board" in this Universal Registration Document).



5.1.2.4 Priority tasks of the internal control department

The Internal Control Department is responsible for coordinating and supporting internal control actions which are conducted in the different subsidiaries. Its priority missions are:

- to ensure knowledge and compliance with the rules of procedure and its appendices and the correct functioning of the Supervisory Board's specialised committees;
- to monitor regulatory obligations relating to internal control;
- identify and assist the various departments in mapping risks;
- to define or help departments in defining operational procedures;
- to review the rules applying to the Company's operating commitments, and compile existing procedures and standardise them if needed;
- to perform all compliance checks to ensure procedures are respected.

To fulfil its duties, the Internal Control Department also draws upon:

- specialised advisory and consulting firms;
- a number of contacts within the Group to monitor and control operational risks and commitments.

In addition, every Altarea Group employee is encouraged to make proposals to keep the internal control system effective and up to date. Operational Managers ensure that the processes are in line with the objectives assigned to them.

5.1.3 Procedures relating to the preparation and processing of the Group's accounting and financial information

The Group is particularly sensitive to the reliability of the budget processes, the correct consolidation of accounting data and the quality of the financial data published. The Statutory Auditors, the Audit Committee and Supervisory Board closely monitor the clarity of the financial information and compliance of the accounting methods used. The Altarea Group therefore considers the risks associated with the preparation of financial information to be moderate, given all the processes in place.

Finance Committee

In order to control the financial and accounting risks that may arise, Operational Finance Committee meetings are held every two weeks and are attended by Management, the CFO, Deputy CFO and the Managers concerned, depending on the agenda. During these committees, the Group Finance Department discusses current financial issues.

Accounting and financial structure and main internal control procedures

(i) Accounting and financial organisation

In order to enable controls at every level, the accounting and finance teams are structured by divisions (Group holding companies, Retail division and Property Development division).

The Group Finance Department is responsible for:

- the keeping of individual company accounts by Group employees for each operating subsidiary;
- the preparation of the Group's consolidated financial statements with dedicated teams.

The Group Finance Department is responsible for the quality and reliability of all the published or regulatory accounting information: consolidated financial statements (IFRS), parent company financial statements (French Standards) and the Company's forward-looking information (law of 1984). This department is in charge of coordinating the relationship with the Statutory Auditors for the whole Group and at every half-yearly or annual reporting date it prepares an activity report consistent with the accounting information.

Within the operating divisions, accounting and financial monitoring is carried out by management controllers in charge of reviewing the results of each operating subsidiary.

(ii) Principal control procedures

The principal control procedures used for the purposes of preparing the accounting and financial information are as follows:

- formalised budget control and planning process taking place twice a year, with comparison of actual data and budget data validated by the management activities and the Group. This process facilitates preparation and inspection of half-year and full-year Group financial statements. The main components are discussed with the Statutory Auditors prior to each period-end;
- a vertical procedure for data reporting from various operating departments (period-end timetables and instructions, quarterly meetings and dashboards for information sharing), with audits carried out by the operating management controllers (by business line for the Retail division, by region and/or brand for the Property Development division) before the information is sent to the Group Finance Department and cross-functional control procedures (consistency checks and reconciliation of operating management/accounting and budgeted/actual figures, intercompany reconciliations, etc.);
- analysis of significant events: the principal events that may have a material effect on the financial statements (acquisitions, disposals, restructuring, etc.) are subject to simulations and explanatory notes prepared by the Group Finance Department or the divisions. The accounting treatment of complex transactions (major structural transactions, Corporate financing transactions or operations' tax impact) is systematically presented to the Statutory Auditors before the financial statements are prepared. These items are then used to document the Notes to the consolidated or individual company financial statements;
- reporting, key indicator monitoring and quarterly reporting:
  - unaudited interim financial reports (31 March and 30 September) used to prepare financial statements and analyse key indicators (revenue and net financial debt),
  - periodic reports by the operating subsidiaries to Management and department heads in the Retail division (half-year Property Portfolio Report, monthly report on shopping centre operations, etc.), and in the Property Development for Third Parties division (monthly division report and monthly tracking tables of key business indicators for the subsidiaries);
- documentation of the harmonised closing process for the various activities:
  - a matrix formally documenting the overall internal control procedures applying to the period-end closing process; summary files for each company divided by function (purchases, sales, cash flow, capital, etc.) and designed to document economic, legal and financial processing of transactions; formal documentation of lawsuits and legal disputes,
  - consolidation and accounting procedures manual, formalisation of the follow-up of appeals and disputes,
  - Group accounting chart with glossary and table for transition between local and Group accounting; accounting templates for the most common transactions (operating leases, percentage-of-completion payments, etc.); electronic file documenting the consolidated financial statements classified by line items; Notes to the financial statements, including taxes and off-balance sheet commitments;
- audit of the accounts of the French and foreign subsidiaries *via* contractual audits.

Furthermore a review of operations and the forecast financial results is carried out twice a year with the Chairman of the Audit Committee, a specialist committee of the Supervisory Board, in preparation of the half-year and annual period ends.

Information systems

Accounting and financial information is prepared based on efficient business and financial information systems. Manual and automatic controls exist in order to secure the flow and processing of data that come from these systems.

(i) Rental and property management software

The Retail division uses the same rental and property management software package in France, Italy and Spain. This "business" tool is interfaced with the corporate accounting software Sage. Its unique database (chart of accounts, personal account, analysis, etc.) enables multi-company cross-cutting analyses.

(ii) Property transaction software

The Property Development division uses a property transaction management software that optimises the monitoring and control of projects throughout the different phases. This "business" tool is interfaced with the accounting software Sage and the data presented in the two systems are regularly reconciled.

(iii) Account consolidation software

Due to its structure, the consolidation software SAP BFC (Business Financial Consolidation) used within the Group, constitutes a platform enabling a strong integration of accounting systems. It therefore helps to reduce the risk of material mistakes.

Sage data is integrated into the SAP BFC consolidation software *via* a procedure common to the whole Group. The integration of this data leads to controls performed every quarter by reconciliation with data from the Property Development division (project budgets and cumulative sales) and/or budget data (net income), and corporate and/or budget data from the Retail division (completeness of integrated data, cut-off, gross rental income, net rental income, general operating expenses, HR, net debt, etc.).

In addition, the SAP software DM – Disclosure Management – enables secure disclosure management *via* SAP BFC of quantitative data and Notes to the consolidated financial statements. This software package is also used to coordinate the different contributors to the Universal Registration Document, and help prepare it, and thus allows a systematic and cross review of the different parts. This software also includes the tools required to comply with the obligations of listed companies to prepare annual financial reports and/or URDs in a single electronic format.

(iv) Software for financial planning and budget reporting

SAP BPC – Business Planning Consolidation – software for financial planning and budget reporting has been implemented for the entire Group. This software uses operating data from business line systems to generate consolidated budget data. Estimated consolidated information is compared with actual figures imported from the system used to prepare the consolidated financial statements (SAP BFC). Any material differences are justified.

(v) Cash flow software

The Group uses cash management software and a banking communication tool that are automatically interfaced with the corporate accounting software, thus enabling the automated transfer of short-term accounting forecasts to cash management or automatic recognition of certain data transmitted to accounting.

All of the Group's flows are secured with the EBICS TS protocol. This module is interfaced with all of the Group's ERPs, thus enabling the provision of account statements and other information statements to the ERPs or the secure transfer of payment and direct debit files from the ERPs to the banking communication system.

To prevent risks affecting cash management, the cash management teams reconcile bank balances and analyse changes in the cash balance for all divisions on a daily basis: reconciliation of banking data with short-term forecasts, checking of balances and analysis of daily changes in banking positions.

5.1.4 Managing interest rate and counterparty risk

The Altarea Group's debt mainly consists of fixed-rate bonds, short-term commercial paper (Neu CP) and medium-term notes (Neu MTN) at fixed or variable rates and bank loans (mortgage and corporate) at fixed or variable interest rates.

The Altarea Group is thus exposed to the risk of changes in interest rates on its existing floating-rate debt and on future fixed-rate refinancing transactions. An increase in interest rates could lead to an increase in interest expenses. Sensitivities to a rise in interest rates are described in Note 8.2 of Chapter 2.3 "Other information attached to the consolidated financial statements" of this document.

Moreover, the use of derivatives as part of its interest rate risk management may also expose the Group to adverse effects on its results in the event of default by its counterparty.

The Altarea Group adopts a prudent interest rate risk management policy, designed to preserve the funds from operations generated by the property development activity and operating assets, by hedging debts (whether or not they are backed by these assets). The instruments used are mainly interest rate swaps and interest rate options[1].

In order to limit counterparty risk that may arise following the setting up of financial derivatives, Altarea Group thoroughly checks the quality of the counterparties and only pursues projects with the largest financial institutions.

(1) The financial instruments used are detailed in Note 8 "Financial risk management" to the consolidated financial statements in Chapter 2.3 Other information attached to the consolidated financial statements of this Universal Registration Document.

5.1.5 Management of business ethics risks

Combatting fraud

To mitigate risks of fraud or embezzlement, procedures have been set up for cash and cash flows to ensure that they are secure (bank powers; rules for opening, modifying and closing bank accounts; daily reconciliation of bank transactions with accounting entries; and separation of functions between the Accounting Department and the Cash Management Department). In addition, the number of authorised signatories for payments is limited.

Every external attempted fraud observed by the teams (*e.g.* fake President, change of bank details, recruitment fraud) is reported to the Internal Control and Security Department which sends out regular reminders about the methods used by scammers and the right things to do to avoid them. A training course on fake President fraud and bank details fraud has been set up for financial staff most exposed to these risks.

Combatting money laundering and the financing of terrorism

The prevention mechanism is primarily based on:

- a systematic inclusion of antimoney-laundering clauses in contracts with third parties;
- a process for assessing the level of risk of customers and business partners, strengthened in 2021, particularly in Residential real estate and the REIT business *via* a due diligence tool and a review of documentation;
- a TRACFIN reporter/correspondent for the entire Group;
- training and raising the awareness of employees most exposed to risk, *via* the deployment of an e-learning programme.

In addition, in Spain the procedures to combat money laundering and the financing of terrorism are the subject of an annual report prepared by an external firm. Training is also given to employees every two years.

Fight against corruption

The Group is currently tightening its anticorruption system to prevent this risk and meet the requirements of Sapin 2. Corruption risks are mapped to enable us to identify the areas requiring priority action. This risk-mapping will be updated in 2022.

The roll-out of the third-party assessment procedure initiated in 2021 will continue in 2022. This procedure takes into account the specificities of the activities and subsidiaries.

All Group executives, Managers and employees are mobilised to effectively meet legal obligations and must follow the e-learning modules introduced at the end of 2020.

Periodic awareness campaigns target the employees identified as the most vulnerable. For example, with the help of specialist law firms we held courses on the different types of corruption, conflicts of interest, the peddling of influence, favouritism and the potential criminal repercussions, particularly in relations with the public sector.

Transparency in public life

In accordance with the law and in order to display greater transparency in the relations and interests between companies and public officials, the Group has been registered with the digital directory of the High Authority for Transparency in Public Life (HATVP) since 2018. A declaration of activities of interest representatives at the national level is thus filed every year.

Protection of Personal Data

For business purposes, the Group, through its different entities, processes personal data collected from third parties such as its customers, partners, prospects and/or its employees so that it can provide them with better services.

A Data Protection Officer (DPO) was appointed on 25 May 2018 to ensure that the processing of personal data within the Group complies with the General Data Protection Regulation (GDPR). A mapping of data processing has been developed and the following actions are carried out on a daily basis:

- keeping records of processing, personal rights and data breaches;
- awareness-raising actions for employees (online and face-to-face) and support for operational teams in the implementation of projects with a "privacy by design" approach;
- procedures, in coordination with the Head of information systems security, to guarantee the security and confidentiality of data within the Group and with partners.

In general, the DPO ensures the dissemination of a culture respectful of personal data protection.

5.1.6 Legal and arbitration proceedings

The Group is party to a certain number of disputes that arise in the normal course of its business.

The Company is not aware of any government, legal or arbitration procedure, pending or threatened, that over the last 12 months could have, or has had, a material impact on the Company and/or Group's financial position or profitability other than (i) those for which a provision has been booked (see Note 6.3 "Provisions" in Chapter 2.3 "Other information attached to the consolidated financial statements" of this document) or which the Company has contested or is preparing to contest (see Note 5.3 "Income Tax" or 6.3 "Provisions" in Chapter 2.3 "Other information attached to the consolidated financial statements" of this document)and (ii) the legal dispute with the shareholders of Primonial mentioned below.

On 2 March 2022, Altarea informed the public that the acquisition of the Primonial Group could not be completed on the terms agreed. In the course of reviewing the legal documentation, some elements of which were only disclosed on 25 February 2022, Altarea found that the conditions precedent agreed for the acquisition of the Primonial Group on 2 March 2022 had not been met, due to non-respect - in substance, form and deadlines - of the provisions of the acquisition protocol signed in July 2021, which has lapsed following the failure to complete the prior operations required by the protocol.

Given the non-completion of the Primonial acquisition, the Company and its indirect subsidiary Alta Percier 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. At the registration date of this document the legal procedure is ongoing.

5.2 Risk factors and risk control systems

The Company has identified the main categories and the most significant risks, presented in what the Group considers to be the order of decreasing importance within each category. The five categories identified are as follows:

- industry risks;
- risks associated with the Group's activities;
- risks relating to the Group's financial situation;
- legal and regulatory risks;
- social, environmental and governance risks.

This presentation corresponds, after taking into account the control measures implemented by the Company, to the Group's current perception of the importance of these risk factors, based on the current perceived likelihood of the risks materialising and the estimated extent of their negative impact.

Based on this assessment, the Group carried out a risk categorisation exercise as presented in the summary table below.

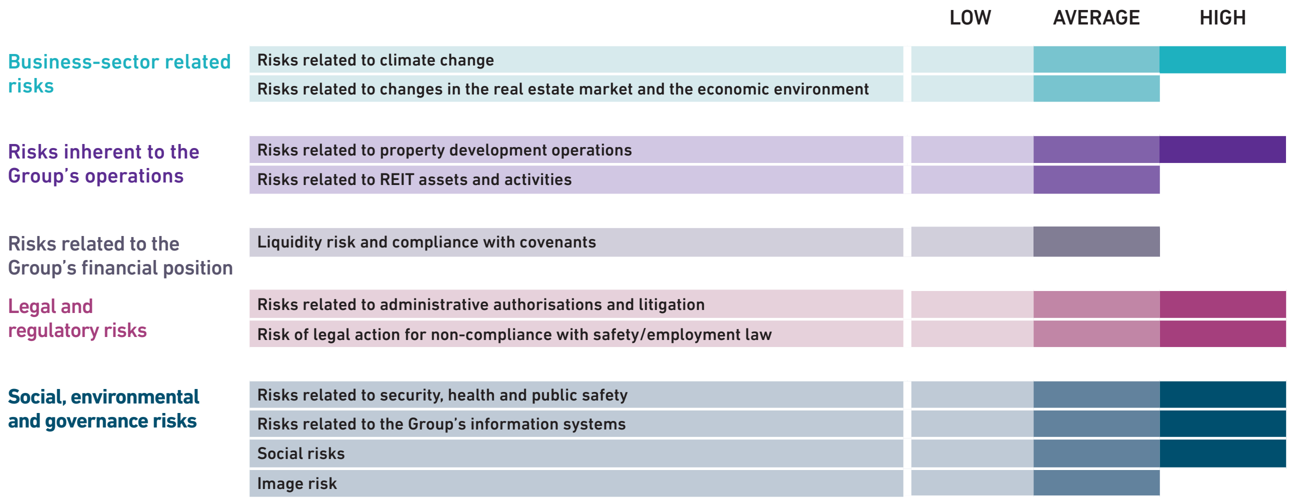
Investors should nevertheless be aware that other wholly or partially unknown risks considered unlikely to occur at the date of filing this Universal Registration Document, may exist and could have an adverse impact on the Group's activity.

The start of 2022 was dominated by the armed conflict between the Ukraine and Russia. This is a source of risks and major uncertainties, whose economic (direct and indirect), financial, social and environmental consequences could have significant negative impacts on all economic players.

Altarea does not operate in the Ukraine or Russia. However, the Group remains attentive to the indirect effects on its activities (supply chains in particular).

At the publication date of this universal registration document, no significant impact on Altarea's activity has been identified.

Summary of significant risks and that are specific to the Group



5.2.1 Impacts of the COVID-19 pandemic on Altarea's main risk factors

Some risks have materialised in one form or another (public safety, restrictive regulations on the opening of businesses, work stoppages) or have required increased vigilance (cyberattacks) in the context of the health crisis triggered by the COVID-19 pandemic. The main impact of the health crisis is the decline in activity linked to periods of lockdown and curfews. This led to the introduction of measures as from 2020 to protect the health and safety of the Group's employees, customers and partners while ensuring the continuity of its business as much as possible (health protocols on sites and at head office, deployment of digital solutions, adaptation of processes and training) and securing the Group's finances.

In 2021, the main impact of successive restriction measures was on the REIT business in the second quarter (curfews, some centres closed depending on size, location and type of store, and introduction of the health passport in the summer). However, with each easing of these measures, the performance of shopping centres recovered sharply, with a clear increase in the average shopping basket compared to 2019.

In Property Development, activity continued to be held back at the beginning of 2021 by delays in bringing projects to market, as a result of the COVID-19 pandemic, longer lead times in obtaining building permits and the commercial strategy implemented in 2020 (block sales), which had reduced the available supply. The supply shortage gradually eased, particularly at the end of the year, but did not return to the levels achieved in 2018 and 2019. This gradual recovery 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). In addition, in 2021, the progress of construction sites resumed its pre-health crisis pace.

Lastly, after a year in 2020 marked by delays in deliveries and delays in certain Business Property projects due to the health situation and a wait-and-see attitude by operators in the face of the development of remote working, 2021 shows a strong recovery in activity at all levels of the production cycle, in Grand Paris and in the regions, and for all product categories developed by the Group.

5.2.2 Industry risks

5.2.2.1 Risks related to climate change

Risk factors	Risk control systems
Transition risks As the property and construction sector is responsible for around 25% of emissions in France, it is directly concerned by the requirement to reduce greenhouse gas emissions and by future regulations (including taxation and more stringent standards, such as environmental regulation RE2020). It is facing increasing requirements in terms of low-carbon design from regulations, customers and stakeholders.	The Group is fully aware of the need to contribute to climate change mitigation and has anticipated the regulatory constraints linked to climate change, whether for the reduction of emissions, a possible carbon tax or new building standards. It measures its carbon footprint across its entire scope (scopes 1, 2 and 3 as defined by the *greenhouse gas Protocol*) and implements a global approach to reducing its carbon footprint: ▪ Programming systematic testing of new low-carbon solutions and feedback with costing; ▪ Anticipation of costs in business plans systematic certification and testing of new labels arriving on the market; ▪ Regulatory watch; ▪ Monitoring the expectations of stakeholders: local authorities, elected officials, individual customers, investors, etc.; ▪ Training and culture of agility; ▪ Policy of partnership with key low-carbon players (Woodeum); ▪ Diversification of the offer and skills ("skills platform"), with subsidiaries specialising in low-carbon construction (such as rehabilitation).
Physical risks associated with the impact of climate change Climate change is causing an increase in climate phenomena (extreme weather, heat waves and peaks, etc.) that affect cities and their inhabitants. Property is affected by these risks but is also a source of solutions.	In 2018, Altarea conducted an in-depth analysis concerning its exposure to climate risks concerning its assets and its development operations, with a detailed approach studying each location in France: ▪ Risk mapping of the portfolio and the areas where it operates, and targeted action plans; ▪ Summer comfort approach in housing design; ▪ Anticipation of costs in business plans; ▪ Training and permanent monitoring by product teams to adapt the offer.

The Group's overall progress approach is detailed in the nonfinancial performance statement in Chapter 4 of this Universal Registration Document, in particular in the chapter on the TCFD.

5.2.2.2 Risks related to changes in the real estate market and the economic environment

Risk factors	Risk control systems
Disruption of the business model As part of its risk management strategy, the Group must take account of the many different sectors in which it operates (Retail property, Residential and Business property and serviced residences). Each of these sectors has its own cycle and own exposure to endogenous and exogenous variables. As a result, the Group must develop sector-specific sensitivity and combine it using vertical analyses and cross-functional approaches. In addition, changes in consumption habits and consequently in user and consumer requirements, and the emergence of new players arriving on the market each year, are pushing the Group to maintain a permanent dynamic of innovation. These changes which are out of the Group's control could have an adverse impact on its business.	The Altarea Group's positioning in several segments of the real estate market enables it to optimise its risk/return profile by diversifying its risks, something that its single-sector competitors cannot afford. Management and the Executive Committee closely monitor trends in markets, the economy and the competitive environment; the strategy and policies that they implement are designed to anticipate and mitigate those risks. In our approach to innovation and in order to meet the demands of users and consumers who are much more sensitive to the environmental challenges of our time, Cogedim is committed to doing everything possible to make homes a source *of well-being,* with a positive impact on health and the environment. In addition, in residential real estate, Altarea, through Altarea Solutions &Services, has developed a comprehensive range of services for all of the Group's Residential brands in order to meet the needs of its customers: commercial support, financing brokerage, rental management, trustee and transaction services as well as an option to invest in bare title or usufruct separately. The Group is also developing a wide range of serviced residences: senior residences, student residences, business tourism residences, executive residences, etc.
Unstable tax regulations Adverse changes to the various tax incentives (Pinel, PTZ+, Malraux, etc.) and tax regimes applicable to real estate cannot be ruled out. Such a change could have a significant impact on the property development business and therefore on Altarea's results. Altarea has also opted for the SIIC (Retail REIT) tax regime, which allows it to benefit from an exemption from corporate income tax, subject to compliance with certain obligations, in particular payout obligations. If it fails to meet these obligations or if one or more shareholders acting in concert reach the threshold of 60% of the share capital or voting rights, this would also lead to the loss of the SIIC status which would have a negative impact on its earnings. Similarly, Altarea could face an additional tax charge if exempt dividends are paid to a shareholder other than a natural person not subject to corporate income tax or an equivalent tax and who holds, directly or indirectly, at least 10% of the share capital of Altarea.	The potential impacts of changes in tax rules are taken into account by management in its strategy. The following actions were implemented: the development of block sales to institutional investors and social landlords, lobbying of public decision-makers and within the professional organisations to which the Group belongs. The requirements for the SIIC status in terms of control, voting rights and dividend distribution are set out in Altarea's Articles of Association. Under Article 25.3 of the Articles of Association, no shareholder can hold more than 60% of the total voting rights attached to all the shares comprising the share capital. Tax regimes and obligations are controlled by the Altarea Group Finance Department.

5.2.3 Risks associated with the Group's activities

5.2.3.1 Risks related to property development operations

Risk factors	Risk control systems
There are many development risks. They include in particular: ▪ an administrative risk related to obtaining permits for commercial operations, office authorisations, building permits or environmental approvals and to administrative proceedings that could delay property development projects; ▪ a construction risk linked to potential delays, work going over budget, the rise in the cost of raw materials, a shortage of construction companies due to the large number and increasing size of the building projects in France, companies defaulting, the ability of companies and contractors to adapt, to new environmental standards in particular, and potential disputes with the construction companies; ▪ a commercial risk, linked to the inadequacy of the products developed, long lead times for setting up some deals or the failure of some chains of retailers; ▪ a competition risk, which may affect the acquisition of land/shopping centres, product sale prices or the availability of subcontractors; ▪ a completion risk with regard to its customers, when the Group acts as a developer by signing off-plan sales or property development agreements in which it undertakes to build a building with a fixed price and deadline. The risk would be one of noncompliance of the product delivered or of a delay in delivering; ▪ in the office market, a market risk when the Group acts as an investor, if it fails to sell or let the property. It may thus have to bear a risk of prolonged carry.	These risks are monitored and their impact is managed through the Investment Committee, a specialist committee of the Supervisory Board (see paragraph 6.2.3.3 of this Universal Registration Document), and also through several more operational committees: ▪ in commercial real estate, the Development, Operational and Planning Committee defines and sets the operational objectives for each project, monitors work commitments and approves budgets; the "Coordination and Marketing Committee" defines and sets the marketing objectives – pre-letting also makes it possible to limit the commercial risk; the extended Executive Management Committee deals with all issues relating to the subsidiary (development, operation, marketing, valuation, legal); ▪ in residential and business real estate, the Commitments Committees examine all real estate projects at the main stages constituting a commitment for the Group: signature of an undertaking to acquire the land, marketing launch, acquisition of the land and start of works. In addition to the opportunity and interest of carrying out the operation, the latter is subject at each stage to the validation of objective data: margin rate, percentage of pre-letting at the time of the acquisition of the land and then at the time of the sale. start of construction, validation of the cost of work, WCR, integration in the operating budgets of a line to cope with environmental and regulatory adaptations, etc. The risks related to development operations are also monitored through various reports (review of operating budgets, commitments, expenses, marketing rates, etc.). Finally, administrative authorisation applications (building permits, departmental commission for commercial development) are submitted to a specialised law firm.

5.2.3.2 Risks related to reit assets and activities

Risk factors	Risk control systems
Risks related to assets in operation and to the Retail and Office REIT business include: ▪ risks related to letting and reletting of space in shopping centres and letting of offices, in particular in a challenging and rapidly changing economic climate; ▪ risks related to property portfolio management and to decisions to buy and sell assets (estimated return on new acquisitions, delays in carrying out disposals, etc.); ▪ risks related to the operation of shopping centres (maintenance of facilities and achieving compliance with standards, natural and technological risks, accidents, risk of administrative closure of a centre, terrorism, pandemic, etc.); ▪ risks related to the appraisal of commercial real estate assets; appraisals depend on many external factors (economic conditions, commercial property market, interest rates, etc.) and internal factors (yield on cost and performance of the centres) that may vary significantly.	The risks related to REIT assets and activities are mainly covered by the following arrangements: ▪ due diligence before any acquisition of assets in operation in order to limit the risks linked to the valuation and the integration of these centres into the portfolio; ▪ the following committees: the Retail Executive Committee, which deals with strategic issues related to shopping centres in operation and under development; the Asset Management Committee, which defines and sets the Asset Management objectives; the Commercial Coordination Committee, which sets the conditions for renewing leases for the portfolio; ▪ *regular* reports on revenue forecasts, expenses not passed on to tenants, vacancy rates, rental rates and debt collection and arrears, which make it possible to better anticipate the risk of tenant insolvency. A Brand Support Committee reviews solutions for tenants experiencing financial difficulty; ▪ an insurance programme for assets in operation (See Paragraph 5.3 "Insurance"); ▪ safety management of the centres in operation: a schedule of audits and visits by auditing bodies and safety commissions. The Altarea Group assets are assessed twice a year (see Section 8.4.4 of this document) by an independent appraiser. External valuation of Group assets has been entrusted to Cushman & Wakefield (in France and Italy), Jones Lang Lasalle (in France and Spain) and CBRE (in France). The fees paid to appraisers are lump-sum amounts determined in advance of the valuations. These amounted to €195,053 (excl. VAT) in 2021, including fees related to the preparation *of reliance* letters required by banks. They are not proportionate to the value of appraised assets and make up less than 10% of the revenue of each appraisal firm consulted.

5.2.4 Risks related to the Group's financial position: liquidity and compliance with covenants

Risk factors	Risk control systems
Altarea finances part of its investments and growth through bank financing and through capital markets. Altarea might not always have the desired access to capital markets or the banking market. This situation could result from a financial crisis affecting the banking sector, the bond or equity markets, a serious deterioration in the property market or any change in Altarea's businesses, financial position or shareholder structure which affects investors' perception of the Group's credit quality or attractiveness as an investment. Some of the credit facilities agreed between Altarea and its banks are subject to early repayment clauses primarily linked to compliance with financial ratios or the occurrence of clearly identified events. Failure to meet these commitments or obligations could result either in default or potential default that would mainly result in early repayment of all or part of the outstanding amounts. This situation could produce an unfavourable impact on the Company's business and financial position, particularly its growth.	The operational management of liquidity and financing is carried out by the finance and treasury department. The Group's available liquidity amounted to €3.4 billion, of which €1.9 billion in cash and €1.5 billion in undrawn bank credit lines, which are the first tools called on to manage liquidity risk. The budget process for cash management and projected cash flow analysis also provides *way* to anticipate and hedge these risks. The Altarea Group thus ensures credit lines are always available, financing sources diversified and the maturities of the main debts staggered. Furthermore, compliance with the commitments and obligations granted to financial institutions under the terms of credit agreements is closely monitored by the Group, including bank covenants[(a)].

(a) See Note 8 "Financial risk management" to the consolidated financial statements (Chapter 2.3 of this Universal Registration Document).

5.2.5 Legal and regulatory risks

5.2.5.1 Risks related to administrative authorisations and litigation

Risk factors	Risk control systems
Altarea Group's activities are governed by a large number of specific French and European requirements. The Company must comply with legal and regulatory provisions in terms of urban planning, construction, operating permits, health and safety, the environment, lease law, intellectual property, consumer law, corporate law and tax matters. Changes to any of these regulations could require the Group to adjust its operations, assets, or business strategy accordingly, which may have negative consequences on its earnings, asset values and expenses and may slow or halt progress on some of the Company's property development or marketing activities. In the normal course of its business, and in view of the growing number of acquisition and development projects, the Group could find itself facing unfavourable contractual clauses or clauses which offer insufficient protection. It could also be involved in legal proceedings and be subject to tax and administrative audits (see Chapter 2.3 "Other information attached to the consolidated financial statements - Note 10" of this Universal Registration Document). Each of these risks is associated with a financial risk but also an image risk for the Group. In addition, since Altarea and two of its subsidiaries, Altareit and NR 21, are listed on Euronext Paris, they are subject to the constraints of stock market law, in particular in terms of transparency and the processing of information, particularly in the context of financial transactions, under the supervision of the Autorité des Marchés Financiers. Failure to comply with these requirements would expose these companies to penalties and could damage their image.	**Property Legal Department** The Property Legal Department provides support for first-stage development of projects and the acquisition of land for property projects (whether buying land directly or buying a land-owning company) and asset management. It also monitors compliance with current regulations as well as obtaining the permits necessary for the Group to conduct its business. These services mainly concern urban planning law (commercial operating permits and building permits), construction law and commercial lease law, as well as, in general, all aspects of property, intellectual property, consumer and insurance law. The Property Legal Department and the Corporate Legal Department act for Executive Management and the operational teams on request, where appropriate in conjunction with outside consultants, notably on complex property transactions, projects conducted through partnerships, disposals and acquisitions, and in the event of disputes. Operational Managers also, in consultation with the Property Legal Department, regularly use the services of specialised law firms. Finally, training sessions are regularly delivered to employees to raise their awareness of legal risks. **Corporate Legal Department** The Corporate Legal Department ensures compliance with the social life of the Altarea Group. It provides support to the Group's operational staff to define, create and operate the corporate structures or arrangements for transactions, and to negotiate corporate agreements with external partners in conjunction with the PLD, with the help of specialised law firms if necessary. All of the Group's shareholdings and corporate offices are managed using *management* software suite for holding companies and *subsidiaries.* This centralised system makes it possible to automatically establish the legal and tax scopes and to monitor compliance with the related regulations. Finally, the Corporate Legal Department is in charge of setting up and monitoring delegations of authority.

Legal disputes with Primonial shareholders

Given the non-completion of the Primonial acquisition (see §5.1.6 above), the Company and its indirect subsidiary Alta Percier 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, fi rst, defend their legitimate interests and, second, hold Primonial shareholders liable and obtain compensation for the damages incurred by the Group. At the registration date of this document the procedure is ongoing.

5.2.5.2 Risks of legal action for non-compliance with safety/employment law

Risk factors	Risk control systems
Based on the large number of property projects underway, the Altarea Group is a major builder. In a situation where it is increasingly difficult to find approved construction companies able to handle complex projects, as the project Manager the Group's liability could be incurred should an accident occur. Indeed, site employees carrying out construction work are potentially exposed to this type of risk.	To prevent the risk of accidents, especially on site, or at the very least to limit the occurrence and severity of any accidents, action has been taken which includes the systematic use of specialist safety operators (health and safety officers and security coordinators), audits and ad hoc site checks. In addition, the Group ensures it complies with its legal obligations as a project Manager: monitoring the construction companies to ensure they are meeting their contractual obligations, checking the subcontractors' approval applications are complete and all administrative documents are properly updated.

5.2.6 Social, environmental and governance risks

5.2.6.1 Risks related to security, health and public safety

Risk factors	Risk control systems
Security Malicious acts against the Group's employees, sites and assets, or even customers, constitute major risks to the Sustainability of the Company's activities. Malicious acts can come in various forms, ranging from simple incivility to an act of terrorism, and include acts of delinquency. They could also include a simple incident that creates a considerable feeling of insecurity out of all proportion with the act itself. Thus, a breach in the safety of property and people can have an impact on footfall in shopping centres through a loss of confidence but also on the Group's image, particularly with regard to urban real estate projects and the operation of serviced residences. These events are therefore likely to harm the Group's financial capacities or to engage the Company's liability vis-à-vis its stakeholders and impair the trust of third parties.	The Group Security Department defines, deploys, controls and adapts the overall security policy based on five points: ▪ a policy adapted to the Group's assets based in particular on physical measures and processes for reporting information or access management, controls of sensitive areas, video surveillance, etc.; ▪ constant interaction with national and local police services in order to monitor the existence and evolution of threats in real time, both for shopping centres and for the Group's building sites or employees; ▪ training employees and raising security awareness, as well as upgrading centre management skills and supporting the construction operation departments of serviced residences; ▪ crisis management: a defined policy, alert tools and procedures; ▪ recurring audits on the Group's various assets to diagnose and make necessary changes to reflect changing circumstances. In addition, tests and exercises are carried out in the shopping centres to upgrade systems and adapt the Group's response to potential changes in the threat.
Health and public safety As Altarea owns and manages establishments open to the public, Altarea assets are exposed to public health, safety and security issues, which could have a negative impact on its business, prospects and reputation, or create a liability towards its employees or customers. As the owner/Manager of its buildings, facilities, and land, the Group could be formally accused of failure to adequately monitor and maintain its properties against these risks;	To mitigate these risks, the Altarea Group closely follows all applicable public-health and safety regulations and takes a preventative approach involving diagnostics, and, where necessary, building work to bring buildings into compliance (asbestos, legionnaires' disease, termites). It has put in place tools to monitor the recommendations made by the Safety Committees and observations made by approved bodies across all the shopping centres it manages. ▪ For sites covered by the ICPE nomenclature, the Group arranges regular maintenance and periodic checks, which limits the impact of the assets on the environment and the nuisance to users and local residents. ▪ Diagnostics on the accessibility of common areas and work to bring them into compliance, if necessary, were carried out on 100% of assets whose building permit was issued before 1 January 2007. Shopping centres built since 2007 are compliant from the outset. ▪ To protect people and property against the risk of fire, Altarea has put in place regulatory fire safety systems, which are maintained by appropriately qualified companies and checked by recognised and officially certified bodies. ▪ With regard to air quality, Altarea complies with regulations and ensures the safety of ventilation systems by checking and maintaining them. ▪ To ensure the sanitary quality of the water provided to its tenants, the Group only distributes water from municipal supply systems, which are subject to rigorous, regular checks and analysis. ▪ Half of the shopping centres are affected by plans for the prevention of natural disasters, including the risk of flooding, subsidence and drought. No Group shopping centre is affected by mining technological risks or soil pollution. Lastly, most centres are located in areas of low or very low seismic activity. In the context of the COVID-19 epidemic, Altarea has drawn up and rolled out an Operational Opening Plan (PODO) for each of its shopping centres. These PODOs list all the specific systems put in place to support the opening and operation of the centres in order to welcome customers and staff in a safe health environment. These PODOs are updated and adapted according to the evolution of the epidemic and the regulations in force. They are made available to the competent authorities in the event of an audit.

5.2.6.2 Risks related to the Group's information systems

Risk factors	Risk control systems
As the Group is currently undergoing a major phase of digitisation, the performance and reliability of its information systems have become major factors in the way it conducts its business. As a result, the Altarea Group could be affected by events (accidents or service failures) outside of its control which could lead to interruptions in its data flows, loss of data or issues affecting its activities. Furthermore, as the data processed on a daily basis are very often confidential and might even be strategic, the Group could also be confronted by criminal cyberattacks targeting the integrity, availability and/or confidentiality of this data. Altarea could be exposed to a risk of involving liability and damage to its image.	Management of IT risks within the Altarea Group is carried out by the Head of Information Systems Security (RSSI) and includes: ▪ monitoring compliance with the security policy meeting the needs of the Group; ▪ the development of a cybersecurity culture within the Company, through communications, awareness-raising and training for employees; ▪ the integration of IT security upstream of projects, by supporting the business line application Managers from the design phase; ▪ the implementation of best practice and procedures for managing users and business applications, and the periodic review of rights, in coordination with the IT Department; ▪ the ongoing deployment of a specific cyber-crisis procedure integrated into the existing strategic crisis management policy. Within the IT Department, the Head of Operational Security (RSO) works in close collaboration with the RSSI. His role is to implement the cyber policy and monitor and supervise the various aspects of IS security, while contributing in raising awareness and training employees on the challenges of information systems security. Following the relocation of the head office, the infrastructure base was modified. In this context, the IT Department defined a new IT continuity plan in 2021 which will be operational in 2022. A procedure for managing cyber incident alerts also allows real-time processing of events according to their severity. In addition, aware of the importance of system security, the IT department and the security department carry out security audits, including internal and external intrusion tests, and phishing campaigns, covering the entire Group scope. The results of these audits give rise, depending on the criticality of the vulnerabilities they reveal, to obligations to take corrective action through the creation of remedial plans or security recommendations. These remediation plans are monitored on a monthly basis. Lastly, the Group takes out insurance to cover cyber risks.

5.2.6.3 Social risks

Risk factors	Risk control systems
The Group's ambitious goals are partly dependent on its Human Capital. If Altarea could no longer attract the best profiles and ensure that the competencies of Group employees are up to date with best practice and able to face new challenges, it could have a negative impact on its business and results. The competitive environment and its own targets for development and growth expose the Group to challenges related to the integration and training of new employees, and the retention of all its human capital. The new recruits are from very varied backgrounds. It is therefore necessary to assist each individual to rapidly assimilate not only the specific requirements, regulations and constraints applicable to the real estate business, but also to share what makes our Company original, and its strategic priorities, objectives and corporate culture. Some key positions are held by directors whose departure could affect the Group. It cannot be guaranteed that the Group will be able to retain these directors, and some of them could also take advantage of their retirement rights, which would have a negative effect on business.	To address these social risks, Altarea Group is piloting, through a number of action plans, a human resources policy that is led and implemented by committed professionals combining operational proximity and expertise to support employees: ■ in terms of recruitment: the diversification of recruitment sources and techniques, the involvement and complementarity of action in the recruitment processes of both operational Managers and HR teams, combined with the strong emphasis on internal mobility and the pool of work-study students, make it possible to satisfy the Group recruitment needs; ■ in terms of induction: induction is one of the most important aspects of HR policy. A formalised onboarding interview and a collective seminar combining onboarding and re-onboarding are essential steps to help employees make a success of their new positions within the Group. On this occasion, the members of the Executive Committee explain and share their vision of the business; ■ in terms of training: the Group's "learning company" vision seeks to make everyone an actor in and author of their professional career through a "Talent Developer Academy", based on a strategic skills development plan defined around the issues affecting each business line. The Group finances large-scale actions such as career paths, Managerial programmes including a course on psychosocial risks, a collaborative digital academy offering numerous modules on corporate culture, business techniques and soft skills. Supporting young people through ever greater numbers of work-study contracts is also a major challenge for the Group; ■ in terms of retention: the Group's salary policy through the Tous en Actions! programme Is a way to highlight the performance recognition system and allows everyone to build up a significant portfolio. The Group has a committed policy in terms of mobility and internal promotion through individual and collective actions (professional interviews, business lines forum, career site showing online vacancies, etc.). Significant attention is paid to the environment and working conditions, as illustrated by the Group's head office designed for the well-being of employees. The "Altawellness" offer also provides access to a complete range of services: a health space at the head office (healthcare, vaccinations, preventative actions), personal services, social and family support, etc. in terms of succession: an annual talent review allows the Group to update its talent pool and succession plan. Appraisals, coaching and certification courses are used to support strategic positions.

5.2.6.4 Image risks

Risk factors	Risk control systems
The growing use of social media increases the risk of exposure to criticism or negative messages and accelerates their dissemination. The Group could therefore be confronted with situations/events (construction site accidents, delivery delays, customer and employee dissatisfaction, major disputes) whose impacts could damage its reputation and its image vis-à-vis its stakeholders.	To prevent this, a guide to the good use of social media at work has been developed and distributed to the Group's employees. In addition, the Group has monitoring, detection and reaction mechanisms, mainly involving tools distributed to employees, to anticipate and manage its image and reputation risks: ▪ social media monitoring by *community* Managers; ▪ daily monitoring of disputes and complaints, including assessment of reputational impact; ▪ a crisis communication plan and corresponding training for directors; ▪ conducting customer satisfaction surveys, particularly in the Residential division, at two key points in the purchasing process, and monitoring the recommendation rate (Cogedim received the Customer Service of the Year award for the fifth consecutive year); ▪ monthly meetings organised with tenants of serviced residences; ▪ quantitative and qualitative customer surveys conducted in shopping centres to improve the customer satisfaction index; ▪ satisfaction surveys carried out among shopping centre brands to better identify their expectations (Retailers' Pact).

5.3 Insurance

5.3.1 General policy for insurance coverage

The Group's insurance coverage policy aims to protect Company and employee assets. The Insurance Department, under the supervision of Executive Management, is responsible for:

- the coordination of insurance programmes for the French Group structure of consolidated operations, in collaboration with local teams and insurance brokers;
- the identification and quantification of insurable risks;
- the monitoring and implementation of insurance coverage;
- coordinating actions with the Group's insurance brokers;
- all business line claims management, bearing in mind that claims management remains decentralised within each activity.

The Group relies on the assistance of brokers specialised in risk management specific to each activity. It works only with reputable insurance companies.

Concerning foreign subsidiaries under Group control and management, when a subsidiary cannot be included in Group policies, it is insured locally and is responsible for monitoring its insurance coverage.

5.3.2 Summary of insurance coverage

The following guarantees have been updated and correspond to the principal insurance policies taken out by the Group for the financial year 2021. These policies were valid as of the release date of this document. However, these policies should not be considered as permanent, because of evolving risks and activities to be covered, loss history and Group decisions to adjust its coverage. The Group considers that these guarantees take into account the nature of the risks incurred by Altarea and its subsidiaries and that they are proportionate to the capacity of current offers on the insurance market for corporate structures of similar size and activities.

For the financial year 2021, the overall budget for the Altarea Group's main insurance policies (excluding social coverage, Spain and Italy but including construction insurance) was estimated at more than €20 million.

- **Properties in operation**: the Group is insured by CHUBB for "all risks with exceptions" property damage and by ALLIANZ France for general third-party liability. The damages portion covers the reinstatement value of buildings and operating losses over a period of three years. With regards to the CAP3000 shopping centre, market-value partial complementary insurance is also taken into account. The damages portion includes non-occupant owners' insurance. These insurance policies, which were renewed on 1 January 2022, are for the most part invoiced to tenants under contracts and regulatory provisions in force.
- **Properties under construction:** Altarea has "Construction Damages" (*dommage ouvrage*) and "All Worksite Risks" (*tous risques chantier*) insurance policies with AXA and MMA. The Group has framework agreements for "Construction Damages" and "All Worksite Risks" for all building sites that do not exceed a certain size.
- **Professional liability insurance:** Altarea and its subsidiaries hold professional liability insurance policies with various insurance firms, including GENERALI and MMA.
- **Miscellaneous insurance policies**: other insurance covers various rented offices, automobile fleets, computer equipment and ten-year builder liability. Finally, AXA provides a "senior executive and corporate officer civil liability" insurance policy, and CHUBB provides a "cyber policy".

6

CORPORATE GOVERNANCE

6.1 Framework of the report and reference code

This report on Corporate Governance has been prepared by the Supervisory Board with the assistance of the Group Finance Department who contributed to writing it. This report was examined by the Audit Committee at its meeting on 18 February 2022 and approved by the Supervisory Board at its meeting on 22 February 2022.

The Company has adopted the Corporate Governance Code of Listed Companies (the "AFEP-MEDEF Code") published by the Association Française des Entreprises Privées (AFEP) and the Mouvement des Entreprises de France (MEDEF). This Code, which was last revised in January 2020, is published and can be consulted on the AFEP website (www.afep.com) or the MEDEF website (www.medef.com). The Company refers to the principles set forth in this Code, which it applies where compatible with the legal form of an SCA (*société en commandite par actions*, a French partnership limited by shares).

Because the Company is a partnership limited by shares, it is overseen by Management and not by a collegiate body, Management Board or Board of Directors. Therefore, changes relating to the collegiate nature of the Board of Directors, and the separation of functions of the Chairman of the Board of Directors and the Chief Executive Officer, the Lead Director, cannot be applied to partnerships limited by shares.

The Supervisory Board is responsible for overseeing the Company's management on a continual basis, but is not involved in its management. Article 17.1 of the Company's Articles of Association states that the Supervisory Board has the right to be provided with the same documents by the Managers as those made available to the Statutory Auditors. The Articles of Association also give the Supervisory Board significantly greater powers than required by law, for example in reviewing investments.

The Company complies with the recommendations of the AFEP-MEDEF Code, with the exception of the recommendation made in the summary table below, which have not been applied due to the Company's legal form as a partnership limited by shares. Explanations and, where appropriate, any corrective measures are presented in accordance with the principle "comply or explain".

Recommendation	Code heading	Explanations or remedial measures
Board of Directors, collegiate body	1	In a société en commandite par actions (a French partnership limited by shares), each Manager has the powers to bind the Company.
The separation of duties of the Chairman of the Board of Directors and the Chief Executive Officer	2	In a société en commandite par actions (a French partnership limited by shares), each Manager has the management power, so this separation is not possible.
The Board of Directors and strategy	3	In a société en commandite par actions (a French partnership limited by shares), Management has exclusive competence to review and decide on operations of strategic importance. However, the Supervisory Board of the Company is consulted on significant commitments and investments/divestments.
Dialogue with shareholders	4	Shareholder relations, particularly on governance-related matters, falls within the remit of management assisted by the operational teams, primarily the Financial Communications Department. The Supervisory Board considers the current procedure to be satisfactory in view of the mode of operation of the partnership limited by shares.
Board meeting without the presence of the corporate officers	11.3	In compliance with the stipulations of Article 16.3 of the Company's Articles of Association, Management is invited to Board meetings in an advisory capacity to answer questions from the Supervisory Board, so that the Board can exercise continuous oversight of the Company's management.
The term of office of directors	14	In a société en commandite par actions (a French partnership limited by shares), management powers are exercised by Management, not by a Board of Directors.
Composition of the Audit Committee	16.1	The Audit Committee has three independent members out of its five, one member who ceased to be independent having resigned from the Committee in consequence. The number of independent members remains significantly higher than that provided for by the French Commercial Code, which requires the presence of a single independent member on the Audit Committee. The proportion of independent members is sixty per cent, only marginally below the two-thirds recommended in the AFEP-MEDEF Code. The Supervisory Board considered that the current composition of the Committee, which is composed only of members with financial or accounting expertise, remained fully satisfactory for the effective functioning of the Committee and the completion of in-depth work on the subjects discussed, without being filled. to the replacement of the outgoing member.
The Committee in charge of selection or nomination – Succession plan for executive corporate officers	17	In a société en commandite par actions (a French partnership limited by shares), Managers are appointed by the General Partners and the Supervisory Board examines itself questions relating to its composition. In a société en commandite par actions (a French partnership limited by shares), the management succession plan is drafted by the General Partner and not the Board of Directors or one of its committees.
Composition of the Compensation Committee	18.1	The members representing employees attend Supervisory Board meetings where the compensation of the Company's executives is reviewed. However, the Compensation Committee does not include an employee representative, the Committee's minutes being reported in detail at Supervisory Board meetings called to deliberate and take decisions on these compensation issues, and all members, including employee representatives have the opportunity to express themselves freely on these subjects.

6.2 Composition and practices of the administrative, management and supervisory bodies

As Altarea is a partnership limited by shares, it is overseen and managed by its Management and its ongoing management control is carried out by the Supervisory Board.

It comprises two categories of partners:

- a General Partner, with unlimited liability for the Company's debts to third parties;
- Limited Partners, who are in the same position as the shareholders of a public limited company: their shares may be traded under the same conditions and their liability is limited to the amount of their contribution.

6.2.1 Management

Composition

The Company is jointly directed and managed by Alain Taravella and the companies Atlas and Altafi 2, of which he is Chairman, the latter being the Company's only General Partner. Altafi 2 is also directed by Jacques Ehrmann, who is Manager of Altarea Management, a wholly-owned subsidiary of Altarea.

Alain Taravella

Co-Manager – Chairman of Altafi 2 and Atlas

Alain Taravella is a French citizen, born in Falaise (Calvados) in 1948. He is a graduate of HEC (École des Hautes Études Commerciales). From 1975 to 1994, Alain Taravella held various positions within the Pierre & Vacances Group, of where he was appointed Chief Executive Officer in 1985. In 1994, he founded the Altarea Group, which he has been managing since. Appointed Co-Manager of the Company on 26 June 2007, when the Company converted into a partnership limited by shares, his term of office was renewed in 2017 for a further period of ten years. Alain Taravella is a Chevalier de la Légion d'Honneur.

Altafi 2

Co-Manager

Altafi 2 is a single shareholder public limited company (*société par actions simplifiée unipersonnelle*) with share capital of €38,000 divided into 38,000 shares held by AltaGroupe, itself controlled by Alain Taravella. It is registered with the Paris Trade and Companies Registry under registration number 501 290 506. Altafi 2 was appointed Co-Manager of the Company in 2012 and was reappointed for a further period of ten years from 2 January 2022.

Alain Taravella is the Chairman of Altafi 2. Jacques Ehrmann was appointed Chief Executive Officer of Altafi 2 from 1 July 2019. Alain Taravella's sons, Gautier and Matthieu Taravella are also Chief Executive Officers of Altafi 2 since 21 February 2019.

Jacques Ehrmann

Manager Altarea Management – Chief Executive Officer of Altafi 2

Jacques Ehrmann, a French citizen, was born in 1960. A graduate of HEC (École des Hautes Études Commerciales), he began his career as General Secretary of Hôtels Méridien in 1989. He then joined the Executive Management of Euro Disney (1995-1997) and Club Méditerranée (1997-2002). In 2003 he joined the Casino Group as Chief Executive Officer for property and development, where he led the creation of Mercialys and Green Yellow, where he held the position of Chairman and Chief Executive Officer for seven years. In 2013, Jacques Ehrmann joined Carrefour Group's executive management as Executive Director for Portfolio, Development and Innnovation. In April 2014, he was also appointed Chairman and Chief Executive Officer of Carmila, a REIT specialised in shopping centres. In July 2019, Jacques Ehrmann joined the Altarea Group as Chief Executive Officer of Altarea, and more specifically, as Manager of Altarea Management, a wholly-owned subsidiary. He is also Chairman of the French federation of shopping centres (Conseil National des Centres Commerciaux – CNCC).

Atlas

Co-Manager

Atlas is a simplified public limited company (*société par actions simplifiée*) with share capital of €61,000, whose registered office is 87 rue de Richelieu, 75002 Paris, registered with the Paris Trade and Companies Registry under the number 518 994 678, and is wholly owned by AltaGroupe, itself controlled by Alain Taravella. Alain Taravella serves as Chairman of Atlas. Atlas was appointed as Co-Manager of the Company on 11 December 2014 for a term of ten years. As of 31 December 2021, Atlas did not own any shares in Altarea.

List of corporate offices held at 31 December 2021

Executive officers	Other corporate offices held at 31 December 2021		Corporate offices expired over the last 5 years
	Within the Group	Outside the Group	
Alain Taravella Co-Manager – Chairman of Altafi 2 and Atlas	- Manager: Altarea♦■ (a); - Representative of Altafi 2, Manager: Altarea♦■ (a); NR21♦■; Altareit♦■ (b); - Representative of Altafi 3, Manager: SIAP Rome♦; - Representative of Altas, Manager: Altarea♦■ (a); - Observer on the Supervisory Board: Woodeum SAS♦;	- Chairman: Altafi 2; Altafi 3; Atlas; Altafi 5; Altafi 6; Altafi 7; Altager; AltaGroupe (Chairman of Alta Patrimoine and Manager of SCI Sainte Anne); - Permanent Representative of Altarea, Director: Semmaris; - Representative of Alta Patrimoine, Manager: SNC ATI; SCI Matignon Toulon Grand Ciel; SNC Altarea Commerce - Representative of Altafi 3, Manager: SIAP Paris and SIAP Helsinki	- Chairman: Alta Patrimoine; Foncière Altarea SAS♦; - Manager: Altarea Cogedim Entreprise Holding♦; - Chairman of the Supervisory Board: Cogedim SAS♦; Altarea France SNC♦; - Director: Alta Blue♦; Pitch Promotion SA♦; Pitch Promotion SAS♦; - Representative of Altarea, Chairman: Alta Delcasse♦; Alta Rungis♦; Alta Développement Italie♦; Alta Mir ♦; - Representative of Altarea, Co-Manager of foreign companies: Alta Spain Archibald BV♦•, Alta Spain Castellana BV♦•, Altalux Spain♦•; Altalux Italy♦•
Jacques Ehrmann Manager of Altarea Management – Chief Executive Officer of Altafi 2	- Manager: Altarea Management SNC♦; Cogedim Gestion SNC♦; Cogedim Citalis♦; - Representative of Altafi 2, Manager: Altarea♦■ (a); NR21♦■; Altareit♦■ (b); - Supervisory Board member: Woodeum SAS♦;	- Chief Executive Officer: Altafi 2 (SAS) - Member of the Management Board: Frojal (SA) - Chairman: Tamlet (SAS) - Supervisory Board member: Edmond de Rothschild (France) - Co-Manager: Jakerevo (SCI) and Testa (SC) - Chairman: CNCC (Conseil National des Centres Commerciaux, the French Council of Shopping Centres)	- Chairman and Chief Executive Officer and Strategic and Investment Committee member: Carmila■ - Chairman and Chief Executive Officer: Carmila SAS - Chairman: Cogedim SAS♦; - Manager: Cogedim Développement♦; Cogedim Entreprise♦; - Supervisory Board member: Financière SPL♦; - Director: Edmond de Rothschild SA; Atacadao SA• (Brazil); Carrefour Property España• (Spain); Carrefour SA• (Turkey); Pitch Promotion SAS♦; - Chairman of the Board of Directors: Carrefour Property Italia• (Italy) - Member of the Management Committee and the Appointments Committee: Adialéa (SAS) - Member of the Strategy Committee and the HR Committee, Chairman of the Audit Committee: Atacadao SA■• (Brazil) - Supervisory Board member: Frojal (SA)
Altafi 2 Co-Manager	- Manager of SCA: Altareit♦■ (b) - Managing General Partner of SCA: NR21♦■	None	None
Atlas Co-Manager	None	None	None

(a) Altarea is notably Manager of Foncière Altarea♦ and Foncière Altarea Montparnasse♦, and Chairman of Alta Blue♦ (Chairman of Aldeta♦).
(b) Altareit is notably Chairman of Cogedim♦ (Chairman of Alta Richelieu♦ and of Cogedim Office Partners♦), Alta Faubourg♦ (Chairman of Pitch Promotion SAS♦ and Alta Reim♦), Alta Penthièvre♦ (Chairman of Altacom♦), Alta Percier♦ and Alta Percier Holding♦. She is also a member of the Supervisory Board of SIAP Helsinki and SIAP Rome♦ and SIAP Paris.

The Company share capital and voting rights held by Alain Taravella and Jacques Ehrmann as at 31 December 2021 are listed in Section 7.1.6 below.

♦ Altarea Group company ■ Listed company • Foreign company.

Appointment and termination of office (Article 13 of the Articles of Association)

The Company is managed and administered by one or more Managers, who may or may not be General Partners (*associé-commandité*).

The Manager can be a natural person or legal entity.

The age limit for Managers who are natural persons is 75. If one of the Managers is a legal entity, the number of its corporate officers that are natural persons aged above 75 may not exceed a third of all directors.

The term of office of Managers is ten years, and may be renewed.

Any Manager wishing to resign must advise the other Managers, the General Partners and the Supervisory Board by registered letter with proof of receipt, at least three months before the date on which the resignation is to take effect, unless otherwise agreed by the General Partners.

Upon expiry of a Manager's term of office, the other Manager or Managers shall remain in office without prejudice to the General Partners' right to appoint a replacement Manager or to renew the term of office of the outgoing Manager.

Upon expiry of the sole Manager's term of office, one or more new Managers shall be appointed or the term of office of the outgoing sole Manager shall be renewed under the conditions set out in Section 13.2 of the Articles of Association. Pending such appointment or appointments, the Company shall be managed by the General Partners who may then delegate any powers necessary for the management of the Company's affairs until the new Manager or Managers are appointed.

Managers may be removed from office without reason by unanimous decision of the General Partners. If the Manager is also a General Partner, such a decision may be taken by unanimous decision of the other General Partners. Insofar as the Company now has a sole General Partner who also serves as Manager, this removal is currently not an option.

Managers may also be removed from office under the conditions provided for by law, following a legal action, and pursuant to a final judicial decision not open to appeal that establishes a legitimate reason for removal.

If the Manager is also a General Partner, the loss of General Partner status will automatically result in removal from office as Manager, as of right.

Managers who lose their status as Managers shall be entitled, in full and final settlement of any claims, to payment by the Company of the fixed compensation set out in Article 14 of the Articles of Association, on a pro rata basis until the date of loss of such status, together with reimbursement of expenses of any kind to which they are entitled.

During the lifetime of the Company, any new Manager shall be appointed unanimously by the General Partners, without requiring the approval or recommendation of the Supervisory Board or of the collective body of shareholders.

Powers (Article 13 of the Articles of Association)

Each Manager has the broadest powers to act in any circumstances on behalf of the Company, within the limits of the corporate purpose and subject to any powers expressly conferred on the collective body of shareholders or on the Supervisory Board, whether by law or by the Articles of Association.

In accordance with the law, each Manager may authorise and grant any guarantees and other sureties that they consider reasonable, on behalf of the Company.

Each Manager may delegate some of their powers to one or more persons whether or not employed by the Company and whether or not they have a contractual relationship with the Company. Such delegated powers shall not in any way affect the Managers' duties and responsibilities as regards the exercise of such powers.

The Managers shall have a duty of care in running the Company's affairs.

6.2.2 General Partner

Identity

The only General Partner is Altafi 2, which is also Co-Manager. Full details above in Section 6.2.1.

Appointment and termination of office

General Partners are appointed by Extraordinary General Shareholders' Meetings upon the unanimous proposal of the General Partner or Partners.

In the event of the death or incapacity of a General Partner who is a natural person, or in the event of loss of General Partner status for any other reason, the Company shall not be dissolved but shall continue with the remaining General Partners. This shall also be the case in the event of the liquidation of a corporate General Partner.

Any merger transaction resulting in the absorption of the Manager or General Partner by a company controlled by Alain Taravella within the meaning of Article L. 233-3-I of the French Commercial Code will give rise to the transfer to the absorbing company of the rights of the General Partner or Manager, as the case may be, provided that the absorbing company remains controlled by Alain Taravella.

6.2.3 Supervisory Board

6.2.3.1 Summary presentation of the Supervisory Board[1]

3 specialized committees of the Supervisory Board

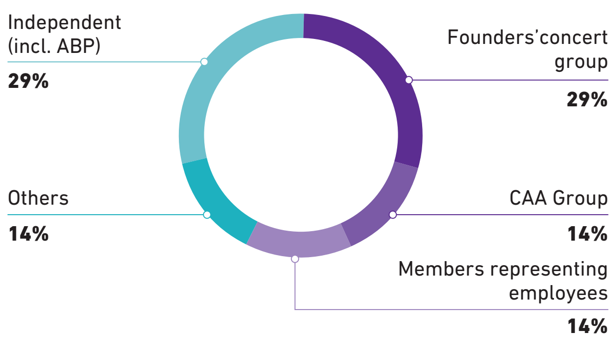
Audit Committee
5 Members
60% independent

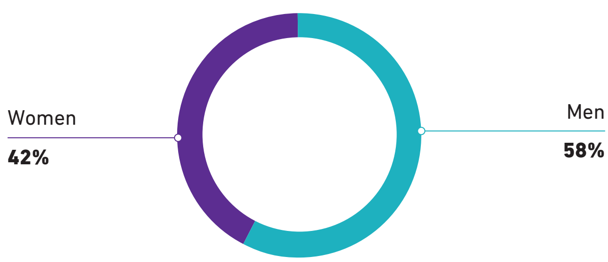
Compensation Committee
3 Members
2/3 independent

Investment Committee
5 Members
25% independent

Number of members	Board independence	Attendance rate	Average age	Average seniority
14	*+33%*	*98%*	*62 years*	*8 years*

A balanced composition





(1) *As of the date of this document.*

6.2.3.2 Composition

Summary table at 31 December 2021

								Participation in a committee			
Name	Permanent Representative	Age	Gender	First appointed	Latest reappointment	Expiration of term[a]	Independent	Audit Committee	Compensation Committee	Investment Committee	Attendance[b]
Christian de Gournay *Chairman of the Board - Independent*	-	69	M	05/03/2014	23/05/2019	AGM 2025	√			√[c]	100%
ABP (APG) *Independent member*	Alain Dassas	75	M	20/11/2015	23/05/2019	AGM 2025	√	√	√	√	100%
Alta Patrimoine *Member*	-	-	-	02/03/2020	-	AGM 2022					100%
ATI *Member*	Philippe Jossé	66	M	20/05/2009	29/06/2021	AGM 2027				√	100%
Marie-Catherine Chazeaux *Member representing employees*	-	52	F	20/09/2018	19/07/2021	20/09/2024					100%
Françoise Debrus[d] *Member*	-	61	F	20/05/2009	23/05/2019	AGM 2025		√			100%
Eliane Frémeaux *Independent member*	-	80	F	27/06/2013	23/05/2019	AGM 2025	√	√			100%
Bertrand Landas *Member representing employees*	-	64	M	16/10/2018	22/07/2021	16/10/2024					100%
Philippe Mauro *Member*	-	65	M	26/02/2019	-	AGM 2024			√		100%
Jacques Nicolet *Member*	-	65	M	26/06/2007	23/05/2019	AGM 2025				√	80%
Predica *Member*	Najat Aasqui	39	F	26/06/2007	23/05/2019	AGM 2025				√	100%
Léonore Reviron *Member*	-	36	F	26/02/2019	-	AGM 2022		√			80%
Michaela Robert *Independent member*	-	52	F	15/04/2016	-	AGM 2022	√	√			100%
Dominique Rongier *Member*	-	76	M	20/05/2009	29/06/2021	AGM 2027		√[c]	√[c]		100%

(a) Year of the Ordinary General Shareholder' Meeting.
(b) Attendance rate at the meetings of the Supervisory Board and its committees in the 2021 financial year.
(c) Committee Chairman.
(d) Françoise Debrus resigned and was replaced by Matthieu Lance, co-opted by the Supervisory Board with effect from 07/03/2022.

Changes since 1 January 2021

Body	Appointment	Renewal	Departure
Supervisory Board	**Philippe Jossé** *appointed by ATI as permanent representative on the Supervisory Board as from 25/02/2021* **Matthieu Lance** *co-opted by the Supervisory Board on 22/02/2022 to replace Françoise Debrus with effect from 07/03/2022* **Catherine Leroy** *appointed by Alta Patrimoine as permanent representative on the Supervisory Board as of 22/02/2022*	**ATI** and **Dominique Rongier** *renewed by the AGM of 29/06/2021* **Marie-Catherine Chazeaux** *renewed by Cogedim's CSE on 19/07/2021* **Bertrand Landas** *renewed by Altarea's CSE on 22/07/2021*	**Françoise Debrus** *resignation with effect from 07/03/2022*
Compensation Committee	**Michaela Robert** *appointed member of the Committee on 22/02/2022* **Alain Dassas** *appointed Chairman of the Committee on 22/02/2022*	-	**Dominique Rongier** *at the Supervisory Board meeting of 22/02/2022*
Audit Committee	**Matthieu Lance** *to replace Françoise Debrus from 07/03/2022* **Michaela Robert** appointed Chairman of the Committee on 22/02/2022	-	**Françoise Debrus** and **Dominique Rongier** at the Supervisory Board meeting of 22/02/2022
Investment Committee	Designation of **Christian de Gournay** as Chairman of the Committee and appointment of **Philippe Jossé** as a member of the Committee at the Supervisory Board Meeting of 25/02/2021	-	End of terms of office as Chairman of the Committee of **Jacques Nicolet** and member of the Committee of **Philippe Mauro** at the Supervisory Board Meeting of 25/02/2021

Summary table 15 April 2022

Name	Permanent Representative	Age	Gender	First appointed	Latest reappointment	Expiration of term[a]	Independent	Participation in a committee: Audit Committee	Compensation Committee	Investment Committee
Christian de Gournay *Chairman of the Board - Independent*	-	69	M	05/03/2014	23/05/2019	AGM 2025	√			√[b]
ABP (APG) *Independent member*	Alain Dassas	75	M	20/11/2015	23/05/2019	AGM 2025	√	√	√[b]	√
Alta Patrimoine *Member*	Catherine Leroy	41	F	02/03/2020	-	AGM 2022				
ATI *Member*	Philippe Jossé	66	M	20/05/2009	29/06/2021	AGM 2027				√
Marie-Catherine Chazeaux *Member representing employees*	-	52	F	20/09/2018	19/07/2021	20/09/2024				
Matthieu Lance[c] *Member*	-	53	M	07/03/2021	-	AGM 2025		√		
Eliane Frémeaux *Independent member*	-	80	F	27/06/2013	23/05/2019	AGM 2025	√	√		
Bertrand Landas *Member representing employees*	-	64	M	16/10/2018	22/07/2021	16/10/2024				
Philippe Mauro *Member*	-	65	M	26/02/2019	-	AGM 2024			√	
Jacques Nicolet *Member*	-	65	M	26/06/2007	23/05/2019	AGM 2025				√
Predica *Member*	Najat Aasqui	39	F	26/06/2007	23/05/2019	AGM 2025				√
Léonore Reviron *Member*	-	36	F	26/02/2019	-	AGM 2022		√		
Michaela Robert *Independent member*	-	52	F	15/04/2016	-	AGM 2022	√	√[b]	√	
Dominique Rongier *Member*	-	76	M	20/05/2009	29/06/2021	AGM 2027				

(a) Year of the Ordinary General Shareholder' Meeting.
(b) Committee Chairman.
(c) Françoise Debrus resigned and was replaced by Matthieu Lance, co-opted by the Supervisory Board with effect from 07/03/2022.

Proposals to the 2022 General Shareholders' Meeting

The terms of office of Léonore Reviron, Michaela Robert and Alta Patrimoine as members of the Supervisory Board will expire at the end of the General Shareholders' Meeting called in 2022 to approve the financial statements for the 2021 financial year. This General Shareholders' Meeting will be asked to renew the terms of office of these three members of the Supervisory Board for a further period of six years expiring at the end of the General Shareholders' Meeting called to approve the financial statements for the 2027 financial year.

It will also be proposed to ratify the co-option of Matthieu Lance as a new member of the Supervisory Board.

Diversity policy

The Supervisory Board regularly conducts a review of its composition and the profile of its members in order to ensure its diversity in terms of skills and the balanced representation of men and women, in accordance with the applicable regulations. In particular, it ensures that the diversity of the profiles and expertise of its members allows for a rapid and thorough understanding of the Group's activities and challenges so as to optimise the proper discharge of its responsibilities and duties.

The Supervisory Board considers that its current composition is balanced and believes that it is satisfactory insofar as it comprises:

- five women and seven men;
- two members representing employees;
- four independent members, *i.e.* one third of its members[1].
- members representing the concert of the founders and the major Limited Partners;
- members with a perfect knowledge of the Group, its activities and its environment;
- members, active and diligent, who together possess a rich diversity of skills, experience and expertise related to the Group's activities and business lines;
- members aged between 36 and 80, with an average age of 59, the number of members over 75 being below the statutory limit of one third.

In accordance with Article 15.2 of the Articles of Association, the members of the Supervisory Board are appointed or removed by Ordinary General Shareholders' Meetings; the General Partner (Altafi 2 on the date of this document assuming that this company is a shareholder) may not take part in the vote on the relevant resolutions.

With the exception of members representing employees, each member must hold at least one share in the Company in accordance with Article 15.4 of the Articles of Association.

Representation of women and men

At 31 December 2021 and as of the date of this document, 42% of the Supervisory Board members were women. In accordance with the AFEP-MEDEF Code, employee representatives members are not taken into account to determine this percentage.

Representation of employees

Two employee representative members have been appointed to sit on the Board, one by the Altarea ESU CSE (Social and Economic Committee) and the other by the Cogedim ESU CSE, in accordance with the terms set out in Article 15.6 of the Articles of Association.

The CSEs must consult each other to make these appointments in order to ensure gender parity.

To be appointed, each member representing employees must have held an employment contract for at least two years with the Company or with one of its direct or indirect subsidiaries having its registered office in France or abroad.

The members of the Supervisory Board representing employees have the same status, responsibilities and obligations as the other members of the Supervisory Board and are subject to the same rules on disbarment. Exceptionally, they are not required to own at least one share in the Company.

Their term of office is set at three years. It is renewable without limitation.

Average age of the members

At 31 December 2021, the average age of the Supervisory Board members was 62. As of the date of this document, it is 59.

Expertise ans skills of the members of the Supervisiory Board

The expertise of the members of the Supervisory Board as of 31 December 2021, summarised above, is detailed in the presentations of each member below.

(1) *Excluding members representing employees in line with the AFEP-MEDEF Code recommendations.*

Independent members

The Supervisory Board has opted for the definition of independence proposed by the AFEP-MEDEF Code. Under the terms of Article 9.5 of the Code, the criteria that guide the Board to classify a member as independent are as follows:

Criteria 1	Not to be and not have been in the previous five years: ▪ an employee or executive corporate officer of the Company; ▪ an employee, executive corporate officer or director of a Company consolidated by the Company, of the Company's parent company or of any company consolidated by this parent company.
Criteria 2	Not to be an executive corporate officer of a company in which the Company holds, directly or indirectly, a directorship or in which a designated employee or an executive corporate officer of the Company (currently serving or having served in the previous five years) holds a directorship.
Criteria 3	Not to be a customer, supplier, a significant corporate banker or investment banker: ▪ of the Company or Group; ▪ for which the Company or the Group represents a significant portion of business
Criteria 4	Not to have a close family link with a corporate officer.
Criteria 5	Not to have been a Statutory Auditor of the Company in the previous five years.
Criteria 6	Not to have been a Company director during the previous 12 years.
Criteria 7	Not to receive variable compensation in cash or securities or any compensation linked to the performance of the Company or Group.
Criteria 8	Not to be involved in control of the Company or to hold a significant percentage (above 10%) of the capital or voting rights.

The Board examines the situation of its members with regard to the independence criteria each year. The latest review of the independent status of Supervisory Board members was carried out by the Supervisory Board at its meeting of 25 February 2021.

Based on the aforementioned independence criteria, the Board has concluded that four of its members – Alain Dassas, Eliane Frémeaux, Michaela Robert, and Christian de Gournay – can be considered to be independent. This equates to more than one third of the Board members (excluding employee representatives) which is in line with the AFEP-MEDEF Code recommendations.

In accordance with AMF recommendation no. 2012-02, the table below sets out the position of the Board members vis-à-vis the AFEP-MEDEF Code independence criteria (excluding members representing employees and Board members who belong to, or represent, the Concert of Founders or the Crédit Agricole Assurances Group).

Criteria	1	2	3	4	5	6	7	8	Independent
Christian de Gournay	–[(a)]	√	√	√	√	√	√	√	√[(a)]
Alain Dassas – ABP (APG)	√	√	√	√	√	√	√	√	√
Eliane Frémeaux	–[(b)]	√	√	√	√	√	√	√	√[(b)]
Philippe Mauro	-	√	√	√	√	√	√	√	-
Michaela Robert	√	√	√	√	√	√	√	√	√
Dominique Rongier	–[(b)]	√	√	√	√	-	√	√	-

(a) Christian de Gournay is also Chairman of the Supervisory Boards of subsidiaries Altareit, 99.63%-owned by the Company, and of NR21, 96.52%-owned. The Board believes that exercising these mandates within a supervisory body of the Company's subsidiaries is unlikely to give rise to conflicts of interest or impair his independence.

(b) Eliane Frémeaux is, and Dominique Rongier has been for the last five years, also a member of the Supervisory Board of Altareit, a 99.63%-owned subsidiary of the Company, and of the Supervisory Board of NR21, a 96.52%-owned subsidiary. The Supervisory Board believes that exercising these mandates within a supervisory body of Company subsidiaries is unlikely to give rise to conflicts of interest or impair the independence of these members. Besides, they have never had a significant business relationship with the Company or held an executive office or employee position in the Group. They do not represent any shareholders.

Presentation of Board members

Christian de Gournay

Chairman of the Supervisory Board

Christian de Gournay is a French citizen, born in Boulogne-Billancourt (92) in 1952. A graduate of the French École des Hautes Études Commerciales (HEC) and of the École Nationale d'Administration (ENA), Christian de Gournay began his career at the French Council of State in 1978, and later worked for Indosuez Bank as Director of Treasury and Bond Markets. In 1994, he became Senior Executive Vice-President of AGF, where he was in charge of managing Group financial and property assets, as well as banking and financial activities. He joined Cogedim in 2002 as Vice-Chairman of the Management Board. Christian de Gournay served as Chairman of the Management Board of Cogedim from 2003 to 2014, until his appointment as Chairman of the Supervisory Board became effective.

Number of Altarea shares held at 31 December 2021: 329,278[1]

Other corporate offices held at 31 December 2021

Corporate offices within the Group:

- Chairman of the Supervisory Board of SCA: Altareit♦ ▪; NR21♦▪

Corporate offices outside the Group:

- Manager: SCI Schaeffer-Erard
- Director: Opus Investment BV•

Corporate offices expired over the last 5 years: None

Marie-Catherine Chazeaux

Member representing employees

Marie-Catherine Chazeaux, a French citizen born in 1969, obtained a DPLG architect degree in 1994 from the École d'Architecture de Paris Belleville. In 1996 she obtained DESS (Université Paris Jussieu) and CEAA (EAPB) qualifications in architectural and urban acoustics. Having worked for a number of different architecture firms during her studies (Atelier 2M, Kalopissis, to name but two), she worked as an architect for WKZ Architecture et Acoustique from 1996 to 2002 before joining the Altarea Group where she is currently Director of its National Product, Architecture and Interior Design unit.

Other corporate offices held at 31 December 2021

Corporate offices within the Group

- Assistant Secretary of the CSE of the Cogedim ESU

Corporate offices outside the Group: None

Corporate offices expired over the last 5 years: None

Stichting Depositary APG Strategic Real Estate Pool (ABP Funds)

Supervisory Board member

Algemene Pensioen Groep NV (APG) was appointed as a member of the Supervisory Board on 28 May 2010. It was replaced by the Dutch company Stichting Depositary APG Strategic Real Estate Pool by co-option on 20 November 2015. It is part of the APG Group, which manages the pension funds of civil servants and employees in the education sector in the Netherlands.

Alain Dassas

Permanent representative of APG

Of French nationality, Alain Dassas was born in 1946. He is a graduate of ESCP Europe and holds a master's degree in econometrics and a master's degree in management science from Stanford University. Alain Dassas began his career in 1973 at Chase Manhattan Bank. In 1983, he joined the Renault group and successively held the positions of Director of the Representative Office in New York, Director of Banking Relations and Financial Markets, CFO at Renault Crédit International and Director of Financial Operations and Financial Services. In 2003, Alain Dassas was a member of the Renault Group Management Committee and then President of Renault F1 Team. In 2007, Alain Dassas became a member of the Executive Committee of Nissan Motor Company in Tokyo. Since 2010, Alain Dassas has been a consultant for the Renault group and is Chief Financial Officer of Segula Technologies.

Number of Altarea shares held at 31 December 2021: the APG Group held 1,438,606 Altarea shares and Alain Dassas personally held no shares in Altarea.

Other corporate offices held at 31 December 2021

- Director: Dassas Consulting SAS
- Director: RCI Finance Maroc

Corporate offices expired over the last 5 years: None

(1) Directly and indirectly, via Opus Investment BV.

♦ Altarea Group company ▪ Listed company • Foreign company.

Alta Patrimoine

Supervisory Board member

Alta Patrimoine is a simplified public limited company (*société par actions simplifiée*) whose registered office is at 87 rue de Richelieu, 75002 Paris, and which is registered with the Paris Trade and Companies Registry under the number 501 029 706. It is chaired and wholly owned by AltaGroupe, itself controlled by Alain Taravella. As of 31 December 2021, Alta Patrimoine is a Supervisory Board member of the companies limited by shares SIAP PP, SIAP RE and SIAP Holding. It was a member of the Supervisory Board of Altareit♦■ until 2019.

Catherine Leroy

Permanent representative of Alta Patrimoine since 22 February 2022

Of French nationality, born in Cherbourg (La Manche) in 1981, Catherine Leroy is a graduate of ESSEC. She began her career in 2005 as a financial auditor at Ernst & Young, then worked as a financial consultant at DTZ Consulting for five years. In 2011, she joined the Altarea Group, where she successively held the positions of Head of Corporate Development, Deputy Chief Financial Officer and now Head of the Office of the Chairman.

Number of Altarea shares held at 31 December 2021: Alta Patrimoine held 2,800,238 shares and Catherine Leroy 3,493

Other corporate offices held at 31 December 2021: None

Corporate offices expired over the last 5 years: None

ATI

Supervisory Board member

ATI is a general partnership with share capital of €10,000, whose registered office is at 87 rue de Richelieu, 75002 Paris, and which is registered with the Paris Commercial and Companies Registry under the number 498 496 520. Its Manager is Alta Patrimoine, itself controlled by Alain Taravella. ATI held no other corporate office at 31 December 2021 and had no corporate office expired over the last five years.

Philippe Jossé

Permanent representative of ATI since 25 February 2021

A French national born in 1955, Philippe Jossé is a graduate of the Institut Politique (IEP) de Paris and the Institut des hautes études de droit rural et d'économie agricole de Paris. He began his career in 1979 in the Bouygues Group, notably heading the Residential France sector at Bouygues Immobilier from 2007 to 2012, having previously been Regional Director South West, then Director Europe and managed several European subsidiaries of the Group. In 2013, he joined Sogeprom as Deputy Head of the Retail division, where he notably managed the subsidiaries Urbanisme et Commerce and Urbi & Orbi. With more than 35 years' experience in property development, he joined the Altarea Group in 2015 where he was successively Chief Executive Officer and Chairman of Cogedim, before becoming Chairman of the Altarea Promotion division, which he created and ran until 2020.

Number of Altarea shares held on 31 December 2021:
ATI held one share and Philippe Jossé personally held 26,273 shares in Altarea.

Other corporate offices held at 31 December 2021

- Supervisory Board member: Woodeum♦
- Manager: GFA Domaine des Chalonges

Corporate offices that have expired over the last 5 years:

Corporate offices within the Group:

- Chairman of the Board and Management Board: Cogedim SAS
- Manager: Cogedim Gestion SNC♦; Cogedim Développement SNC♦; Cogedim Citalis SNC♦; Cogedim Entreprise SNC♦; Altarea Cogedim Régions SNC♦; Altarea Cogedim Grands Projets SNC♦; Altarea Partenaires SNC♦; Cogedim Régions SNC♦; Cogedim Grand Paris SNC♦
- Supervisory Board member: Financière SPL SAS♦; Histoire & Patrimoine SAS♦
- Member of the Board of Directors: Pitch Promotion SAS♦

Corporate offices outside the Group:

- Co-Manager: SCEA Domaine de l'Aurée

♦ *Altarea Group company* ■ *Listed company* • *Foreign company.*

Françoise Debrus

Supervisory Board member until 7 March 2022

French, born in Paris's 12th arrondissement in 1960, Françoise Debrus is a graduate of the École Nationale du Génie Rural des Eaux et des Forets and the Institut National Agronomique Paris-Grignon. 1984-1987: Head of the economy and agricultural production department at the French Ministry of Agriculture and Forestry. Since 1987 with the Groupe Crédit Agricole: first as an auditor and then as audit team Manager of the Internal Audit Department of Caisse Nationale de Crédit Agricole (CNCA), prior to becoming Head of management control and then of financial management of Unicredit. In 1997, she was appointed Head of the debt collection/lending department of the Finance division of Crédit Agricole SA. In 2001, she became Head of finance and tax at the Fédération Nationale du Crédit Agricole (FNCA). In 2005, she was appointed Chief Financial Officer of the Caisse Régionale d'Île-de-France. Françoise Debrus joined Crédit Agricole Assurances in 2009, holding the position of Chief Investment Officer until 2021.

Number of Altarea shares held at 31 December 2021: 8

Other corporate offices held at 31 December 2021

- Director: Cassini; Comexposium
- Permanent representative of CAA/Predica, Director: Korian■; Aéroports de Paris■; Semmaris; La Française des Jeux■

Corporate offices expired over the last 5 years

- Director: Beni Stabili■•; Foncière Développement Logement■
- Supervisory Board member: Covivio Hotels■
- Non-voting Board member: Frey■
- Permanent representative of CAA/Predica, Director: Eurosic■; Ramsay Santé; Générale de Santé■

Matthieu Lance

Supervisory Board member from 7 March 2022

A French citizen, born in Paris in 1968, Matthieu Lance is a graduate of the École Centrale de Paris. He began his career at CCF in 1994 in financial engineering for structured finance. In 1998, he joined Banque Lazard where he advised large industrial clients and investment funds on Mergers & Acquisitions. In 2007, he joined BNP Paribas as Managing Director Corporate Finance, successively in charge of the Chemicals, Aerospace, Defense and Automotive sectors (2007-2012) and then within the Mergers & Acquisitions France team (2012-2016). In 2016, he joined Crédit Agricole CIB as Deputy Global Head of Mergers & Acquisitions, of which he has been Global CoHead since the end of 2019. In March 2022, he joined the Crédit Agricole Assurances Group as Deputy Director of Investments, responsible for real assets and equity investments.

Other corporate offices held at 31 December 2021: None

Corporate offices expired over the last 5 years: None

Bertrand Landas

Member representing employees

A French citizen, born in 1957, Bertrand Landas is a graduate of ICAM – Institut Catholique d'arts et Métiers. After serving as project Manager and trainer, then branch Manager at AIF and APAVE, he worked for 11 years for the Unibail Group as technical and security Manager, shopping centre Manager and finally Director of the risk management and technical support department. In 2005, he joined the Altarea Group, where he now holds the position of deputy Director of shopping centres.

Other corporate offices held at 31 December 2021: None

Corporate offices expired over the last 5 years

- Employee representative and member of the Works Committee and the Health, Safety and Working Conditions Committee of the Altarea ESU

Eliane Frémeaux

Supervisory Board member

Eliane Frémeaux, a French citizen, born in the 15th arrondissement of Paris in 1941, was a partner in the Notary firm of SCP Thibierge Associés until 18 October 2012. A Chevalier of the French Legion of Honour, Eliane Frémeaux is a member of the Legal Studies Institute of the Conseil Supérieur du Notariat. She was a member of the Joint Ownership Commission representing the Conseil Supérieur du Notariat at the Chancellery and of the Commission on Polluted Sites and Soils within the Conseil Supérieur des Installations Classées. She is a member of honour of the Circle of Women Real Estate Professionals (Cercle des Femmes de l'Immobilier) and a Member of the association René Capitant des Amis de la Culture Juridique Française (René Capitant Association of Friends of French Legal Culture). Eliane Frémeaux is a regular participant in many seminars and conferences in France and abroad, primarily on topics related to corporate law, credit issues, finance leases, joint ownership, public domain, taxation and business and estate transfer, as well as the environment.

Number of Altarea shares held at 31 December 2021: 494

Other corporate offices held at 31 December 2021

- Co-Manager: SCI Palatin
- Supervisory Board member of SCA: Altareit♦■; NR21♦■

Corporate offices expired over the last 5 years: None

♦ *Altarea Group company* ■ *Listed company* • *Foreign company.*

Jacques Nicolet

Supervisory Board member

Jacques Nicolet, a French citizen, was born in Monaco in 1956. From 1984 to 1994, Jacques Nicolet served successively as Programme Director, Development Director and Senior Executive Vice-President of the Pierre & Vacances Group. In 1994, he co-founded the Altarea Group, of which he has successively been Senior Executive Vice-President and, since its transformation into a partnership limited by shares, Chairman of the Supervisory Board until 2014. He created and headed the Everspeed group, active in the automotive sector in France and abroad.

Number of Altarea shares held at 31 December 2021: 9,315[(1)]

Other corporate offices held at 31 December 2021

Corporate offices within the Group:

- Supervisory Board member of SCA: Altareit♦■; NR21♦■

Corporate offices outside the Group:

- Chairman of SAS: Everspeed[(2)]; Ligier Automotive (Manager of SCI Innovatech); Damejane Investissements; Ecodime
- Manager: SCI Damejane; SNC JN Participations
- Chairman of the Board of Directors and/or Director of foreign companies: Everspeed Connection•; HP Composites Spa•; Carbon Mind Srl•

Corporate offices expired over the last 5 years

- Supervisory Board member: Cogedim SAS♦
- Chief Executive Officer: Circuit du Maine
- Manager: SCI 14 rue des Saussaies
- Director of foreign companies: HPC Holding•

Philippe Mauro

Supervisory Board member

A French citizen, born in 1956, Philippe Mauro is a Law graduate of the University of Paris II Assas and the University of Saarland (Saarbrücken, Germany). He was Legal Director of SCIC Gestion (CDC Group), Espace Expansion and Arc 108 (UNIBAIL Group), then Legal Director of Unibail before joining the Altarea Group in 1998, where he served as Corporate Secretary until 2018.

Number of Altarea shares held at 31 December 2021: 9,762

Other corporate offices held at 31 December 2021: None

Corporate offices expired over the last 5 years

- Manager: Altarea Management ♦;
- Director of SAS: Pitch Promotion SAS♦

Predica

Supervisory Board member

Predica is an insurance company, a subsidiary of Crédit Agricole Assurances and the holding company for Crédit Agricole Group's insurance subsidiaries. It was appointed a Supervisory Board member on 26 June 2007.

Najat Aasqui

Permanent representative of Predica

Najat Aasqui, a French national born in 1982, has a post-graduate degree (DESS) in Banking, Finance and Insurance (Paris X Nanterre) and a Master's in Economy (Lille 1). She joined the Crédit Agricole Assurances (CAA) Group in 2017 as investments officer (Private Equity and listed equity) for several sectors including listed real estate. Since March 2019 Najat Aasqui has been Head of the Listed Equity and Real Estate Investment Portfolios of the CAA Group. She had previously held various corporate banking positions, most significantly in acquisition funding at the Crédit Agricole Group.

Number of Altarea shares held at 31 December 2021: Predica held 5,003,920[(3)] shares and Najat Aasqui herself held no shares.

Other corporate offices held at 31 December 2021:

- Supervisory Board member of SCA: Covivio Hotels■
- Permanent representative of Predica, member of the Supervisory Board, Audit Committee and Compensation and Nomination Committee: Argan■
- Director: Edison SPA•

Corporate offices expired over the last 5 years:

- Director: Société Foncière Lyonnaise■

Léonore Reviron

Supervisory Board member

Léonore Reviron, a French citizen born in 1985, is a graduate of the EDHEC Business School (École des Hautes Études du Commerce). From 2008 to 2011, she was a financial audit Manager at Ernst & Young. In 2011, she joined a listed REIT Group, where she served as a corporate financial analyst until 2013, when she became a financial risk Manager.

Number of Altarea shares held at 31 December 2021: 3,108

Other corporate offices held at 31 December 2021

- Supervisory Board member of SCA: Altareit♦■; NR21♦■

Corporate offices expired over the last 5 years

- Permanent representative of Alta Patrimoine, Supervisory Board member of Altareit♦■
- Permanent representative of ATI, Supervisory Board member of Altarea♦■

♦ Altarea Group company ■ Listed company • Foreign company.

(1) *Directly and indirectly through the company Everspeed which he controls.*

(2) *Everspeed is Chairman of SAS (Circuit du Maine; Everspeed Asset; Everspeed Media; DPPI Media; DPPI Production; Onroak Automotive Classic; SAS Proj 2018; Everspeed Composites), Chief Executive Officer of SAS AOT Tech and Les 2 Arbres, Manager of SCI Immotech and Chairwoman of the foreign company Ecodime Italia Srl.*

(3) *To the best of the Company's knowledge - Direct and indirect ownership of the Crédit Agricole Assurances Group, of which Predica is a part.*

Michaela Robert

Supervisory Board member

A French citizen, born in Saint-Jean-de-Luz (64) in 1969, Michaela Robert is a graduate of the University of Paris IX Dauphine and Paris X Nanterre. She worked for ten years as a property and structured finance lawyer at international firms. In 2005, she joined Morgan Stanley as Chief Financial Officer for property investment funds under its management. Her roles as finance officer for all the investments made by different funds in France, Spain and Benelux have enabled her to build a solid banking network and acquire diverse expertise in legal issues and legal constraints. In 2010, she founded Finae Advisors, a property financing firm specialised in particular in origination, structuring and debt raising, of which she is Deputy Director.

Number of Altarea shares held at 31 December 2021: 1

Other corporate offices held at 31 December 2021

- Chief Executive Officer: Finae Advisors SAS; Eastdil Secured SAS
- Director: Paref ▪

Corporate offices expired over the last 5 years: None

Dominique Rongier

Supervisory Board member

Of French nationality, born in Paris (16th arrondissement) in 1945, Dominique Rongier graduated from HEC in 1967 and was successively: auditor at Arthur Andersen (1969-1976); Chief Financial Officer of the Brémond - Pierre & Vacances Group (1976-1983); Group Chief Financial Officer of Brossette SA (1983-1987); In 1987, he designed and set up a holding company for the Carrefour group; General Secretary of Bélier, member of the Havas-Eurocom network (1988-1990); Chief Financial Officer of the holding company Oros Communication, which controls majority stakes in the communication sector (1991-1993). Since September 1993, Dominique Rongier has been an independent consultant with DBLP & associés SARL, of which he is Manager and majority shareholder. His main activity is strategic and financial management consultancy. In the interim, he was acting Chief Executive Officer of the DMB & B France Group (French subsidiaries of the U.S. advertising group D'Arcy) for more than two years. Until 31 March 2009, Dominique Rongier was Chairman of a software publishing company specialising in sports and health.

Number of Altarea shares held at 31 December 2021: 17

Other corporate offices held at 31 December 2021

- Supervisory Board member of SCA: Altareit ♦▪; NR21 ♦▪

Corporate offices expired over the last 5 years

- Director: SA Search Partners

♦ Altarea Group company ▪ Listed company • Foreign company.

6.2.3.3 Board procedures, preparation and organisation of work

Tasks and responsibilities (Article 17 of the Articles of Association)

The Supervisory Board is responsible for overseeing the Company's management on a continual basis. It sets out the appropriation of earnings, dividend distributions and dividend payment procedure to be proposed to the General Shareholders' Meeting. It appoints an Acting Manager if none of the existing Managers and General Partners are able to serve. It submits a list of nominees to the General Meeting for the appointment of new Statutory Auditors. It appoints an appraiser for the Company's property portfolio and renews or terminates the appraiser's term of office. In the latter case, it provides for the appraiser's replacement.

In accordance with the law, the Supervisory Board prepares a report for the Ordinary General Shareholders' Meeting convened to approve the Company's financial statements: the report is made available to the shareholders at the same time as the management report and the financial statements for the period in question. It also draws up an annual corporate governance report.

The Supervisory Board draws up a report describing any proposed capital increase or reduction and submits it to the shareholders. The Supervisory Board can call an Ordinary or Extraordinary General Shareholders' Meeting according to the procedures set forth by French law, if the Board deems necessary and after informing the Managers in writing.

The Supervisory Board also plays an important role in terms of the Company's investments and commitments, above and beyond the usual role played by this body in SCAs. The Board is consulted:

- prior to any significant investment or divestment by Altarea likely to change the structure of the Company's balance sheet, and any transaction involving more than €50 million in the SIIC sector ; and
- on Altarea's financing policy, in particular the total amount of bank or bond debt.

With the entry into force of the Order of 27 November 2019 on compensation of the corporate officers of listed companies, implementing the Pacte Act of 22 May 2019, the Supervisory Board has been granted additional powers: over compensation policy for Managers and Board members and determining the components of the compensation of these corporate officers, taking over from the General Shareholders' Meeting which until then had direct responsibility for fixing the components of management's compensation for a three-year period pursuant to the Company's Articles of Association (see Section 6.3.1.1 below).

Notice of Meeting

The Company's Articles of Association provide that Board members are invited to meetings *via* simple letter or by any means of electronic communication. The Supervisory Board can meet by any means as soon as all members are present or represented. Supervisory Board meetings can be called by the Board Chairman, at least half of the Board members, or any Manager or General Partner. The Board members must be notified at least one week before The Meeting date, except under emergency circumstances.

Information

In accordance with French law, the Supervisory Board has the right to be provided with the same documents by the Managers as those made available to the Statutory Auditors.

Meeting location – Management attendance

Meetings take place at the registered office, 87 rue de Richelieu in Paris (75002). In accordance with Article 16.3 of the Articles of Association, members may be invited to take part in meetings by videoconference or by any other means of telecommunication enabling the members to be identified, guaranteeing their effective participation in the Board meeting and allowing live streaming of the discussions and deliberations.

Management is invited to Board meetings to answer questions from the Supervisory Board, so that the Board can exercise continuous oversight of the Company's management. At Board meetings, Management presents the Company's financial statements, discusses business developments and presents any investment or divestment plans. Management answers any questions that the members deem appropriate to ask. These questions may or may not be included on the agenda. Management does not participate in deliberations and cannot vote on decisions taken by the Board or on opinions it issues.

The attendance of at least half of the Supervisory Board's members is required for it to be quorate. Decisions are made by a majority of the members present or represented and able to take part in the vote. A member present may only represent one absent member and may do so only upon presenting a valid proxy. In the event of a tie, the Chairman has the deciding vote.

Minutes of the meetings

The minutes of Board meetings are recorded in a special register and signed by The Meeting Chairman and Secretary, or by a majority of Board members present.

Rules of Procedure

The Supervisory Board adopted Rules of Procedure at its meeting of 26 February 2019. They complement in particular Articles 16 and 17 of the Company's Articles of Association as regards the operating rules of the Board and the conduct of its meetings, in accordance with the provisions of the AFEP-MEDEF Code.

They also reiterate the ethical rules imposed on Board members, particularly in respect of share trading, in accordance with European regulation no. 596/2014 on market abuse.

In particular, it reminds members of their legal obligations with regard to declarations of transactions carried out on the Company's securities by themselves or by persons close to them.

In accordance with the rules of procedure, transactions in the Company's securities are not authorised during:

- the 30 calendar days preceding the publication of Altarea's annual and half-year results and up to and including the trading day of the publication;
- the 15 calendar days preceding the public release of financial information on the first and third quarters of each financial year and up to and including the trading day of the publication; and
- in any circumstances, where inside information is held until the publication of this information.

Each blackout period is notified a few days beforehand by e-mail to the persons concerned.

Compliance with the rules of confidentiality and conflict of interest (see 6.2.5.1 below) is one of the essential rules of procedure.

The rules of procedure are given to each member of the Board when they take office and after each change.

The Articles of Association and the Board's Rules of Procedure are available on the Company's website.

There are also detailed Rules of Procedure for the Audit Committee and the Investment Committee, which are specialised committees of the Board.

The Supervisory Board has sole authority to modify its Rules of Procedure and those of its committees.

Supervisory Board meetings and work in 2021

In 2021, the Board met five times. The attendance rate was 97%.

The following key topics were discussed at these meetings:

Meeting of 25 February 2021	■ Examination of the draft annual Company and consolidated financial statements and the business review for the year ended 31 December 2021 ■ Proposed appropriation of earnings at the Ordinary General Shareholders' Meeting ■ *Say on Pay*: opinion on the compensation policy for the Management, approval of the compensation policy for the Supervisory Board and setting of the compensation components of these bodies for 2021 subject to the approval of the above-mentioned policies by the General Shareholders' Meeting ■ Authorisations granted to Management to effect capital increases or decreases ■ Preparation of the Supervisory Board's report to the Annual General Shareholders' Meeting and the Report on Corporate Governance ■ Examination of the Declaration on Extra-Financial Performance (DPEF) ■ Review of the agenda and the text of the draft resolutions submitted to the Combined General Shareholders' Meeting called to approve the 2021 financial statements ■ Financial strategy ■ Reporting on the progress of investment projects that have already been approved by the Board ■ Review of forecast management documents ■ Review of corporate governance issues: changes in the composition of the Board, annual deliberation on the Company's policy on professional equality and pay, annual review of the operation and preparation of the work of the Supervisory Board, review of independence criteria for members of the Supervisory Board and specialist committees ■ Review of related-party transactions already authorised by the Board
Meeting of 26 May 2021	■ Update on the business performance and activity of the first quarter 2021 ■ Presentation of the proposed acquisition of Primonial, its financing and the planned capital increase of the Company - Review and favoral opinion given by the Board ■ Presentation of the proposed Retail partnership with Crédit Agricole Assurances - Review and favoral opinion given by the Board ■ Review and authorisation of new related-party agreements to be entered into by the Company ■ Financial strategy of the Company and Group
Meeting of 30 July 2021	■ Review of the draft half-yearly financial statements at 30 June 2021 and the half-year financial report. ■ Update on business performance and financial strategy ■ Update on the expiry of the Statutory Auditors' terms of appointment and instigation of a call for tenders for the appointment of a new auditor ■ Report on the results of the formal assessment of the operation and work of the Supervisory Board and its Committees, carried out by an independent consulting firm and proposed changes ■ Review of forecast management documents.
Meeting of 16 November 2021	■ Calendar and progress of the proposed Altarea capital increase and acquisition ■ Dividend proposal to be submitted to the 2022 General Shareholders' Meeting and payment terms
Meeting of 10 December 2021	■ Results of the Altarea capital increase ■ Update on the 2021 landing ■ Minutes of the Audit Committee meetings on the consolidation of Primonial in Altarea's consolidated financial statements and the results of the call for tenders for the appointment of a new Statutory Auditor ■ Review of the Audit Committee's recommendation regarding candidacies for Statutory Auditors ■ Presentation of the results of the employee engagement study conducted within the Group ■ Report on Group news

Specialist committees

Article 18 of the Articles of Association allows the Supervisory Board to delegate tasks to specialist committees, apart from any powers that French law explicitly assigns to the Supervisory Boards of SCAs (*sociétés en commandite par actions*).

The Supervisory Board has three specialist committees: an accounts committee known as the Audit Committee, an Investment Committee and a Compensation Committee.

The specialist committees present their work at Supervisory Board meetings. The work is presented by committee chairs, all of whom are members of the Board.

Investment Committee

Members

Investment Committee members are appointed by the Supervisory Board. The Investment Committee currently consists of the following members:

- Christian de Gournay, Chairman of the Investment Committee;
- Alain Dassas, Permanent representative of APG;
- Najat Aasqui, Permanent representative of Predica;
- Jacques Nicolet;
- Philippe Jossé;
- Éric Dumas.

Operational Managers involved in the investment project(s) also participate in the Meeting.

Proceedings – Minutes

Investment Committee recommendations are adopted by a majority of members present. The Chairman has a double vote in the event of a tie. Minutes are drawn up and signed during the Meeting indicating the decision made. The Company's annual report contains a summary of the resolutions issued by the Investment Committee.

Frequency of meetings

The Investment Committee meets when convened by its Chairman. It can be called at any time in the event of an emergency. Notices of meeting may be sent by any means (post, fax, email, etc.).

Tasks

Pursuant to Article 17.8 of the Articles of Association, the Supervisory Board must be consulted by the Management prior to any significant investment or divestment by the Company likely to change the structure of the Company's balance sheet, and any investment or divestment over €50 million in the SIIC sector.

In this context, the Supervisory Board has entrusted the Investment Committee and its Chairman with the following tasks:

- prior instruction by the Chairman of the investment or divestment Committee regarding the consultative opinion required by Article 17.8;
- issuance by the Investment Committee of a consultative opinion, under powers delegated by the Supervisory Board, on investments or divestments involving less than €150 million, provided that the Supervisory Board retains the possibility of issuing these opinions directly without going through the Investment Committee.

Work of the Committee

The Investment Committee did not meet in 2021 because all investment and divestment opportunities were reviewed by the full Supervisory Board.

Audit Committee

Members

Audit Committee members are appointed by the Supervisory Board. They are chosen for their experience in the industry and their knowledge of the Company. The Audit Committee members together with their skills and experience relevant to the Committee's responsibilities are as follows:

- Michaela Robert, Chairwoman of the Committee, independent member, is a graduate of the University of Paris IX Dauphine and Paris X Nanterre. She worked for ten years as a property and structured finance lawyer at international firms. In 2005, she joined Morgan Stanley as Chief Financial Officer for property investment funds under its management. In 2010 she founded a property financial advising firm, of which she is Manager;
- Alain Dassas, independent member, representative of ABP (APG) Fund, was Director of Banking Relations and Financial Markets at Renault, CFO at Renault Crédit International and Director of Financial Operations and Financial Services at Renault;
- Matthieu Lance, a graduate of the École Centrale de Paris, was Managing Director Corporate Finance at BNP Paribas (2007-2016), Deputy Global Head and then Global Co-Head of Mergers & Acquisitions at Crédit Agricole CIB (2017-2022). Since March 2022, he has been Deputy Director of Investments, responsible for real assets and investments at Crédit Agricole Assurances Group;
- Eliane Frémeaux, independent member, was a partner in the Notary firm of SCP Thibierge & Associés until 18 October 2012. She is a member of the Legal Studies Institute of the Conseil Supérieur du Notariat. She was also a member of the Joint Ownership Commission representing the Conseil Supérieur du Notariat at the Chancellery and of the Commission on Polluted Sites and Soils within the Conseil Supérieur des Installations Classées;
- Léonore Reviron is a graduate of EDHEC Business School. From 2008 to 2011, she was a financial audit Manager at Ernst & Young. In 2011, she joined a listed REIT group, where she served as a corporate financial analyst until 2013, when she became a financial risk Manager.

Independence

Three of the Audit Committee's five current members are independent. As a result, the Company complies with legal requirements, which require the Audit Committee to include at least one independent member. The proportion of independent members is sixty per cent, only marginally below the two-thirds recommended in the AFEP-MEDEF Code. The Committee does not include any executive corporate officers, complying with recommendation 16.1 of the Code.

Tasks and responsibilities

The Audit Committee helps the Supervisory Board in its role of oversight and control of the Company. It is responsible for the following tasks:

- monitoring the process for preparing financial information and, where appropriate, making recommendations to ensure its integrity. In the event of failures in the process, the Committee makes sure corrective measures have been applied. The Committee reviews significant risks and off-balance sheet commitments, assesses the seriousness of malfunctions or deficiencies of which it is made aware, and informs the Supervisory Board, if necessary. The Audit Committee also reviews the scope of consolidation and, where applicable, the reasons for which companies are not included;

- monitoring the effectiveness of systems of internal control and risk management, as well as any internal audits, in respect of procedures for producing and processing accounting and financial information. In the event shortcomings are identified, the Committee ensures that appropriate action plans have been put in place and the situation has been addressed. To this end, it is informed of the main findings of the Statutory Auditors and internal audit. It meets with the Heads of internal audit and risk control and advises on the organisation of their departments. It is informed of the internal audit programme and receives internal audit reports and/or periodic summaries;
- monitoring of the Statutory Auditors' work. The Committee reviews the main risks and uncertainties identified by the Statutory Auditors in the parent company and consolidated financial statements, including the half-year financial statements. The Committee also reviews their audit approach and any difficulties they encountered in their work;
- examination and monitoring of compliance by the Statutory Auditors with the criteria for independence. It ensures compliance with the rules for the rotation of Statutory Auditors and their signing partners. The Committee monitors the budget for the Statutory Auditors' fees to ensure that it is appropriate to their work. The Committee makes sure that the Co-Statutory Auditor is effective;
- approval of the provision by the Statutory Auditors or their respective network of services other than the certification of the financial statements to the Company or its subsidiaries. At its meeting of 20 February 2017, the Audit Committee decided unanimously to authorise the Statutory Auditors to provide certain services other than audit of the financial statements corresponding to (i) the missions required by law or regulations and (ii) the usual missions provided by Statutory Auditors which posed no risk to their independence given their purpose and the terms and conditions under which they would be carried out. The Statutory Auditors must provide the Audit Committee with a half-year report on these services. All other services must be authorised in advance by the Audit Committee;
- verification of the arrangements made by the Company in order to guarantee business continuity, with particular reference to documentation, files, systems and the protection of the Company against fraud and malicious acts;
- ensuring that the Company's operations comply with all applicable laws and regulations.

The Audit Committee must be consulted about:

- the appointment of the Statutory Auditors. It recommends Statutory Auditors which the Supervisory Board then proposes to the General Shareholders' Meeting for appointment on the basis of a call for tenders. It also issues a recommendation to The Meeting when the appointment of the auditor or auditors comes up for renewal;
- any significant changes in accounting methods and principles that may seem likely or necessary;
- half-year and full-year financial statements.

The Audit Committee reports on its work regularly to the Supervisory Board. It also reports on its work to certify the financial statements, how this mission contributed to the integrity of the financial information and on the role it played in this process. It immediately reports any problem encountered.

The Audit Committee maintains working relationships with the Company's Executive Management, internal controllers, internal auditors and Statutory Auditors. It may ask the Statutory Auditors to attend Committee meetings to answer questions about subjects within their competence. The Audit Committee may also ask a Company employee to attend a meeting, in order to clarify a specific issue. The Audit Committee recommends to the Supervisory Board all measures it deems useful. If it deems necessary, the Committee may call on external experts, ensuring their competence and independence.

Proceedings – Minutes

The Committee is quorate when at least half of the members are present. Recommendations are adopted by a majority of members present. The Chairman has a double vote in the event of a tie. If it deems it necessary to do so, the Audit Committee prepares minutes of its meetings; these minutes are drafted by the Chairman. The Chairman presents its report on the half-year and full-year financial statements to the Supervisory Board.

Frequency of meetings – Work of the Committee

The Audit Committee meets when convened by the Chairman, on dates set according to the Company's schedule for approving the half-year and full-year financial statements. A meeting can be called at any time if necessary. Notices of meeting may be sent by any means (post, fax, email, etc.). The Group's Finance Department sends any necessary documentation prior to the Meeting.

During the 2021 financial year, the Committee met four times to examine the following points:

- meeting of 24 February 2021: review of the draft financial statements as of 31 December 2020; presentation of the main internal control and risk management actions carried out in 2020; follow-up of the 2020-2021 audit plan; real estate appraisals; report on the work of the Statutory Auditors;
- meeting of 28 July 2021: review of the draft half-yearly financial statements at 30 June 2021; presentation of the main internal control and risk management actions carried out during the first half-year 2021; follow-up of the 2021 audit plan and presentation of the 2022 audit plan; real estate appraisals; report on the work of the Statutory Auditors;
- meeting of 26 October 2021: proposed acquisition and review of the draft *pro forma* financial statements for 2020;
- meeting of 7 December 2021: review of the report on the selection procedure by call for tenders relating to the Company's Statutory Auditors, and recommendation to the Supervisory Board.

Compensation CommitteeMembers

Members

The Compensation Committee is composed exclusively of members of the Supervisory Board independent of Company Management.

The Compensation Committee currently consists of the following members:

- Alain Dassas, Chairman of the Committee;
- Philippe Mauro, Secretary of the Committee;
- Michaela Robert.

Independence

The Compensation Committee currently has two independent members, Alain Dassas and Michaela Robert. As a result, the Company complies with recommendation 18.1 of the AFEP-MEDEF Code, which requires that a majority of Committee members be independent. In addition, the Committee is chaired by an independent member and does not include any executive corporate officers in accordance with the aforementioned recommendation.

Responsibilities (Article 18 of the Articles of Association)

The Compensation Committee was formed by the Supervisory Board on 26 July 2012, in accordance with Article 18 of the Articles of Association. On the recommendation of its Chairman, the Supervisory Board voted to grant the Committee powers wider than those provided for by the Articles of Association. The Committee makes proposals concerning the compensation not only of Management but also of the members of the Supervisory Board and, where applicable, the Group's senior executives.

Work of the Committee

In 2021, the Committee met once to examine the proposal of the General Partner relating to the management compensation policy for the financial year 2021, on which it issued a favourable opinion and to propose to the Board the compensation policy for members of the Supervisory Board, as well as the components of compensation for Management and the Supervisory Board for the financial year 2021, subject to the approval of the aforementioned policies by the General Shareholders' Meeting.

Participation in Board and Specialist Committee meetings in 2021

	Supervisory Board		Audit Committee		Compensation Committee	
	Attendance/No. of meetings	Attendance rate	Attendance/No. of meetings	Attendance rate	Attendance/No. of meetings	Attendance rate
Christian de Gournay (*Chairman of the Board*)	5/5	100%				
Alain Dassas (*Permanent Representative of APG*)	5/5	100%	4/4	100%	1/1	100%
Alta Patrimoine	5/5	100%				
Philippe Jossé (*Permanent representative of ATI*)	5/5	100%				
Marie-Catherine Chazeaux	5/5	100%				
Françoise Debrus	5/5	100%	4/4	100%		
Eliane Frémeaux	5/5	100%	4/4	100%		
Bertrand Landas	5/5	100%				
Philippe Mauro	5/5	100%			1/1	100%
Jacques Nicolet	4/5	80%				
Najat Aasqui *(Permanent representative of Predica)*	5/5	100%				
Léonore Reviron	4/5	80%	4/4	100%		
Michaela Robert	5/5	100%	4/4	100%		
Dominique Rongier	5/5	100%	4/4	100%	1/1	100%
Average attendance rate		**97%**		**100%**		**100%**

Assessment of the work of the Board and specialist committees

In accordance with its Rules of Procedure, the Supervisory Board regularly assesses its operations and the performance of its duties. To this end, once a year, the Board devotes an item on its agenda to a debate on its operation. In addition, it conducts a formal assessment at least every three years, with the help of an external consultant, in accordance with the recommendations of the AFEP-MEDEF Code.

In 2021, the Supervisory Board carried out the first external assessment of its operation, conducted by an independent consulting firm, which took the form of questionnaires and individual interviews with each of the members of the Supervisory Board.

The summary of the results of this external assessment was presented to the Board at its meeting of 30 July 2021 by the Chairman of the Board, an independent member.

The results show that Board members are generally satisfied with the functioning of the Board. The Board is unanimously perceived as serious, transparent, constructive and effective. Its members share a common view of its role, which they accept. The Board's culture is considered professional, rigorous, organised and polite, the atmosphere being direct and constructive, and the agenda being reasonably constructive and effective sometimes at the expense of the depth of the discussions.

Taking into account the wishes expressed by the members of the Supervisory Board, the main areas for improvement identified are as follows:

- "reinvigorate informal communication, cohesion between members and dialogue outside the Board", in particular by spending time together socially at the end or outside of the meetings, such moments having become rare due to successive COVID-19 lockdowns. This measure was implemented immediately, when possible in view of health constraints;
- improve "the time it takes for members to receive information in advance of Board and committee meetings, so they can be better prepared". To this end, best efforts will be made to make sure documentation is communicated one week in advance, as was the case at subsequent meetings;
- invite Board members "to express themselves more: sharing their own professional experiences, observations of the market and practices of competitors". With this in mind, it was proposed to hold four meetings per year, one per quarter, instead of the previous frequency of two or three meetings per year. In 2021, five Supervisory Board meetings were organised.

At its meeting of 22 February 2022, the Supervisory Board carried out an annual self-assessment of its operations and the preparation of its work. It unanimously considered that the Board's mode of operation is satisfactory and welcomed the immediate implementation of measures to improve the operation of the Board following the external assessment carried out in 2021.

6.2.4 Executive Management

6.2.4.1 General Management

As a SCA (*société en commandite par actions*, a French partnership limited by shares), the Company is run by Management. One of the latter's key roles is to decide the Group's strategic direction.

For the record, the Company is managed by Alain Taravella, in a personal capacity, and Altafi 2 and Atlas for whom he is Chairman. Jacques Ehrmann, Chief Executive Officer of Altafi 2, is notably Manager of Altarea Management, a wholly-owned subsidiary of Altarea (see Section 6.2.1 below).

6.2.4.2 Operating departments

Ludovic Castillo is in charge of the Retail REIT business. He is Chief Executive Officer of Foncière Altarea and Manager of Altarea France.

Within the Residential Property Development division, the senior executives are Vincent Ego, Chief Executive Officer of Cogedim, Alexis Moreau, Chief Executive Officer of Pitch Promotion, and Rodolphe Albert, Chairman of Histoire et Patrimoine.

Adrien Blanc is in charge of the Office Property Development division, notably as Manager of Altarea Entreprise Holding.

6.2.4.3 Committees

Bearing in mind that the main subsidiaries of Altarea[1] feature operational committees, several committees hold regular meetings to examine going concerns and assist Executive Management in decision-making.

These are mainly the Group Executive Management Committee and the Management Committees at the business lines (Altarea Development Management Committee, Altarea Entreprise Management Committee and Altarea Commerce Management Committee) and the Brand Management Committees (notably the Cogedim Management Committee, Pitch Immo Executive Committee and Histoire & Patrimoine Executive Committee).

6.2.4.4 No undisclosed firm commitments made by management

As of the date of this document, the management bodies have made no firm commitment on significant investments about which the Company has not provided information.

6.2.5 Additional information

6.2.5.1 No conflicts of interest

No conflicts of interest have been detected at the level of the Company's administrative, management and supervisory bodies, or at the level of its Executive Management, between the duties of those bodies and any other potential duties they might have.

In accordance with the Supervisory Board's Rules of Procedure, each person participating in the work of the Board, whether a member of the Board or a permanent representative of a legal entity that is a member of the Board, must act in all circumstances in the Company's interest. and may not use his or her title or duties as a member of the Supervisory Board to secure, or provide to a third party, any pecuniary or non-pecuniary advantage. All such persons or entities have an obligation to exercise their best efforts to determine in good faith the existence or not of a conflict of any actual or potential conflict of interest, and inform the Chairman of the Board as soon as they become aware of such a conflict, between themselves or the company of which they are permanent representative (or any other company of which they are an employee or corporate officer or belonging to the same group) and the Company or any company belonging to its group.

These provisions apply in particular when, in respect of any transaction under consideration or undertaken by the Company or any company in its group, a member of the Board or a company of which a member of the Supervisory Board is an employee or corporate officer (or of any company in the same group) may have competing or opposing interests to those of the Company or companies belonging to its group.

In such circumstances, the member concerned (or their permanent representative) must take the necessary measures to remedy the conflict (if necessary by abstaining from any deliberations and votes of the Supervisory Board or any committee relating to the conflicted transaction), and generally to comply with a strict duty of confidentiality.

(1) See Section 6.2.3.2 above, for a presentation of the Supervisory Board's specialist committees.

In particular, if a conflict of interest arises during the review of an investment case, the member concerned must, as soon as they become aware of it, notify the Chairman of the Board and abstain from participating in the discussions and votes of the Supervisory Board on all agenda items related to the proposed investment.

To the Company's knowledge, there are no restrictions for the members of the Supervisory Board and Management of the Company on the sale of their shareholding in the Company, other than:

- the obligations set out by the Group in the Supervisory Board rules of procedure and its annex concerning stock market ethics, and, in general, law and regulations requiring members to abstain from trading in the Company's shares in certain circumstances to prevent ethical breaches or insider trading;
- the stipulated restrictions on the free disposal of shares, as applicable, related to the pledge of financial securities accounts containing some of the Company's shares (see 7.1.5 below);
- the commitments to retain the shares subscribed as part of the Company's capital increase, whose prospectus was approved by the AMF under no. 21-492 on 17 November 2021 (see 7.1.4 below), for a period of 90 days from the date of settlement-delivery of the new shares, *i.e.* until 10 March 2022[1], subject to certain exceptions.

6.2.5.2 Convictions, bankruptcies, prosecutions

To the Company's knowledge and in view of the information at its disposal, none of the Co-Managers or the Company's Supervisory Board members has, in the past five years:

- been convicted of any fraud;
- been the subject of a bankruptcy, receivership or liquidation order;
- been the subject of any prosecution or of any official public sanction imposed by statutory or regulatory authorities (including designated professional bodies).

6.2.5.3 Agreements entered into between an executive officer or a significant shareholder and subsidiaries

Except for agreements relating to current transactions and conducted on arm's length terms, no agreement has been concluded between an executive officer or a major shareholder and Company subsidiaries.

6.2.5.4 Procedure for assessing current agreements

At its meeting of 2 March 2020, the Supervisory Board adopted an internal charter on related-party agreements and commitments. This charter is part of:

- the procedure for the regular assessment of current agreements entered into on arm's length terms introduced by Law No. 2019-486 of 22 May 2019 on the growth and transformation of companies (Pacte Law) and codified in Article L. 22-10-12 of the French Commercial Code, applicable to partnerships limited by shares (SCAs) whose shares are admitted to trading on a regulated market pursuant to Article L. 226-10 of the Code; and
- AMF recommendation No. 2012-05 of 2 July 2012, amended on 29 April 2021, and specifically its proposition no. 4.1.

The purpose of the charter is twofold:

- to provide a reminder of the regulatory framework applicable to related-party agreements and commitments and to provide details of the valuation methodology and procedure applied internally by the Company to classify the various agreements;
- to implement a procedure to regularly assess agreements relating to current transactions entered into on arm's length terms, ensuring that persons directly or indirectly affected by such agreements take no part in the assessment.

It takes into account the study by the Compagnie Nationale des Commissaires aux Comptes (CNCC) on related-party and current agreements published in February 2014.

The Charter applies to Altarea and all its French subsidiaries whose shares are traded on a regulated market and are subject to the regulations on related-party agreements.

(1) Taken by AltaGroupe, Alta Patrimoine, Altager, Predica, Crédit Agricole Assurances, Crédit Agricole Vita, Spirica, La Médicale, BPCE Vie, APG and SOGECAP.

6.3 Compensation of administrative, management and supervisory bodies

6.3.1 Principles and rules

6.3.1.1 Management

The Order of 27 November 2019 on compensation for corporate officers of listed companies, implementing the Pacte Act of 22 May 2019, brings in new rules applicable to partnerships limited by shares listed on a regulated market, as of the General Shareholders' Meeting called to approve the 2019 financial statements. They are codified in Articles L. 22-10-76 *et seq.* of the French Commercial Code and require a system for consulting shareholders *ex ante* and *ex post*, whereas Altarea management compensation was previously decided and agreed at the General Shareholders' Meeting itself in accordance with the Company's Articles of Association.

Article 25.3 of the AFEP-MEDEF Code, to which the Company refers, recommended consultation with the shareholders on the compensation of each executive corporate officer. The Company's practice with respect to establishment of Management compensation went beyond that recommendation. As such, Management compensation, paid in fees, was determined directly by the Ordinary General Shareholders' Meeting, which had a real decision-making power, a power that was exercised *ex-ante*. The General Shareholders' Meeting was not simply consulted *ex post* to approve or disapprove of compensation awarded to Management by another Company body. Management compensation was set directly and in advance by the General Shareholders' Meeting. The General Shareholders' Meeting therefore had no need to issue an opinion on its own decisions.

Pursuant to the new rules resulting from the aforementioned Order of 27 November 2019, management compensation is no longer set at the General Shareholders' Meeting itself but determined according to a compensation policy which sets out all its fixed and variable components and explains the decision-making process followed in its determination, revision and implementation.

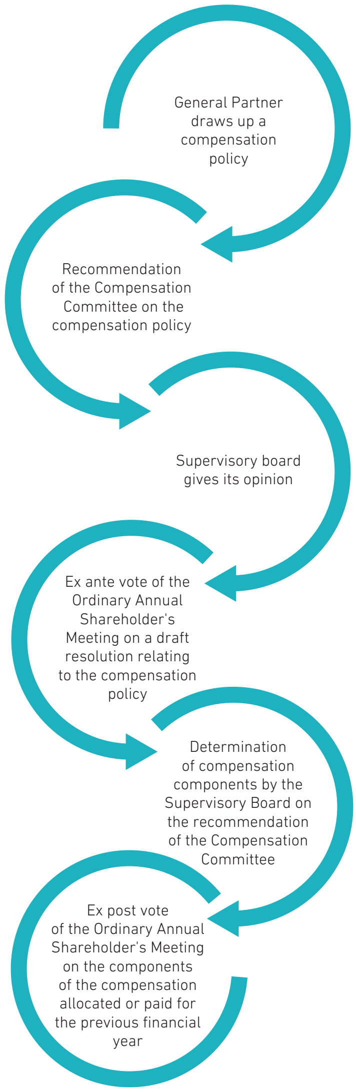
This compensation policy must be established each year by the General Partner after consulting the Supervisory Board acting on the recommendation of the Compensation Committee.

A draft resolution is then submitted for the approval of the General Shareholders' Meeting each year and each time the ordinary compensation policy is changed significantly (*ex ante* vote).

The compensation components themselves will then be determined, allocated or decided by the Supervisory Board in application of the compensation policy approved by the General Shareholders' Meeting.

The shareholders will be consulted at a General Shareholders' Meeting on the compensation components actually paid or allocated to the Managers (*ex-post* vote).

Simplified description of the process used to set the compensation of the Management



6.3.1.2 The Supervisory Board

In accordance with the Articles of Association, the General Shareholders' Meeting can allocate annual compensation to Supervisory Board members solely for their duties as members of the Supervisory Board. The amount of compensation paid is included in general operating expenses. The Supervisory Board divides this amount among its members as it deems appropriate. Supervisory Board members are also entitled to the reimbursement of all expenses, travel costs and costs of any kind incurred in the Company's interests.

The General Shareholders' Meeting of 20 May 2009 decided to allocate total compensation of €600,000 to the members of the Supervisory Board in respect of 2009 and for each subsequent year until the Ordinary General Shareholders' Meeting should decide otherwise. A proposal will be made at the next General Shareholders' Meeting to be held in 2022 to increase this amount to €630,000.

Also, in application of the new rules above, brought in by the Order of 27 November 2019, the Supervisory Board now draws up, on an annual basis, a compensation policy for its members which is put to vote at the Annual General Shareholders' Meeting.

The individual components of the compensation for the members of the Supervisory Board are then determined, allocated or decided by the Supervisory Board in application of the compensation policy approved by the General Shareholders' Meeting.

Chairman of the Supervisory Board

Since 2013, the compensation of the Chairman of the Supervisory Board has been set at a fixed annual amount, in total and exclusive of any other compensation. Initially set at €300,000 gross annually, on the proposal of the Compensation Committee at its meeting of 14 February 2019, the Supervisory Board decided at its meeting of 26 February 2019 to change, as from 1 July 2019, the amount of the annual compensation of the Chairman of the Supervisory Board to an aggregate amount of €250,000, charged against the annual' fees allocated by the General Shareholders' Meeting to Supervisory Board members. This compensation method for the Chairman of the Supervisory Board, renewed for the financial year 2021, is in line with the compensation policy approved by the General Shareholders' Meeting of 29 June 2021.

Supervisory Board members

In order to encourage members to take an active part in the work of the Supervisory Board and after having reviewed the compensation allocated for attendance by comparable companies, the Supervisory Board at its 26 February 2019 meeting decided to set, as from 1 January 2019 the compensation for attending each meeting of the Board and its specialist committees at €3,000.

6.3.1.3 General Partners

Article 29 paragraph 6 of the Company's Articles of Association stipulates that the General Partner is entitled to a bonus dividend equal to 1.5% of the annual dividend paid.

Altafi 2, the sole General Partner, with unlimited liability for the Company's debts to third parties, has received the following amounts over the last three financial years:

- €3,039 thousand for financial year 2018;
- €2,237 thousand for financial year 2019;
- €2,462 thousand for financial year 2020.

It will be proposed at the Ordinary General Shareholders' Meeting held in 2022 to approve the financial statements for financial year 2021 and appropriate the corresponding income, to pay a dividend to shareholders, which should result in the payment of approximately €2,967 thousand to Altafi 2 in its capacity as General Partner (see 7.4.2 below).

6.3.2 Compensation policy for the financial year 2022

In line with the new provisions applicable to partnerships limited by shares (SCAs) listed on a regulated market, brought in by the aforementioned order of 27 November 2019 and codified in Articles L. 22-10-76 *et seq.* of the French Commercial Code, the 2022 Ordinary General Shareholders' Meeting will be asked to vote on the compensation policy for Management and Supervisory Board members for financial year 2022.

On 22 February 2022 the components of this policy, described below, were drawn up by the Supervisory Board, for compensation of its members, and by the General Partner, after consulting the Supervisory Board, for compensation of Management, the Supervisory Board having acted after consultation of the Compensation Committee.

The compensation policy for corporate officers must be in the Company's interests, competitive and in line with Company strategy, helping to ensure its long-term viability and support its financial and non-financial performance.

6.3.2.1 Management compensation policy

The Management compensation policy for 2022 described below was drawn up by the General Partner and approved unanimously at the Supervisory Board meeting of 22 February 2022, after reviewing the Compensation Committee's proposals:

- the Supervisory Board is responsible for determining the components of management compensation, paid as fees, based on proposals from the Compensation Committee and taking account of the AFEP-MEDEF Code principles: comprehensiveness, a balanced compensation package, benchmarking, coherence, clear rules and measurements ;
- the Supervisory Board and Compensation Committee will take into consideration all market practice studies (benchmarks) and exceptional events in the financial year ;
- management compensation, paid as fees, comprises a fixed annual component and a variable annual component determined according to the recommendations of the AFEP-MEDEF Code;

- the fixed annual compensation must enable management to provide a continuous, high quality service to the Company and its Group. Generally, it should be reviewed at relatively long intervals and take into account the other compensation components, primarily fixed components, paid by other Group companies for their duties and responsibilities at these companies.

  For the 2022 financial year, it must be set in a range between €900 thousand and €2,000 thousand, taking into account the above. It should be noted that the amount of the fixed annual compensation of Management was reduced, as from 1 January 2019, from €2,000 thousand to €1,000 thousand, by the General Shareholders' Meeting of 23 May 2019, on the proposal of the General Partner;
- it is intended that the variable component should link a significant portion of management compensation to Group performance. It is decided annually and can also have a long-term component intended to best align management's interests with those of the shareholders to create long-term value.

  The Supervisory Board must set the precise quantifiable and qualitative criteria used to determine the management's variable compensation.

  The quantifiable criteria must be simple, relevant and in line with corporate strategy. They must be preponderant. They must be linked to the main financial indicators generally used to assess the Group's financial performance, notably those usually communicated to the market such as the FFO (funds from operations). If the FFO is selected as a criterion, the corresponding annual variable compensation would be a progressive percentage of a portion of the FFO per share multiplied by the average number of diluted shares in the financial year.

  The qualitative criteria must be specific and primarily tied to the Group's priority sustainability and Corporate Social Responsibility targets, GRESB rating or status for example[1]. When qualitative criteria are used, the qualitative component of the variable annual compensation must be capped. The variable compensation tied to the qualitative criteria must be between 35% and 100% of the annual fixed compensation.

  The variable or exceptional components allocated for the financial year cannot be definitively paid to management before they have received the approval of the General Shareholders' Meeting (*ex post* vote) and the consent of the General Partner;
- if there is more than one Manager, they decide how to distribute the compensation amongst themselves. The principle of awarding a global management compensation is set out in Article 14 of the Company's Articles of Association;
- if applicable, any natural persons, legal representatives of the legal persons in the Company's management, who are called upon to perform duties not related to management of the Company, can be paid under the terms of a corporate mandate by the subsidiary in question. The fixed components, and any variable components (including bonus shares), of this compensation must be decided on the basis of the duties and responsibilities involved;
- the components of management compensation must be sufficiently competitive to attract and retain the best people and talent and best align the interests of the beneficiaries with those of the shareholders to further long-term value creation. Where applicable, the experience of the beneficiaries and the market practices of comparable companies are also taken into account;
- they are examined each year to check that they are still in line with the Company's strategy and current situation and the Compensation Committee will take care to ensure the performance conditions are appraised on the same basis over several years and the quantitative criteria of the variable composition take precedence over the qualitative criteria.

6.3.2.2 Compensation of the Supervisory Board members

Following the recommendation of the Compensation Committee, the Supervisory Board has decided to renew, for the financial year 2022, the compensation policy for its members for the financial year 2021 voted by the General Shareholders' Meeting of 29 June 2021 as follows:

- Supervisory Board members receive compensation for attending meetings of the Board and its specialist committees, the maximum amount of which is approved by vote of the General Shareholders' Meeting and its distribution decided by the Supervisory Board itself. In line with the AFEP-MEDEF Code recommendations, the variable component of this compensation is therefore the most important. It must encourage members to take an active part in the Supervisory Committee's work;
- a global fixed compensation may be granted to the Chairman of the Supervisory Board, the amount of which must be taken from the total amount allocated by the General Shareholders' Meeting and may be exclusive of all other compensation. In accordance with the AFEP-MEDEF Code, the Chairman of the Supervisory Board receives no variable annual compensation, variable multi-year compensation or long-term profit-sharing incentives such as stock options or performance shares. At the 2023 General Shareholders' Meeting, shareholders will again be asked to vote on the compensation components payable or allocated to the Chairman of the Supervisory Board for financial year 2022, it being specified that payment of the Chairman's fixed compensation for that financial year is not subject to the approval of the said General Shareholders' Meeting. For the record, the Supervisory Board, on the recommendation of the Compensation Committee, reduced its Chairman's compensation from the figure of €300,000 gross per annum, set in 2013, to €250,000 gross per annum from 1 July 2019 (see 6.3.1.2 above);
- in addition to the compensation they receive for attending meetings, other members of the Supervisory Board may be granted compensation for *ad hoc* assignments they are asked by the Supervisory Board to undertake in accordance with current regulations;
- the annual amount of the overall budget for the compensation of the members of the Supervisory Board, set at €600,000 by the General Shareholders' Meeting of 20 May 2009, constitutes an overall ceiling. It will be proposed at the Meeting to increase this to €630,000 as of financial year 2022, unless decided otherwise by the General Shareholders' Meeting;
- Supervisory Board members may also be reimbursed for all reasonable costs and expenses incurred while undertaking their duties if they provide all the necessary supporting documents.

(1) The Global Real Estate Sustainability Benchmark (GRESB), a leading international ranking, annually assesses the CSR performance of real estate companies around the world.

6.3.3 Information on compensation for financial year 2021

6.3.3.1 Compensation components due or paid for financial year 2021

Pursuant to the provisions of Article L. 22-10-77 of the French Commercial Code, the 2022 General Shareholders' Meeting will be called upon to approve the components of compensation paid or allocated in respect of the 2021 financial year through:

- a general resolution on all compensation paid to corporate officers; and
- separate resolutions for the Management and the Chairman of the Supervisory Board.

The compensation paid or allocated to Jacques Ehrmann, Chief Executive Officer of Altafi 2, as Manager of Altarea Management, a wholly-owned subsidiary of the Company, is also set out below even if does not strictly speaking fall within the scope of the Management compensation policy.

Components of the compensation paid or allocated to Management

In accordance with the management compensation policy adopted by the General Shareholders' Meeting of 29 June 2021, the management compensation in the form of fees, due for the financial year 2021, was unanimously set by the Supervisory Board, on the recommendation of the Compensation Committee, as follows, including a fixed portion and a variable portion linked to the Group's economic and CSR performance:

- fixed annual compensation in the amount of €1,000.000, excluding taxes, payable in four equal amounts on a quarterly basis and non-revisable;
- variable annual compensation consisting of two items:
  - variable annual compensation equal to a progressive percentage of a portion of the amount of FFO per share, multiplied by the diluted average number of shares during the financial year, namely:
    - 1.5% of the amount of FFO per share ranging from €12.50 to €15.00, the amount obtained being multiplied by the average number of diluted shares for the financial year in question,
    - 3% of the amount of FFO per share exceeding €15.00, the amount obtained being multiplied by the average number of diluted shares for the financial year in question,

    it being specified that the average number of diluted shares for the financial year is published in the Company's annual report and that this variable compensation will be payable no later than 31 March following the end of the financial year;
  - variable annual compensation dependent upon the company's GRESB GREEN STAR rating, namely:
    - upon achieving or maintaining five stars in the GRESB GREEN STAR rating, the variable compensation shall be equal to €500,000 excluding taxes,
    - upon achieving or maintaining four stars in the GRESB GREEN STAR rating, the variable compensation shall be equal to €250,000 excluding taxes,
    - there shall be no variable compensation in this respect under the level of four stars.

    it being specified that this variable compensation will be payable each year in the month following the achievement of the GRESB GREEN STAR classification.

Management does not receive variable multi-year compensation, long-term profit sharing, benefits in kind, severance or non-competition payments or a pension plan.

It should be noted that Altafi 2, Co-Manager, also manages Altareit, which is a 99%-owned subsidiary of the Company. In this respect, the Supervisory Board of Altareit set the compensation of the management of Altareit, in accordance with the compensation policy approved by the General Shareholders' Meeting of said company, by providing for a fixed annual fee of €1,000,000 excluding tax, and a potential variable fee equal to 1.5% of the amount of consolidated net income attributable to the Altareit Group in excess of €60 million for the 2021 financial year.

In accordance with the principles of measurement and comprehensiveness set out in the AFEP-MEDEF Code, taking into account all compensation paid by companies in Altareit's Group, the Company's Supervisory Board decided to cap in 2021 the total amount of fixed and variable fees that may be received by Altafi 2 in respect of its duties as Manager of Altarea and Altareit at €3,500,000 excluding tax.

The details of the compensation due to the management in 2021 are presented in the table below, it being specified that Altafi 2 was the sole beneficiary of the compensation of the Management, neither Alain Taravella nor Atlas receiving any compensation for his role as Manager:

Compensation components due *(€ thousands)*	**2020**	**2021**	**Comments**
Fixed compensation (fees)	1,000	1,000	All fees paid to Altafi 2
Variable annual compensation (fees)	**see below concerning the waiver by the Management of part of his variable compensation** 500[(a)]	1,011	The variable fees for financial year 2021 comprise two components: ■ a portion based on a quantitative criterion linked to the Group's financial performance: FFO per share[(b)] → €511 thousand due, paid in 2022 ■ a portion based on a qualitative criterion linked to the Group's CSR performance: GRESB GREEN STAR classification[(c)] → €500 thousand due, paid in 2021. These fees were paid in full to Altafi 2.
Variable multi-year compensation	0	0	Management receives no variable multi-year compensation
Exceptional compensation	0	0	Management receives no exceptional compensation
Stock option allocation	0	0	There are no stock option plans (share subscription or purchase) in place for Management
Performance share allocation	0	0	There are no free share allocation plans in place for Management
Compensation in respect of attendance at Supervisory Board meetings	0	0	Management is not member of the Supervisory Board. It does not receive any compensation in this respect.
Benefits in kind	0	0	Management receives no benefits in kind
Severance payments	0	0	Management does not receive severance payments
Non-competition payments	0	0	Management does not receive non-competition payments
Supplemental pension plans	0	0	There is no retirement scheme in place for Management
Other compensation	1,000	1,197	Fees paid to Altafi 2 as Manager of Altareit, an Altarea subsidiary ■ €1,000 thousand in fixed compensation ■ €197 thousand in variable compensation corresponding to 1.5% of the total consolidated net income attributable to Altareit Group exceeding €60 million in 2021

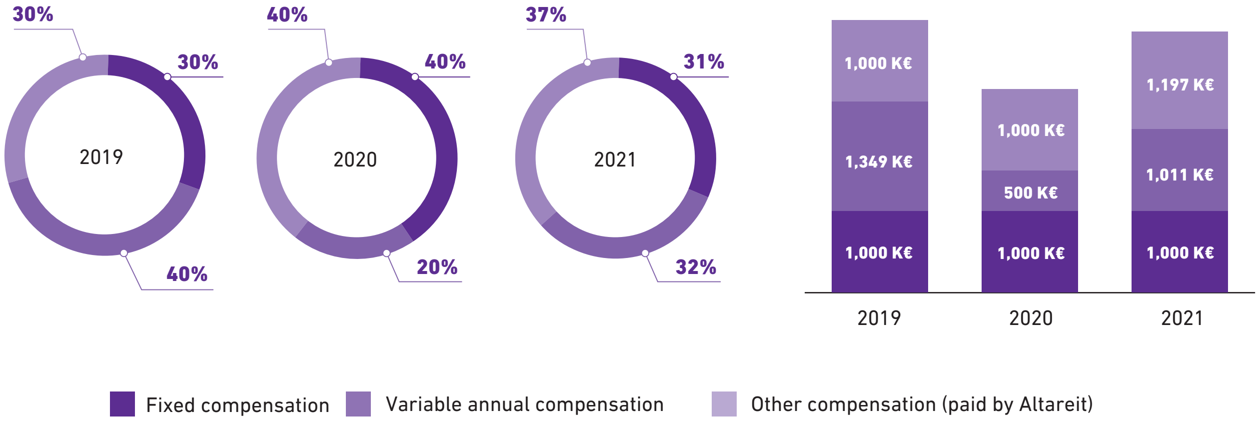
(a) Variable fees due for the 2020 financial year, i.e. €500 thousand, linked to a qualitative criterion dependent on the Altarea Group's CSR performance: GRESB GREEN STAR ranking[(c)] as in 2021. No variable compensation due in respect of the quantitative criterion depending on the Group's financial performance: FFO per share, the amount of this variable portion being equal to a progressive percentage of a portion of the amount of FFO/share, multiplied by the average number of diluted shares for the financial year (3% on the portion of FFO/share ranging from €15.76 to €19 and 5% on the portion of FFO/share exceeding €19). No variable compensation was due in 2020 in this respect, as 2020 FFO was less than €15.76 and the Management had also waived it in full in May 2020 (see box below).

(b) Amount excluding tax equal to a progressive percentage of a portion of FFO per share (i.e. 1.5% of FFO per share ranging from €12.50 to €15.00 and 3% of FFO per share exceeding €15.00), multiplied by the average number of diluted shares during the financial year. No variable fees if the FFO/share is less than €12.50.

(c) An amount of €250 thousand if the company achieved a level four GRESB GREEN STAR rating and €500 thousand if it achieved a five-star rating. No variable compensation paid for a rating lower than 4 stars.

The values in the above table are the fees paid exclusively to the legal person Altafi 2 whose executive officers receive no compensation. Thus they do not reflect the personal compensation of Alain Taravella, Chairman of Altafi 2 which is wholly owned by AltaGroupe. Each year, AltaGroupe incurs current operating expenses, which in financial year 2021 totalled approximately €2.9 million. AltaGroupe pays four people in total.

The breakdown of each of these compensation components was as follows for the last three financial years:



In 2019, the compensation terms and conditions decided by the General Shareholders' Meeting on the recommendation of the General Partner, after consulting the Supervisory Board and the Compensation Committee (see 6.3.1.1 above), led to a reduction in the Management's fees of more than €2.5 million compared to 2018, even though Management's efforts have resulted in significant and constant growth in the Group's financial and extra-financial performance for several years. This change was specifically intended to take account on the financial impact for the Group of the appointment of Jacques Ehrmann as Manager of Altarea Management, a wholly-owned subsidiary of the Company. He was hired primarily to drive forward and implement Management's strategy. In addition, due to the health crisis linked to the COVID-19 epidemic, the Management waived a significant portion of his compensation in order to contribute to the reduction of the Group's expenses and the solidarity measures implemented, in particular through actions carried out with Habitat et Humanisme, by reducing his variable compensation due in respect of the 2019 FFO by 30%. In 2020, Management compensation decreased compared to the 2019 financial year, due to the absence of variable compensation in respect of FFO per share for 2020, which Management had also waived in advance in May 2020.

Components of compensation paid or allocated to Jacques Ehrmann, Manager of Altarea Management

The compensation paid or allocated to Jacques Ehrmann, Chief Executive Officer of Altafi 2, solely for his duties as Manager of Altarea Management, a wholly-owned subsidiary of the Company, is set out below as necessary, even if does not strictly speaking fall within the scope of the management compensation policy. He has no employment contract with the Group.

<table>
<tr><th>Compensation components
(€ thousands)</th><th>2020</th><th>2021</th><th>Comments</th></tr>
<tr><td>Fixed compensation</td><td>0</td><td>0</td><td>Jacques Ehrmann receives no fixed compensation from Altarea</td></tr>
<tr><td>Variable annual compensation</td><td>0</td><td>0</td><td>Jacques Ehrmann receives no variable compensation from Altarea</td></tr>
<tr><td>Variable multi-year compensation</td><td>0</td><td>0</td><td>Jacques Ehrmann receives no variable compensation from Altarea</td></tr>
<tr><td>Exceptional compensation</td><td>0</td><td>0</td><td>Jacques Ehrmann does not receive exceptional compensation from Altarea</td></tr>
<tr><td>Stock option allocation</td><td>0</td><td>0</td><td>Jacques Ehrmann receives no stock options</td></tr>
<tr><td>Performance share allocation</td><td>568[a]</td><td>5,908</td><td>As Manager of Altarea Management, Jacques Ehrmann benefited from three bonus share plans. The definitive vesting of 52% of these shares is subject to stringent financial and extra-financial performance conditions over several years, in line with the Group's targets and strategy:
<table>
<tr><th>Plan number</th><th>Award date</th><th>Vesting date</th><th>Date of availability</th><th>Vesting conditions</th><th>Number of shares</th><th>Value[b]</th></tr>
<tr><td>Plan 81</td><td>31/03/2021</td><td>01/04/2022</td><td>01/04/2023</td><td>Presence</td><td>10,000</td><td>€1,374k</td></tr>
<tr><td>Plan 82</td><td>30/04/2021</td><td>31/03/2024</td><td>31/03/2024</td><td>Performance[c] and presence</td><td>3,000</td><td>€412k</td></tr>
<tr><td>Plan 88</td><td>04/06/2021</td><td>31/03/2025</td><td>31/03/2025</td><td>Performance[d] and presence</td><td>30,000</td><td>€4,122k</td></tr>
</table></td></tr>
<tr><td>Compensation in respect of attendance at Supervisory Board meetings</td><td>0</td><td>0</td><td>Jacques Ehrmann is not a member of the Supervisory Board. So he receives no compensation on this account</td></tr>
<tr><td>Benefits in kind</td><td>-</td><td>-</td><td>Company car – Mandatory supplementary mutual/sickness and retirement policy</td></tr>
<tr><td>Severance payments</td><td>0</td><td>0</td><td>Jacques Ehrmann does not receive any severance payments</td></tr>
<tr><td>Non-competition payments</td><td>0</td><td>0</td><td>Jacques Ehrmann does not receive any non-competition payments</td></tr>
<tr><td>Supplemental pension plans</td><td>0</td><td>0</td><td>Jacques Ehrmann has no supplemental pension plans</td></tr>
<tr><td>Other compensation</td><td>750</td><td>750</td><td>Compensation owed by Altarea Management to Jacques Ehrmann in respect of his office as Manager of this company, the amount of which corresponds to his annual fixed compensation</td></tr>
</table>

(a) In 2020, Jacques Ehrmann benefited from three free share plans in respect of his duties as Manager of Altarea Management:

Plan number	Award date	Vesting date	Date of availability	Vesting conditions	Number of shares	Value[a]
Plan 73	20/04/2020	20/04/2021	20/04/2022	Presence	2,667	€280k
Plan 76	23/04/2020	23/04/2021	23/04/2022	Presence	1,000	€100k
Plan 77	24/04/2020	24/04/2022	24/04/2022	Presence	2,000	€188k

(b) Per the valuation method used for the consolidated financial statements.

(c) The acquisition of 50% of the shares is subject to the achievement of financial and extra-financial performance targets over three financial years, half based on the performance of FFO/Group share, one quarter on the performance of NAV/share and one quarter on targets relating to the climate, human resources (in particular in terms of women's representation in key roles and internal mobility/promotion) and customer satisfaction.

(d) The vesting of 70% of the shares is subject to the achievement of long-term financial performance targets for each business line, Business Property, Retail and Residential, over the financial years 2021 to 2024.

Compensation components paid or allocated to Christian de Gournay, Chairman of the Supervisory Board

Compensation components *(€ thousands)*	**2020**	**2021**	**Comments**
Fixed compensation	250	250	Total amount exclusive of any other compensation - It is taken from the total compensation allocated to the Supervisory Board by the General Shareholders' Meeting[(a)]
Variable annual compensation	0	0	The Chairman of the Supervisory Board receives no variable compensation
Variable multi-year compensation	0	0	The Chairman of the Supervisory Board receives no variable compensation
Exceptional compensation	0	0	The Chairman of the Supervisory Board receives no exceptional compensation
Stock option allocation	0	0	There are no stock option plans (share subscription or purchase) in place for the Chairman of the Supervisory Board
Performance share allocation	0	0	There are no free share allocation plans in place for the Chairman of the Supervisory Board
Compensation in respect of attendance at Supervisory Board meetings	0	0	The Chairman of the Supervisory Board receives no compensation other than the above fixed compensation taken from the total compensation allocated to the Supervisory Board by vote of the General Shareholders' Meeting
Benefits in kind	-	-	Company car
Severance payments	0	0	The Chairman of the Supervisory Board receives no severance payments
Non-competition payments	0	0	The Chairman of the Supervisory Board receives no non-competition payments
Supplemental pension plans	0	0	There is no retirement scheme in place for the Chairman of the Supervisory Board
Other compensation	0	0	None

(a) See 6.3.1.2 above.

Compensation of the Supervisory Board members

The compensation of the Supervisory Board members, non-executive corporate officers, is set out in table 3 of Section 6.3.3.2 below.

Other information

Pursuant to the provisions of Article L. 22-10-9, 6 and 7, of the French Commercial Code[1], the table below shows the following figures for the five most recent financial years:

- the ratios between (i) the respective level of Management fees and the compensation of the Chairman of the Supervisory Board and (ii) the average and median compensation, including all social security expenses, of employees of the Altarea Group, other than corporate officers, on a full-time equivalent basis;
- the annual change in Management fees and the compensation of the Chairman of the Supervisory Board in view of the Group's performance.

In accordance with Afep's recommendations, resulting from the "Compensation multiples guidelines" updated in February 2021, it is specified that for the calculations of these ratios:

- the scope taken into account includes Altarea and all of its direct and indirect subsidiaries included in its scope of consolidation within the meaning of Article L. 233-16 of the French Commercial Code[2];
- the compensation of corporate officers, included in the numerator, comprises all compensation paid or allocated for the financial year in question, in the form of fixed and variable fees for the Management;
- the compensation of employees, included in the denominator, includes all compensation paid or awarded during the financial year in question: fixed and variable and exceptional compensation, employee savings plans including matching contributions, profit-sharing or incentive payments, free shares and benefits in kind, as well as the related social security and employer contributions (excluding termination benefits).

	2017	2018	2019	2020	2021
Management (fees)					
Annual change in fees paid (including the variable portion paid in the financial year in respect of the previous financial year)		40.3%	4.9%	-40.4%	4.5%
Ratio to median employee salary	35.4	55.8	55.5	35.0	32.6
Ratio to average employee salary	29.2	46.0	45.8	28.9	26.9
Change in ratio compared to the previous financial year		*57.75%*	*-0.57%*	*-36.93%*	*-6.76%*
Chairman of the Supervisory Board					
Annual change in compensation paid		-	-8.3%	-9.1%	-
Ratio to median employee salary	2.8	3.1	2.7	2.6	2. 3
Ratio to average employee salary	2.3	2.6	2.2	2.2	1.9
Change in ratio compared to the previous financial year		*12.46 %*	*-13.09%*	*-3.87%*	*-10.78%*
Group performance					
FFO Group share (€ millions)	256	276	293	230	264
Change compared to the previous financial year		*7.7%*	*6.2%*	*-21.5%*	*15.0%*
Consolidated revenue (€ millions)	1,939	2,406	3,109	3,056	3,030
Change compared to the previous financial year		*24.1%*	*29.2%*	*-1.7%*	*-0.8%*
Employees					
Change in the average compensation of Group employees compared to the previous financial year		-11.1%	5.5%	-5.4%	12.1%
Change in the number of Group employees (FTE) compared to the previous financial year		20.1%	3.5%	1.9%	-2.2%

For Management, it should be noted that a comparison is made between (i) the annual fees paid by Altarea and its subsidiary Altareit to Altafi 2, a legal entity that pays no compensation to its executives and is part of a group that pays its own operating costs and expenses and (ii) salaries of natural persons. These ratios do not therefore accurately reflect the differences in compensation between individuals (see above).

Remember that in 2019 the Management fees were reduced considerably from the amount paid in previous financial years, even though Managers' efforts had led to a significant, consistent growth in the Group's financial and extra-financial performance in the previous few years. This reduction is particularly evident in the table above (see 2020 column given the time lag as part of the variable fees paid in the financial year relate to the past financial year).

Information on the Group's compensation policy is provided in Section 4.4.3 above.

(1) *Introduced by the Order of 27 November 2019 on the compensation of corporate officers of listed companies, pursuant to the French Pacte Law of 22 May 2019.*

(2) *No separate ratio is published for Altarea, as it has few employees and is not representative of the Altarea Group's overall workforce.*

6.3.3.2 Standardised presentation of the compensation of corporate officers

The information provided below complies with the AMF recommendation on disclosure of compensation of corporate officers, in paragraph 13.3 of the AMF Guide to the Preparation of Registration Documents (AMF Position – Recommendation no. 2021-02).

Note that the Company's executive corporate officers comprise three Co-Managers: Alain Taravella and the companies Altafi 2 and Atlas which are both chaired by Alain Taravella and are also controlled by him as understood under the terms of Article L. 233-3 of the French Commercial Code. Jacques Ehrmann is Chief Executive Officer of Altafi 2 and Manager of Altarea Management, a wholly-owned subsidiary of Altarea. He receives no compensation from Altarea or Altafi 2. All compensation components paid or allocated to him are in return for his duties as Manager of Altarea Management.

The non-executive corporate officers are the Supervisory Board members.

Table 1 – Summary of compensation, stock options and shares allocated to each executive corporate officer, as well as Jacques Ehrmann, Manager of Altarea Management

(€ thousands)	FY 2020	FY 2021
Alain Taravella – Co-Manager		
Compensation due in respect of the financial year (itemised in Table 2)	0	0
Value of options allocated during the financial year	0	0
Value of performance shares allocated during the financial year	0	0
Total Alain Taravella	**0**	**0**
Altafi 2 – Co-Manager (compensation in fees)		
Compensation due in respect of the financial year (itemised in Table 2)	2,500[a]	3,208[b]
Value of options allocated during the financial year	0	0
Value of performance shares allocated during the financial year	0	0
Total Altafi 2	**2,500**	**3,208**
Atlas – Co-Manager		
Compensation due in respect of the financial year (itemised in Table 2)	0	0
Value of options allocated during the financial year	0	0
Value of performance shares allocated during the financial year	0	0
Total Atlas	**0**	**0**
Jacques Ehrmann - Manager of Altarea Management - Chief Executive Officer of Altafi 2		
Compensation due in respect of the financial year[c] (itemised in Table 2)	750	750
Value of options allocated during the financial year	0	0
Value of performance shares allocated during the financial year	568	5,908[d]
Total Jacques Ehrmann	**1,318**	**6,658**

*(a) Final amount corresponding to €1,500 thousand in respect of Altarea's management, **taking account of the waiver by the Management of part of his variable compensation (see box below)**, and €1,000 thousand for the management of Altareit, a subsidiary of Altarea.*
(b) Final amount corresponding to €2,011 thousand for the management of Altarea and €1,197 thousand for the management of Altareit, a subsidiary of Altarea.
(c) Jacques Ehrmann did not receive any compensation from Altarea or Altafi 2. He did not receive any compensation as executive corporate officer of the Company. This amount is in recognition of his operational responsibilities as Manager of Altarea Management, a wholly-owned subsidiary of the Company.
(d) As Manager of Altarea Management, Jacques Ehrmann benefited from three bonus share plans. The definitive vesting of 52% of these shares is notably subject to stringent financial and extra-financial performance conditions over several years, in line with the Group's targets and strategy (see 6.3.3.1 above).

Regarding application of Articles L. 22-10-9 and L. 233-16 of the French Commercial Code, note that outside of Altarea, its subsidiaries and Altafi 2, no other company paying compensation to a corporate officer falls within the scope of these provisions.

The amounts provided in the compensation table above, and the following tables include all compensation due or paid by Altarea and the companies it controls. The figures below include amounts invoiced to Altarea and amounts invoiced directly to its subsidiaries. Variable compensation of Management is calculated by applying the rules for Management compensation set out by the Ordinary General Shareholders' Meeting, which are presented in Article 6.3.1.1 above.

It should be recalled that due the health crisis linked to the COVID-19 epidemic, in May 2020 the Management waived a significant portion of his compensation in order to contribute to the reduction of the Group's expenses and to the solidarity measures implemented, notably the actions carried out with Habitat et Humanisme, by reducing his variable compensation based on 2019 FFO by 30% and by waiving in full in advance his entitlement to variable compensation in respect of 2020 FFO.

Table 2 – Summary of compensation of each executive corporate officer, as well as Jacques Ehrmann, Manager of Altarea Management, a wholly-owned subsidiary of the Company

Name and position of executive corporate officer (€ thousands)	FY 2020		FY 2021	
	Amount due	Amount paid	Amount due	Amount paid
Alain Taravella – Co-Manager				
Fixed compensation	0	0	0	0
Variable annual compensation	0	0	0	0
Variable multi-year compensation	0	0	0	0
Exceptional compensation	0	0	0	0
Other compensation	0	0	0	0
Compensation in respect of attendance at Supervisory Board meetings	0	0	0	0
Benefits in kind	0	0	0	0
TOTAL	**0**	**0**	**0**	**0**
Altafi 2 – Co-Manager (compensation in fees)				
Fixed compensation (fees)	1,000	1,000	1,000	1,000
Variable annual compensation (fees)	500[a]	1,349[b]	1,011[c]	500[d]
Variable multi-year compensation	0	0	0	0
Exceptional compensation	0	0	0	0
Other compensation[e]	1,000	1,000	1,197	1,000
Compensation in respect of attendance at Supervisory Board meetings	0	0	0	0
Benefits in kind	0	0	0	0
TOTAL	**2,500**	**3,349***	**3,208**	**2,500***
Atlas – Co-Manager				
Fixed compensation	0	0	0	0
Variable annual compensation	0	0	0	0
Variable multi-year compensation	0	0	0	0
Exceptional compensation	0	0	0	0
Other compensation	0	0	0	0
Compensation in respect of attendance at Supervisory Board meetings	0	0	0	0
Benefits in kind	0	0	0	0
TOTAL	**0**	**0**	**0**	**0**
Jacques Ehrmann - Manager of Altarea Management - Chief Executive Officer of Altafi 2				
Fixed compensation	0	0	0	0
Variable annual compensation	0	0	0	0
Variable multi-year compensation	0	0	0	0
Exceptional compensation	0	0	0	0
Other compensation[f]	750	950	750	750
Compensation in respect of attendance at Supervisory Board meetings	0	0	0	0
Benefits in kind[g]	-	-	-	-
TOTAL	**750**	**950**	**750**	**750**

** Amounts paid include the variable component of compensation in respect of the prior year after any adjustments.*

(a) Amount due in respect of the variable portion of the compensation for the financial year 2020 linked to the extra-financial performance criterion. The portion of the variable remuneration linked to the financial performance criterion of 2020 FFO per share was not due, the Management having waived it in advance in full in May 2019 (see box above) and the criteria not having been met.

(b) Amount corresponding to €500 thousand (note a above) paid in respect of the variable remuneration for the financial year 2020 linked to the extra-financial performance criterion and €849 thousand paid in respect of the variable portion of compensation for the financial year 2019 linked to the financial performance criterion of FFO per share in 2019 (after taking into account the waiver by Management - see box above).

(c) Amount due for the variable portion of the compensation for the 2021 financial year linked to the extra-financial performance criterion, of €500 thousand, and for the portion of variable compensation linked to the financial performance criterion of 2021 FFO/share, of €511 thousand (see 6.3.1.1 above), the variable portion of the compensation for the 2021 financial year linked to the financial performance criterion of the 2021 FFO/share for 2021 being paid in 2022.

(d) Amount paid corresponding to the variable compensation for financial year 2021 linked to the extra-financial performance criterion (note c above)

(e) Management fees of Altareit, a subsidiary of Altarea, in the form of fees (see 6.3.1.1 above).

(f) Compensation paid solely for duties as corporate executive of Altarea subsidiaries; see above. Jacques Ehrmann did not receive any compensation from Altarea or Altafi 2. He did not receive any compensation as executive corporate officer of the Company. This amount is in recognition of his operational responsibilities as Manager of Altarea Management, a wholly-owned subsidiary of the Company. The variable portion of this compensation due in respect of one financial year is paid during the following financial year.

(g) Jacques Ehrmann benefits from the following: company car – mutual/provident insurance and mandatory supplementary pension.

Table 3 – Table of compensation received by the non-executive corporate officers and, where applicable, by their permanent representatives

The Company paid a total of €228,000 in variable compensation to Supervisory Board members for attendance at meetings in the 2021 financial year, an increase compared to the previous financial year (€90,000), mainly because the Supervisory Board and its committees held more meetings (10 in 2021 compared to 6 in 2020). This amount does not take into account the overall compensation of the Chairman of the Supervisory Board or any consideration for assignments entrusted by the Board (see 6.3.1.3 above). The amounts shown in the table below include not only compensation paid by Altarea, but also that paid by its subsidiaries.

	FY 2020		FY 2021	
Non-executive corporate officers *(€ thousands)*	Compensation in respect of attendance	Other compensation	Compensation in respect of attendance	Other compensation
Christian de Gournay, Chairman of the Supervisory Board	0	250[a]	0	250[a]
APG, Supervisory Board member	0	0	0	0
Alain Dassas, Permanent Representative of APG	15	0	30	0
ATI, Supervisory Board member	0	0	0	0
Philippe Jossé, permanent representative of ATI (since Feb. 2021)	N/A	N/A	15	100[b]
Léonore Reviron, Supervisory Board member	12	3[c]	24	3[c]
Alta Patrimoine, Supervisory Board member	0	0	0	0
Françoise Debrus, Supervisory Board member	0	0	0	0
Eliane Frémeaux, Supervisory Board member	12	3[c]	27	3[c]
Jacques Nicolet, Supervisory Board member	6	4.5[c]	12	4.5[c]
Predica, Supervisory Board member	0	0	15	0
Najat Aasqui, Permanent representative of Predica	0	0	0	0
Michaela Robert, Supervisory Board member	12	0	27	0
Dominique Rongier, Supervisory Board member	15	4.5[c]	30	4.5[c]
Philippe Mauro, Supervisory Board member	9	120[b]	18	0
Marie-Catherine Chazeaux, member representing employees	6	–[d]	15	–[d]
Bertrand Landas, member representing employees	3	–[d]	15	–[d]

(a) Compensation paid by Altarea for the office of Chairman of the Supervisory Board.
(b) Compensation paid for an assignment given by the Supervisory Board charged against the total ceiling for compensation allotted by the General Shareholders' Meeting.
(c) Compensation paid in respect of attendance at meetings of Altareit's Supervisory Board.
(d) The two members representing employees have employment contracts with the Group for which they receive compensation which is not related to the exercise of their office. Consequently, this compensation is not subject to publication.

It should be noted that following the decision of the Management to waive part of the compensation for the financial years 2019 and 2020, in view of the health crisis linked to the COVID-19 pandemic, the Supervisory Board unanimously decided to waive the compensation allocated to the members for their attendance at the Meeting of 19 May 2020, demonstrating the Board's solidarity with the Company.

Table 4 – Stock options granted during the financial year to each executive corporate officer by the Company and by any Group company

No stock options were allocated during the financial year to the executive corporate officers, namely Alain Taravella, Altafi 2 or Atlas, Co-Managers, by the Company or by any other Group company.

Table 5 – Stock options exercised during the year by the executive corporate officers

No stock options were exercised during the financial year by the executive corporate officers, Alain Taravella, Altafi 2 or Atlas, Co-Managers.

Table 6 – Free shares allocated to the executive corporate officers and members of the Supervisory Board in 2021

No free shares were granted during the past financial year to the executive corporate officers of the Company, namely Alain Taravella, Altafi 2 and Atlas, Co-Managers, or to members of the Supervisory Board either by the Company itself or by another Group company(1).

Table 7 – Free shares vesting in 2021 for each corporate officer

No free shares allocated to the Company's corporate officers, namely Alain Taravella, Altafi 2 or Atlas, Co-Managers, and the members of the Supervisory Board, by the Company or by any other Group company, vested during the past year, except for 8,000 shares allocated to Philippe Jossé for his salaried duties at the Group until 2020 and before he took up his position as a member of the Supervisory Board in 2021(2).

Table 8 – History of stock option grants and share purchases

There is currently no stock option plan for which the corporate officers, namely Alain Taravella, Altafi 2, or Atlas, Co-Managers, or members of the Supervisory Board are eligible, including other financial instruments convertible to capital (share subscription warrants, redeemable share subscription warrants, founders' warrants, etc.).

Table 9 – Stock options granted to and exercised by the top ten employees excluding corporate officers and options exercised by them

There is currently no stock option plan for which the top ten employees excluding corporate officers are eligible, including other financial instruments convertible to capital (share subscription warrants, redeemable share subscription warrants, founders' warrants, etc.).

Table 10 – History of free share allocations

No bonus shares granted to the Company's corporate officers(3), namely Alain Taravella, Altafi 2 or Atlas, Co-Managers, or the members of the Supervisory Board, are currently vesting or subject to a retention period, other than those granted to Philippe Mauro(4) for his salaried duties at the Group until 2018 and before he took up his position as a member of the Supervisory Board in 2019 (see above).

Table 11 – Employment contracts, supplemental pension plans, severance or other termination payments or benefits and non-competition compensation payable to the executive corporate officers

None. The Company made no commitment to its corporate officers, namely Alain Taravella, Altafi 2, or Atlas, the Co-Managers, for any compensation, payments or benefits due or liable to be due upon assumption, termination or any change in their office or subsequent thereto.

(1) Jacques Ehrmann, Chief Executive Officer of Altafi 2, benefited in 2019, 2020 and 2021 from free share plans in respect of his office as Manager of Altarea Management, a wholly-owned subsidiary of the Company (see 6.3.3.1 above), as well as members of the Board representing employees under their employment contract within the Group

(2) Philippe Jossé, a Group employee until 2020, benefited from free share plans as part of plans dedicated to the Group's Managers and the general free share plan "Tous en actions!" on the same terms as all Group employees with a permanent employment contract (see Note 6.1 to the consolidated financial statements).

(3) Jacques Ehrmann, Chief Executive Officer of Altafi 2, benefited in 2019, 2020 and 2021 from free share plans in respect of his office as Manager of Altarea Management, a wholly-owned subsidiary of the Company (see 6.3.3.1 above), as well as members of the Board representing employees under their employment contract within the Group.

(4) Philippe Mauro, a Group employee until 2018, benefited from free share plans as part of plans dedicated to the Group's Managers and the general free share allocation plan "Tous en actions!" on the same terms as all Group employees with a permanent employment contract (see Note 6.1 to the consolidated financial statements).

6.3.4 Terms of compensation for financial year 2022

Pursuant to the provisions of Article L. 22-10-76 of the French Commercial Code, the Supervisory Board determines and allocates the components of compensation to corporate officers in accordance with the voting policy adopted by the General Shareholders' Meeting (*ex ante* vote).

At its meeting of 22 February 2022, it decided to renew for the current financial year the compensation policy for the members of the Supervisory Board established for the previous financial year and approved the management compensation policy established by the General Partner in 2022, based on proposals from the Compensation Committee. These compensation policies, set out in Section 6.3.2 above, will be put to the *ex ante* vote of the Ordinary General Shareholders' Meeting of 2022.

On this occasion, subject to the adoption of these compensation policies for the financial year 2022 by the General Shareholders' Meeting, the Supervisory Board, on the proposal of the Compensation Committee, set the components of compensation for management, in the form of fees, and for the members of the Supervisory Board for the financial year as follows.

The Ordinary General Shareholders' Meeting called to approve the 2022 financial statements, which will take place in 2023, will be asked to vote (i) on a draft resolution containing the information about the compensation components allocated or paid for this financial year and (ii) on separate draft resolutions relating to the compensation components allocated or paid to the Chairman of the Supervisory Board and Management for the said financial year. Any variable or exceptional components allocated for the financial year just passed cannot be paid to a beneficiary until the components of the beneficiary's compensation have been approved by the General Shareholders' Meeting and received the consent of the General Partner.

Components of Management compensation for financial year 2022

Compensation components	Rules and criteria	Targets/Comments
Fixed fee	Annual amount: €900 thousand excl. tax Payable quarterly	Compensation enabling the recipients to provide a continuous, high quality service to the Company and its Group. Consistency and moderation compared to the fixed compensation of the previous financial year (€1 million excl. tax). In line with the market practices of comparable companies identified with the help of specialist consultants. Fixed in consideration of the compensation paid to Altafi 2 by Altareit, an Altarea Group company, for its duties and responsibilities within this company.
Annual variable fee	Two components: ▪ A portion linked to a **quantitative criterion: FFO/share** Amount excluding tax equal to a progressive percentage of a portion of FFO/share[(a)] • 1.5% of the portion of the FFO/share between €13.00 and €15.50; • 3.0% of the portion of FFO/share exceeding €15.50 No fees if FFO per share is less than €13.00.	A significant portion of managements' fees is linked to the Group's financial and extra-financial performance. Quantitative portion based on one of the key financial indicators usually used by the Group in its financial communications, with more demanding objectives than the previous year, the FFO/share thresholds having been raised by €0.50.
	▪ A portion linked to a **qualitative extra-financial criterion: the GRESB GREEN STAR rating** Amount excl. tax capped at: • €175 thousand if the rating is 4 stars • €350 thousand if the rating is 5 stars No fee for a rating under 4 stars	Qualitative portion of variable compensation capped and based on extra-financial performance related to sustainable development and social and environmental responsibility. Consistent criteria that match the Company's strategy, with specific, pre-established objectives aligned with the interests of employees and shareholders.
Compensation cap	Aggregate amount of fixed and variable fees for the management of Altarea and Altareit (see above) in 2022 capped at €4 million excl. tax A corresponding limit on the total variable portion of 122% of total fixed compensation	Strict application of measurement and comprehensiveness principles, taking into account all compensation paid by the companies of the Altarea Group of which the Company forms a part. Cap increased by 25% compared to the previous financial year, notably taking into account the increase in the Group's activity.

(a) FFO per share multiplied by the average number of diluted shares in the financial year.

Management does not receive variable multi-year compensation, long-term profit sharing, benefits in kind, severance or non-competition payments or a pension plan.

It should be noted that Altafi 2, the Co-Manager, also manages Altareit, which is a 99.85% owned subsidiary of the Company. As such, in 2022 Altafi 2 will receive a fixed fee reduced by €100 thousand, *i.e.* an annual amount of €900 thousand excluding tax. It may also receive a variable fee, including:

(i) a portion that will be linked to a quantitative criterion relating to financial performance and set at 1.5% of the consolidated net income attributable to Altareit Group exceeding €60 million for the current financial year;

(ii) a portion, of up to €350 thousand excluding tax, will be linked to qualitative criteria relating to extra-financial performance following the achievement of targets related to the climate and human resources, 50% being conditional on the successful roll-out of the strategy for decarbonisation of the property development activities, 25% on the quality of team management and 25% on the quality of employee relations.

In accordance with the principles of measurement and comprehensiveness set out in the AFEP-MEDEF Code, taking into account all compensation paid by companies in Altareit's group, the total amount of fixed and variable fees received by Altafi 2 in respect of its duties as Manager of Altarea and Altareit in 2022 will be capped at a total amount of €4,000,000 excl. tax. Overall, the annual variable portion is limited to 122% of fixed compensation.

Components of the Supervisory Board members' compensation for financial year 2022

	Compensation components Rules and criteria	Targets/Comments
Chairman of the Board	Fixed annual compensation Amount: €250,000 gross Payable monthly	Total compensation, excluding any other compensation within the Altarea Group, taken from the total compensation package for Supervisory Board members allocated by the General Shareholders' Meeting Coherent with the duties and responsibilities of the Chairman of the Board Stable compensation. In line with the market practices of comparable companies and the AFEP-MEDEF Code recommendations
Supervisory Board members	€3,000 for each actual attendance at meetings of the Board and its specialist committees Beneficiaries: natural person members and permanent representatives of legal person members, with the exception of the Chairman of the Board who receives a fixed lump-sum compensation and persons, other than employee representatives, who receive compensation under the terms of an employment contract or a corporate office within the Altarea Group.	Main variable portion Incentive to attend meetings In line with the market practices of comparable companies and the AFEP-MEDEF Code recommendations
Exceptional assignment entrusted to a Board member	€10,000 monthly	Support and advisory assignment to help develop the Property Development division entrusted by the Supervisory Board

6.4 Delegations granted by the General Shareholders' Meeting for capital increases

6.4.1 Delegations given by the General Shareholders' Meeting of 29 June 2021 valid during the past financial year

Delegations	Expiry date	Maximum nominal amount	Use in 2021
Share buyback programme			
Authorisation to proceed with share buybacks at a maximum price per share of €300 and for a maximum total amount of €150 million	18 months 29/12/2022	Up to a maximum of 10% of the share capital	See 7.1.2 above
Authorisation to reduce the share capital by cancelling shares purchased under the buyback programme	26 months 29/08/2023	Up to a maximum of 10% of the share capital per 24-month period	None
Authorisations with preservation of preferential subscription rights			
Issue of ordinary shares and/or equity securities giving access to other securities and/or marketable securities giving access to equity securities to be issued by the Company or a related company[a][b]	26 months 29/08/2023	€95 million for capital increases €750 million for debt securities	Capital increase subject of the Prospectus of 17/11//2021 - See 7.1.4 below
Authorisation to increase the share capital by capitalising reserves	26 months 29/08/2023	€95 million	None
Authorisations without preferential subscription rights			
Issue of ordinary shares and/or equity securities giving access to other securities and/or securities giving access to equity securities to be issued by the Company or a related company, as part of an offer to the public other than referred to in Article L. 411-2 1° of the French Monetary and Financial Code[a][b][c]	26 months 29/08/2023	€95 million for capital increases €750 million for debt securities	None
Issue of ordinary shares and/or equity securities giving access to other securities and/or securities giving access to equity securities to be issued by the Company or a related company, as part of a public offering referred to in Article L. 411-2 1°of the French Monetary and Financial Code[a][b][c]	26 months 29/08/2023	€95 million and 20% of the share capital per year for capital increases €750 million for debt securities	None
Issue of ordinary shares and/or equity securities giving access to other securities and/or marketable securities giving access to equity securities to be issued by the Company or related company, for the benefit of particular categories of persons[a][d]	18 months 29/12/2022	€50 million for capital increases €350 million for debt securities	None
Issue of ordinary shares that may be combined with securities giving access to the Company's share capital as remuneration for contributions in the form of securities[a]	26 months 29/08/2023	10% of the share capital for capital increases €750 million for debt securities	None[e]
Issue of ordinary shares and/or equity securities giving access to other securities to be used to remunerate the securities contributed as part of a public exchange offer initiated by the Company[a]	26 months 29/08/2023	€95 million for capital increases €750 million for debt securities	None

(a) Authorisation subject to a nominal global ceiling of €95 million for a capital increase by the issue of new shares and €750 million for the issue of debt securities.
(b) Authorisation subject to an authorisation to increase the issue amount by an additional 15% in case of over-subscription.
(c) Delegation subject to an authorisation granted to Management to set issue price up to a maximum of 10% of the share capital per annum.
(d) The categories of persons are the minority shareholders of subsidiaries or sub-subsidiaries of the Company subscribing by reinvestment of the sale price of their stake in an Altarea Group company; or individuals or legal entities re-using the sale price of a portfolio of real estate assets or the securities of a company operating as a REIT or property developer or holding investments in companies active in asset management or distribution; or holders of securities issued by a subsidiary or a sub-subsidiary of the Company pursuant to Article L. 228-93 of the French Commercial Code.
(e) This delegation supersede the delegation of the same type granted by the General shareholders' Meeting of 30 June 2020 and which was used in 2021 in connection with the capital increase through the issue of shares allocated as remuneration for a contribution in kind of securities (see § 7.1.4 above).

Delegations	Expiry date	Maximum nominal amount	Use in 2021
Global Ceiling and other authorisations			
Setting the aggregate nominal ceiling of the authorisations to the management		€95 million for capital increases €750 million for debt securities	-
Option to increase the amount issued by 15% in the event of oversubscription[(a)]	26 months 29/08/2023	-	None
Authorisations for the benefit of employees and senior management			
Increase in the capital reserved for members of an employee savings scheme[(a)]	26 months 29/08/2023	€10 million	None[(g)]
Free share plans[(a)(e)]	38 months 29/08/2024	750,000 shares	See 2.3.6.1 above
Stock option plans (share subscription or purchase)[(a)(f)]	38 months 29/08/2024	350,000 shares	None
Share subscription warrants (BSA, BSAANE and BSAAR)[(a)]	18 months 29/12/2022	€10 million	None

(a) Authorisation subject to a nominal global ceiling of €95 million for a capital increase by the issue of new shares and €750 million for the issue of debt securities.
(e) Authorisation subject to a global ceiling of 750,000 shares, around 3.70% of share capital at 31 December 2021, of which a maximum of 250,000 shares for the corporate officers
(f) Authorisation subject to a global ceiling of 350,000 shares, around 1.72% of share capital at 31 December 2021, of which a maximum of 100,000 shares for the corporate officers
(g) This delegation is being used, as in 2022 the Management approved in principle a capital increase reserved for an employee savings fund (FCPE) for the Group's employees wholly invested in Altarea shares, via the issue of up to 100,000 new shares, to be carried out in July 2022. This also rescinded the delegation of a similar nature granted by the General Shareholders' Meeting of 30 June 2020, which was used in 2021 in connection with the capital increase reserved for employees of the Altarea Group through the FCPE RELAIS Altarea 2021 employee savings fund (see 7.1.4 above).

The authorisations in the above tables supersede those of the same type granted by the General Shareholders' Meeting of 30 June 2020.

6.4.2 Delegations requested from the next General Shareholders' Meeting 2022

Delegations	Maximum nominal amount	Duration
Share buyback programme		
Authorisation to proceed with share buybacks at a maximum price per share of €300 and for a maximum total amount of €150 million[(a)]	Up to a maximum of 10% of the share capital	18 months
Authorisation to reduce the share capital by cancelling shares purchased under the buyback programme	Up to a maximum of 10% of the share capital per 24-month period	26 months
Authorisations with preservation of preferential subscription rights		
Issue of ordinary shares and/or equity securities giving access to other securities and/or marketable securities giving access to equity securities to be issued by the Company or a related company[(b)(c)]	€95 million for capital increases €750 million for debt securities	26 months
Authorisation to increase the share capital by capitalising reserves	€95 million	26 months
Authorisations without preferential subscription rights		
Issue of ordinary shares and/or equity securities giving access to other securities and/or securities giving access to equity securities to be issued by the Company or a related company, as part of an offer to the public other than that referred to in Article L. 411-2 1 of the French Monetary and Financial Code[(b)(c)]	€95 million for capital increases €750 million for debt securities	26 months
Issue of ordinary shares and/or equity securities giving access to other securities and/or securities giving access to equity securities to be issued by the Company or a related company, as part of a public offering referred to in Article L. 411-2 1 of the French Monetary and Financial Code[(b)(c)]	€95 million and 20% of the share capital per year for capital increases €750 million for debt securities	26 months
Issue of ordinary shares and/or equity securities giving access to other securities and/or marketable securities giving access to equity securities to be issued by the Company or a related company, for the benefit of particular categories of persons[(b)(d)]	€50 million for capital increases €350 million for debt securities	18 months
Authorisation granted to Management to set the issue price for capital increases without preferential subscription rights subject to a maximum of 10% of the share capital per year	10% of the share capital per year	26 months
Issue of ordinary shares that may be combined with securities giving access to the Company's share capital as remuneration for contributions in the form of securities[(b)]	10% of the share capital for capital increases €750 million for debt securities	26 months
Issue of ordinary shares and/or equity securities giving access to other securities to be used to remunerate the securities contributed as part of a public exchange offer initiated by the Company[(b)]	€95 million for capital increases €750 million for debt securities	26 months
Global Ceiling and other authorisations		
Setting the aggregate nominal ceiling of authorisations to the management at €95 million for share issues and at €750 million for marketable securities representing debt in the Company	€95 million for capital increases €750 million for debt securities	26 months
Option to increase the amount issued by 15% in the event of oversubscription[(b)]	-	26 months
Authorisations for the benefit of employees and senior management		
Increase in the capital reserved for members of an employee savings scheme[(b)]	€10 million	26 months
Free share plans[(b)(e)]	750,000 shares	38 months
Stock option plans (share subscription or purchase)[(b)(f)]	350,000 shares	38 months
Share subscription warrants (BSA, BSAANE and BSAAR)[(b)]	€10 million	18 months

(a) See Section 7.1.2 below.
(b) Authorisation subject to an aggregate nominal ceiling of €95 million for capital increases through the issue of new shares and €750 million through the issue of debt securities.
(c) Delegation covered by the requested authorisation to increase the issue amount by an additional 15% in the event of oversubscription.
(d) The categories of persons are the minority shareholders of subsidiaries or sub-subsidiaries of the Company subscribing by reinvestment of the sale price of their stake in an Altarea Group company; or individuals or legal entities re-using the sale price of a portfolio of real estate assets or the securities of a company operating as a REIT or property developer or holding investments in companies active in asset management or distribution; or holders of securities issued by a subsidiary or a sub-subsidiary of the Company pursuant to Article L. 228-93 of the French Commercial Code.
(e) Authorisation subject to a global ceiling of 750,000 shares, around 3.70% of share capital at 31 December 2021, of which a maximum of 250,000 shares for the executive corporate officers.
(f) Authorisation subject to a global ceiling of 350,000 shares, around 1.72% of share capital at 31 December 2021, of which a maximum of 100,000 shares for the executive corporate officers.

It should be noted that the delegations presented in the above table would rescind, if adopted by the General Shareholders' Meeting 2022, the delegations of the same description previously granted by the General Shareholders' Meeting and presented in Section 6.4.1 above.

6.5 Conditions of participation in the General Shareholders' Meeting

Except for the requirements set by applicable laws and regulations, there are no particular procedures relating to shareholder participation in General Shareholders' Meetings. Article 25 of the Company's Articles of Association states the following points:

Calling of meetings

General Shareholders' Meetings are called and take place in accordance with the provisions of the law.

Notice of meetings may be given electronically, provided that the shareholders have given their prior written consent.

Meetings take place at the registered office or any other place indicated in the notice of meeting.

Proxies

Any shareholder may participate in person or by proxy in the General Shareholders' Meeting, whatever the number of shares they hold, upon proof of identity and the ownership of their shares in the form of an accounting entry at least two working days before the date of the General Shareholders' Meeting. However, Management may shorten or even do away with this period if it is to the benefit of all shareholders.

Legal entities may take part in General Shareholders' Meetings through their legal representatives or any other person duly appointed for this purpose by their legal representatives.

Double voting rights

The Company's shares do not carry double voting rights. Indeed, applying the option provided for in Article L. 225-123 of the French Commercial Code, the Combined General Shareholders' Meeting of 5 June 2015 voted to exclude double voting rights for shareholders registered for more than two years. Each share therefore entitles the holder to one vote.

Ceiling on voting rights

The number of voting rights that may be exercised by each Limited Partner in General Shareholders' Meetings is equal to the number of voting rights attached to the shares they own up to a maximum of 60% of the voting rights attached to all shares comprising the share capital.

Voting by mail and videoconferencing

Voting by mail takes place in accordance with the provisions of the law and regulations.

Shareholders may attend and vote at all meetings by videoconferencing or any other electronic means that permits their dentification in accordance with the law and regulations.

Chairman – Office

The meetings are chaired by the Manager or one of the Managers if there is more than one. If the Meeting is called by the Supervisory Board, it is chaired by the Chairman of the Supervisory Board or one of its members designated to that effect. Failing that, the Meeting elects its own Chairman.

Minutes of General Meetings are drawn up and copies certified and issued in accordance with the law.

6.6 Items that may have an impact in case of a take-over bid or public exchange offer

The information referred to in Article L. 22-10-11 of the French Commercial Code is provided in Chapters 6, 7 and 8 of this document, in particular in paragraphs 6.2 to 6.5, 7.1 and 8.1.2.

7

CAPITAL AND OWNERSHIP STRUCTURE

7.1 General information about the share capital

7.1.1 Share capital – Form and negotiability of shares

Amount of the share capital (Article 6 of the Articles of Association)

As of the date of this document, the share capital was €310,088,359.18. It was divided into 20,293,271 shares, all fully paid up and of the same class. The rounded par value €15.28 a share.

It should be specified that the 10 General Partner shares with a par value of €100 are held by Altafi 2 (see Section 6.2.2 above).

Changes to the share capital and the respective rights of the various categories of shares

The share capital may be modified as provided for by the law. The provisions of the Articles of Association regarding alterations to the share capital are no more restrictive than the provisions of the law, and they do not provide for any special classes of shares.

Form of shares (Article 10 of the Articles of Association)

Fully paid-up shares may be either registered or bearer form, at the shareholder's option.

However, any shareholder other than a natural person who comes to own, directly or through its controlled entities within the meaning of Article L. 233-3 of the French Commercial Code, a percentage of the Company's dividend rights at least equal to the percentage referred to in Article 208-C II *ter* of the French General Tax Code (a "Relevant Shareholder") must hold all its shares in registered form and ensure that its controlled entities within the meaning of Article L. 233-3 of the French Commercial Code do likewise. Should a Relevant Shareholder fail to comply with this requirement no later than the second business day before the date of a General Shareholders' Meeting of the Company, its voting rights held directly or indirectly through its controlled entities within the meaning of Article L. 233-3 of the Commercial Code, will be restricted at the General Shareholders' Meeting to one tenth of the shares respectively held by them. The Relevant Shareholder will recover all the voting rights attached to the shares it owns directly or through its controlled entities within the meaning of Article L. 233-3 of the French Commercial Code at the next General Shareholders' Meeting, provided that the position has been remedied by the conversion of all shares owned directly or through its controlled entities within the meaning of Article L. 233-3 of the French Commercial Code, to registered form no later than the second business day before the date of the General Shareholders' Meeting.

Shares may be converted from registered to bearer form and vice-versa in accordance with the provisions of the law. Notwithstanding the foregoing, shares must be in registered form where required by law.

Partially paid shares may not be converted to bearer form until they have been fully paid-up.

Ownership of the shares is evidenced by their registration, as prescribed by law, either in a share account, either with the issuer or their designated agent, in the case of registered shares, or in an account held with an authorised financial intermediary in the case of bearer shares. If requested by a shareholder, the Company or authorised financial intermediary shall issue a certificate of registration.

Shareholders or intermediaries who fail to provide the information referred to below may, in accordance with the provisions of the law, have their voting rights and dividend rights suspended or disqualified.

The Company is entitled to ask, at any time and at its own expense, the central depository acting as the custodian of the issuing account to disclose the name or, if a legal entity, the Company name, nationality and address, of the holders of Company securities that confer either current or future voting rights at its Shareholders' Meetings, as well as the number of securities held by each of them and, where appropriate, any restrictions to which the securities might be subject.

The shares are indivisible for the purposes of the Company. Joint-owners of shares shall accordingly be represented for the Company's purposes by one of the owners or by a person appointed by the owners as their sole representative. In the event of disagreement, the representative will be appointed by order of the presiding judge of the commercial court in summary proceedings at the request of the most diligent joint-owner.

Trading in the shares (Article 11 of the Articles of Association)

The shares may be traded without restriction save for any provisions to the contrary set out in law, regulations or the Articles of Association.

Authorisations involving the share capital

The information concerning delegations valid during the 2021 financial year, granted by General Shareholders' Meetings, and their use during the course of the previous year is provided in the Supervisory Board report on Corporate Governance included under Chapter 6 of this document.

Free share allocations

The information concerning free share allocations is presented in Sections 2.3 (Note 6.1 to the consolidated financial statements), and 3.2.3.4 of this document. It is specified, in accordance with the provisions of Article L. 225-197-4 of the French Commercial Code, that the ten employees of the Group (not corporate officers of the Company) who were allocated the greatest number of free shares in 2021, received a total of 134,848 shares with a total value of €18,528 thousand (according to the method used for the consolidated financial statements). Note that the definitive vesting of many of these shares is conditional on demanding financial and extra-financial performance conditions over several years in line with the Group's objectives and strategy.

Stock options

At 31 December 2021, as at 31 December 2020, there were no outstanding stock options.

Treasury shares

There were no treasury shares at the date of registration of this document.

7.1.2 Share buyback programme

At the Combined General Shareholders' Meeting of 30 June 2020 and that of 29 June 2021, the shareholders authorised the Company to purchase its own shares up to a maximum of 10% of the shares comprising the share capital and up to a total of €150 million, at a maximum price per share set at €300.

Pursuant to these authorisations, Management decided to implement a share buyback programme on 30 June 2020 and that of 29 June 2021 for the following purposes, in order of precedence:

(1) acting as a market maker on the security's secondary market and/or ensuring the share's liquidity by means of an investment services provider acting independently under a liquidity contract in line with a Code of Ethics recognised by the AMF;

(2) allocating shares to employees and corporate officers in accordance with conditions set forth by law, particularly under a stock option plan, a free share plan or a company savings plan or employee shareholding plan;

(3) delivery of shares upon the exercise of rights attached to debt securities or equity securities entitling their holders to be allocated shares of the Company;

(4) cancellation of all or part of the shares acquired;

(5) custody and subsequent delivery of shares in respect of payment, exchange or otherwise, under transactions pursuant to Article L. 225-209 para. 6 of the French Commercial Code and more specifically external growth transactions instigated by the Company, on the understanding that the number of shares acquired by the Company in this way may not exceed 5% of its share capital;

(6) allocation in whole or in part of the shares thus acquired upon the performance of any transaction in line with the regulations in force.

A description of these share buyback programmes was published in accordance with Articles 241-1 *et seq.* of the AMF's General Regulation.

Pursuant to these authorisations, the Company bought and sold the following shares in 2021;

Month	No. of shares purchased	No. of shares sold	No. of shares transferred[(a)]	Balance of treasury shares	Price at end of month
January	25,495	902	1,300	162,615	€134.01
February	2,011	1,101		163,525	€138.30
March	31,116	1,771	53,437	139,443	€151.17
April	21,211	1,453	64,974	94,217	€163.66
May	1,392	1,492		94,117	€181.02
June	1,777	735		95,159	€172.82
July	2,319	3,083		94,395	€184.33
August	30,825	1,352		123,868	€194.09
September	20,745	3,123		141,490	€182.38
October	14,013	1,732	89	153,682	€180.43
November	20,285	2,185		171,782	€162.40
December	36,439	2,753	62	205,406	€167.60

(a) In the context of free share plans for employees.

For the full year 2021:

- 207,628 shares were purchased (including 22,062 under the liquidity contract and 185,566 to be allocated) for a total price of €33,766 thousand;
- 21,682 shares were sold under the liquidity contract for a total price of €3,772 thousand; and
- 119,862 shares were transferred under free share allocation plans.

At 31 December 2021, Altarea held 205,406 treasury shares:

- the "treasury shares liquidity contract" account, which corresponds to the objective (1) with 607 treasury shares; and
- the "shares held for allocation" account, which corresponds to the objective (2), with 204,799 treasury shares.

It will be proposed to the annual Ordinary General Shareholders' Meeting called to approve the 2021 financial statements that it renews the authorisation granted by the Meeting of 29 June 2021 to purchase own shares up to a maximum of 10% of the shares comprising the share capital and up to total of €150 million, at a maximum price per share of €300, for the same purposes and buy-back objectives, in accordance with (EU) Regulation no. 596/2014 of 16 April 2014 and (EU) Delegated Regulation 2016/1052 of 8 March 2016.

As in previous years, the shareholders will be asked to authorise that the purchase, sale or transfer transactions described above may be carried out by any means compatible with the laws and regulations in force, including the use of derivative financial instruments and the purchase or sale of blocks of shares. It will be expressly requested to authorise buybacks of shares from corporate officers in compliance with Article 3 of the Delegated Regulation (EU) 2016/1052 of 8 March 2016.

7.1.3 Shares giving access to share capital

At the registration date of this document, there were no securities giving access to the share capital in issue by the Company.

7.1.4 Changes in share capital

Table of changes to share capital over the past three financial years

Date	Project	Number of shares issued	Nominal amount of the transaction	Share premium	Total cumulative number of shares	Par value	Cumulative amount of the share capital
04/07/2019	Payment of scrip dividend	599,267	€9,156,799.76	€84,658,449.09	16,660,596	At rounded par value	€254,581,085.18
19/07/2019	Capital increase reserved for the FCPE (employee investment mutual fund)	40,166	€613,736.48	€5,095,458.76	16,700,762	At rounded par value	€255,194,821.66
21/07/2020	Capital increase reserved for the FCPE (employee investment mutual fund)	66,878	€1,021,895.84	€6,535,318.16	16,767,640	At rounded par value	€256,216,717.50
24/07/2020	Payment of scrip dividend	508,199	€7,765,280.72	€53,620,076.49	17,275,839	At rounded par value	€263,981,998.22
30/03/2021	Capital increase by way of contribution in kind	39,277	€600,152.56	€4,639,399.24	17,315,116	At rounded par value	€264,582,150.78
21/07/2021	Capital increase reserved for the FCPE (employee investment mutual fund)	60,580	€925,662.40	€6,880,676.40	17,375,696	At rounded par value	€265,507,813.18
26/07/2021	Payment of scrip dividend	482,385	€7,370,842.80	€67,644,848.55	17,858,081	At rounded par value	€272,878,655.98
10/12/2021	Capital increase with preferential subscription rights	2,435,190	€37,209,703.20	€312,848,859.30	20,293,271	At rounded par value	€310,088,359.18

Changes occurring in 2021

Capital increase in consideration of a contribution in kind of securities

In the context of the acquisition of the SCI 80/98 RUE DE REUILLY, which owns a real estate asset located in the district of Reuilly in Paris, in light of the development of a last mile logistics site, Altarea carried out on 30 March 2021 a capital increase by way of issuance of 39,277 new ordinary shares to SCI VDE REUILLY in consideration for its contribution in kind of 330 shares in SCI 80/98 RUE DE REUILLY, representing 50% of the share capital of this company. The balance of the capital of this company was acquired at the same time from its other shareholders, directly and indirectly. The exchange ratio adopted by the parties resulted in the contribution being remunerated by the issue of 39,277 new shares of €133.40 per share, corresponding to the average value of the Altarea share on Euronext Paris over the five trading days preceding the date of signature of the sale and contribution agreement, plus a cash balance of €86.18 per share issued. This capital increase amounts to a nominal amount of €600,152.56 and is attached by a share premium of €4,639,399.24.

Capital increase for the employee FCPE

The Company carried out a capital increase reserved for the FCPE (employee investment mutual fund) of the Group's employees, fully invested in Altarea shares. The total subscription value of the capital increase was €7,806,338.80, with a subscription price set at €128.86 in accordance with the provisions of the law. The capital increase resulted in the creation of 60,580 new shares which were admitted for trading on Euronext Paris on 21 July 2021, the full quantity allocated to the FCPE, *i.e.* a nominal value increase of €925,662.40.

Payment of the 2020 scrip dividend

Pursuant to the fourth resolution of the Combined General Shareholders' Meeting dated 29 June 2021, the Company carried out a capital increase at the time of payment of the 2020 dividend, where shareholders were given the option of having half of their dividend paid in shares. The price of the newly issued shares offered to the shareholders wishing to receive their dividend in shares was €155.51, corresponding to 90% of the average opening list price over the 20 trading days preceding the date of the Combined General Shareholders' Meeting, *i.e.* €183.34, less the dividend per share of €9.50 as set in the third resolution, rounded up to the next euro cent. At the end of the option exercise period (7 to 20 July 2021 inclusive), a total of 482,385 shares were subscribed, *i.e.* a 91.59% subscription rate. Taking into account a rounded par value of €15.28 per share, the nominal amount of the capital increase resulting from the subscription of the new shares totalled €7,370,842.80. The 482,385 shares were created, delivered and admitted to trading on 26 July 2021. The amount of the dividend paid in cash was paid to the shareholders on the same day.

Capital increase with preferential subscription rights of €350 million

On 18 November 2021, in accordance with the fourteenth resolution of the Combined General Shareholders' Meeting of 29 June 2021, the Company launched a capital increase with preferential subscription rights for shareholders, by issuing 2,435,190 new shares at a subscription price of €143.75 each (*i.e.* €15.28 par value and €128.47 share premium), with 3 new shares for 22 existing shares. At the end of the subscription period, which ended on 2 December 2021, and after a reduction in orders given a subscription rate of over 124%, all 2,435,190 new shares offered were subscribed, representing a total gross amount, including share premium of €350,058,562.50 (of which €37,209,703.20 in par value and €312,848,859.30 in share premium). The settlement-delivery and admission to trading on Euronext Paris took place on 10 December 2021. The capital increase was the subject of a prospectus approved on 17 November 2021 by the AMF under no. 21-492, which is available on the Company's website (www.Altarea.com).

7.1.5 Share capital breakdown

The Company does not know the exact composition of its ownership at all times, as some of its shares are held in bearer form.

Ownership at 31 December 2021

	Theoretical shares and voting rights		Actual voting rights at General Shareholders' Meetings	
Shareholder	Number	%	Number	%
Founders concert[(a)]	9,065,267	44.67	9,065,267	45.13
Extended Concert[(b)]	9,117,534	44.93	9,117,534	45.39
Crédit Agricole Assurances Group	5,003,920	24.66	5,003,920	24.91
ABP (APG)	1,438,606	7.09	1,438,606	7.16
Opus Investment and Christian de Gournay	329,278	1.62	329,278	1.64
Treasury Shares	205,406	1.01	-	-
FCPE	151,808	0.75	151,808	0.76
Public	4,046,719	19.94	4,046,719	20.15
TOTAL	**20,293,271**	**100.00**	**20,087,865**	**100.00**

(a) Alain Taravella and Jacques Nicolet, founders of the Group, acting in concert, as well as the members of their family and the companies they control (see 7.1.6 below).
(b) Existing concert between the founders, described above, on the one hand, and Jacques Ehrmann (see 7.1.6 below).

To the Company's knowledge, no significant change has occurred in the capital breakdown since 31 December 2021 and no shareholders currently hold, directly or indirectly, alone or in concert, more than 5% of the share capital and voting rights.

It should be recalled that the ten General Partners shares with a par value of €100 are held by Altafi 2 (see 6.2.2 above).

Employee shareholders

In accordance with Article L. 225-102 of the French Commercial Code, it is specified that as of 31 December 2021 the shares held by the employees of the Company and of affiliates within the meaning of Article L. 225-180 of the French Commercial Code represent 2.26% of the Company's share capital.

It must be emphasised that this percentage does not express the proactive nature of the employee shareholder policy implemented by Company Management since the Group's listing on the stock exchange in 2004, because it is calculated based solely on the number of shares held by the employee investment mutual funds (FCPE) and shares definitively acquired under free share plans authorised by the General Shareholders' Meeting since the Macron Law, of 6 August 2015, took effect. It does not, therefore, take into account (i) the free shares allocated under a plan authorised before 6 August 2015 and (ii) the current setting up of new free share plans intended to make each employee a full-blown shareholder in the Group, thus enabling them to benefit from the dividend paid to the shareholders and the gains accrued by an increase in the Altarea share price.

Pledges of Company shares

At 31 December 2021, to the Company's knowledge 2,372,195 shares were pledged[(1)], representing 12.69% of the number of shares comprising the share capital.

Change in ownership structure over the past three financial years

	31/12/2021		31/12/2020		31/12/2019	
Shareholder	Number of shares	% share capital and voting rights	Number of shares	% share capital and voting rights	Number of shares	% share capital and voting rights
Founders' concert*	9,065,267	44.67	7,876,166	45.59	7,617,679	45.61
Extended Concert*	9,117,534	44.93	7,921,166	45.85	7,642,679	45.76
Crédit Agricole Assurances Group	5,003,920	24.66	4,274,297	24.74	4,122,406	24.68
ABP (APG)	1,438,606	7.09	1,428,777	8.27	1,377,460	8.25
Opus Investment and Christian de Gournay	329,278	1.62	256,815	1.49	221,404	1.33
Treasury Shares	205,406	1.01	139,322	0.81	166,408	1.00
FCPE	151,808	0.75	113,819	0.66	46,355	0.28
Public	4,046,719	19.94	3,141,643	18.19	3,170,405	18.71
TOTAL	**20,293,271**	**100.00**	**17,275,839**	**100.00**	**16,700,762**	**100,00**

* *See 7.1.6 below.*

(1) In particular, 1,518,029 shares to Société Générale and 2,428,575 shares to Natixis, pledged by AltaGroupe.

Threshold crossings

Legal threshold crossings during 2021

No declaration of threshold crossing was made to the AMF in 2021.

Disclosure of statutory threshold crossings (Article 12 of the Articles of Association)

In addition to the legal obligation to disclose threshold crossings, the Articles of Association also require any natural person or legal entity, acting alone or in concert, who acquires or ceases to hold, directly or indirectly, a fraction of the share capital, voting rights or securities giving future access to the Company's share capital greater than or equal to one per cent (1%) or a multiple of this fraction, to notify the Company, by recorded delivery and within four days of the threshold crossing, either upward or downward, of the total number of shares, voting rights or securities giving future access to the share capital that they hold either alone or in concert, directly or indirectly.

Any shares or securities in excess of the fraction that should have been disclosed in accordance with these requirements will be disqualified for voting purposes at all Shareholders' Meetings held for a period of two years after the date on which the requisite disclosure is finally made, if the failure to disclose has been duly noted and if requested by one or more shareholders separately or together holding at least one percent (1%) of the Company's share capital in accordance with the terms of the law. Similarly, the voting rights attached to any shares that have not been disclosed in accordance with these requirements may not be exercised by the holder either in person or by proxy.

7.1.6 Control of the Company and shareholders' agreements

Control of the Company

Description of the control over the Company

There is a disclosed concert between:

- Alain Taravella, the companies AltaGroupe, Alta Patrimoine and Altager, which he controls, and members of his family;
- Jacques Nicolet and the company Everspeed, which he controls; and
- Jacques Ehrmann.

The disclosed concert between Alain Taravella and Jacques Nicolet has existed since taking over control of the Company in 2004. The traditional group of shareholders acting in concert, composed of Alain Taravella and Jacques Nicolet is referred to in this document as the "founders' concert". As of 31 December 2021, the members of the founders' concert group together held 44.67% of the Company's share capital and theoretical voting rights.

The AMF was notified by mail on 2 August 2019 that Jacques Ehrmann had declared himself to be acting with the concert of the founders (AMF Decision & Information No. 219C1329 of 2 August 2019) following the acquisition of 25,000 Altarea shares from Alta Patrimoine. On 31 December 2021, the concert between the founders and Jacques Ehrmann, referred to in this document as the "expanded concert", together held 44.93% of the Company's theoretical voting rights and share capital.

Absence of improper control

The Supervisory Board's report on corporate governance (Chapter 6) states that in terms of governance, the Supervisory Board is involved in examining Altarea's investments and divestments of a significant amount that is likely to alter the Company's balance sheet structure, and in all events an amount of over €50 million in the SIIC sector; the specialist committees of the Supervisory Board, namely the Audit Committee, the Investment Committee and the Compensation Committee, include independent members. At least one third of the members of the Supervisory Board are independent members.

The Company believes that there is no risk of control being improperly exercised.

Shareholders' Agreement

As of the date of this document, the Company was not aware of any shareholders' agreements in force.

7.1.7 Company officers and related-party transactions in Company shares

During 2021, Company officers and related parties declared the following securities transactions to the Company:

Name	Title on transaction date	Transaction	Financial instrument	Volume	Total gross amount
AltaGroupe	Legal person linked to Alain Taravella, Chairman of Altafi 2, Co-Manager	PSD	Shares	131,891	€20,510,369
		Sales[a]	Shares	178,581	€32,680,323
		Acquisition	PSR	80,566	€389,134
		Subscription	Shares	638,111	€91,728,456
Altager	Legal person linked to Alain Taravella, Chairman of Altafi 2, Co-Manager	PSD	Shares	31,058	€4,829,830
		Subscription	Shares	142,887	€20,540,006
Alta Patrimoine	Legal person linked to Alain Taravella, Chairman of Altafi 2, Co-Manager	PSD	Shares	73,039	€11,358,295
		Subscription	Shares	336,027	€48,303,881
Jacques Ehrmann	Chief Executive Officer of Altafi 2, Co-Manager	Acquisition of free shares	Shares	5,667	€912,921
		PSD	Shares	1,529	€237,775
		Sale	Shares	3,529	€640,116
		Subscripion[b]	Shares of FCPE	795	€102,434
		Sale	PSR	22,252	€107,477
		Subscription	Shares	3,600	€517,500
Christian de Gournay	Chairman of the Supervisory Board	PSD	Shares	1,750	€272,143
		Subscription	Shares	8,658	€1,244,588
Opus Investment BV	Legal person related to Christian de Gournay, Chairman of the Supervisory Board	PSD	Shares	6,095	€947,833
		Acquisition	PSR	176,000	€420,321
		Subscription	Shares	55,960	€8,044,250
Predica	Supervisory Board member	PSD	Shares	129,170	€20,087,227
		Subscription	Shares	600,453	€86,315,119
Gautier Taravella	Chief Executive Officer of Altafi 2, Co-Manager	PSD	Shares	1,603	€249,283
		Sale	PSR	49,000	€236,670
		Subscription	Shares	1,554	€223,388
Matthieu Taravella	Chief Executive Officer of Altafi 2, Co-Manager	Subscription	Shares	8,064	€1,159,200
Sabine Taravella	Person linked to Alain Taravella, Chairman of Altafi 2, Co-Manager	Subscription	Shares	3,171	€455,831
Philippe Mauro	Supervisory Board member	Sale	PSR	4,262	€6,662
		Subscription	Shares	660	€94,875
Philippe Jossé	Permanent representative of ATI, Supervisory Board member of Altarea	Sale	PSR	11,273	€24,744
		Subscription	Shares	1,800	€258,750

PSD = Payment of scrip dividend.
(a) BPCE Vie, a wholly-owned subsidiary of Natixis Assurances, has acquired a 1% stake in Altarea from AltaGroupe (see Company press release of 4 August 2021).
(b) Subscription of units in the RELAIS Altarea 2021 mutual fund, invested in Altarea shares, as part of the capital increase reserved for Altarea Group employees carried out on 21 July 2021 (see 7.1.1 above).

7.1.8 Bonds not giving access to the share capital

Issue date	Issue amount	Subscription rate	Nominal amount outstanding	Date of maturity	Interest	Market	Isin
14/12/2016	€50,000,000	Entirely subscribed	€50,000,000	14/12/2026	2.45%	Euronext Paris	FR0013222247
05/07/2017	€500,000,000	Entirely subscribed	€385,500,000	05/07/2024	2.25%	Euronext Paris	FR0013266525
17/10/2019	€500,000,000	Entirely subscribed	€500,000,000	17/01/2028	1.875%	Euronext Paris	FR0013453974
16/12/2020	€300,000,000	Entirely subscribed	€300,000,000	16/01/2030	1.750%	Euronext Paris	FR00140010J1

The bond issue contracts shown in the table above contain a change of control clause.

It should also be noted that the Company, at the end of a subscription agreement dated 11 December 2012, issued Subordinated Perpetual Notes (TSDI), fully subscribed by APG Strategic Real Estate Pool, for an initial nominal amount of €109 million, increased to €195.1 million (*i.e.*, €130 per TSDI) by an additional clause dated 29 December 2014, then to €223.5 million (*i.e.*, €148.94 per TSDI) by an additional clause dated 27 May 2021 (see 3.2.3.2.1 of the notes to the annual financial statements in Chapter 3 of this document).

7.2 Stock market information

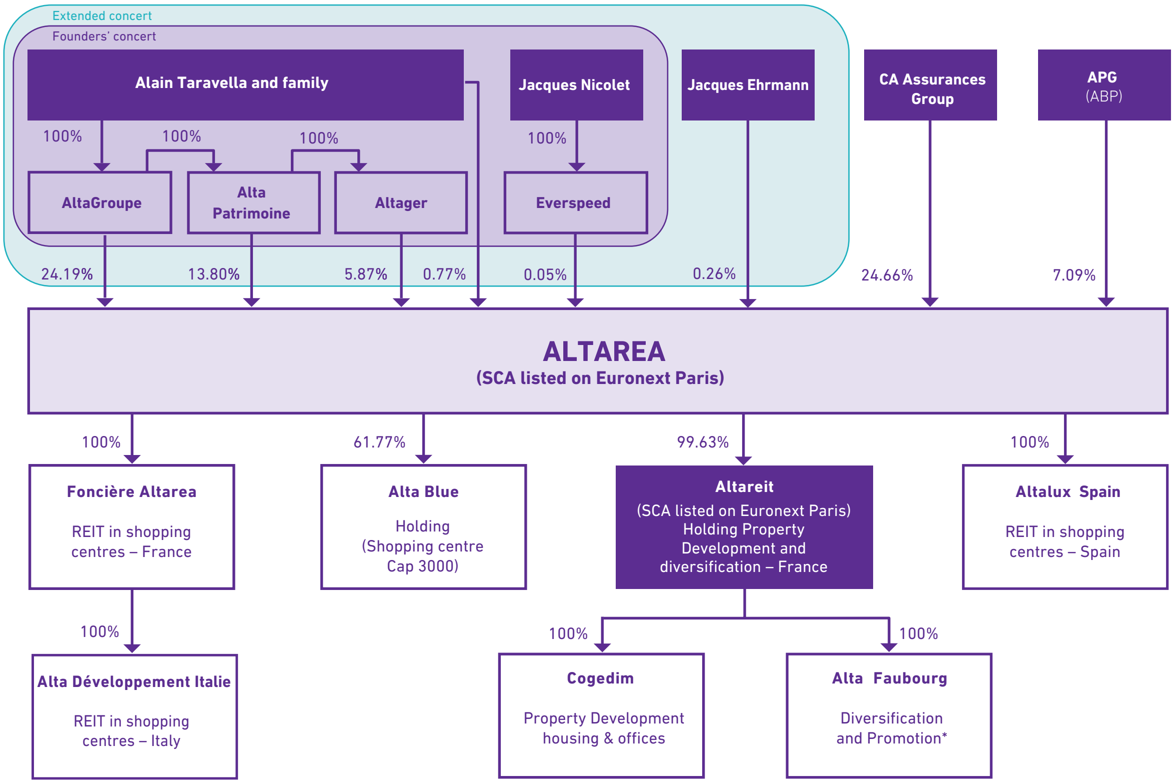
Altarea	
Listing market	Euronext Paris – Compartment A (Large Cap)
Codes	Mnemonic: ALTA – Isin: FR0000033219 Bloomberg: ALTAFP – Reuters: IMAF.PA
Legal Entity Identification code (LEI)	969500ICGCY1PD6OT783
Listings	**SBF 120** - CAC All Shares – CAC All-Tradable – CAC Mid & Small – CAC Mid 60 – IEIF REIT Europe – EIF SIIC France – IEIF Foncières
Deferred Settlement Service (French SRD)	Eligible
PEA/PEA PME	Non-eligible
ICB Sector classification	Retail REITs, 8672

	2017	2018	2019	2020	2021
Market capitalisation (at 31/12)	€3,340,338,320	€2,662,968,348	€3,381,904,305	€2,477,355,313	€3,401,152,220
Number of shares traded	1,368,495	1,077,486	523,174	1,844,456	1,747,595
Capital traded	€257,579,489	€213,144,495	€97,070,770	€244,421,181	€294,659,497
Highest	€211.00	€218.50	€205.00	€210.00	€203.35
Lowest	€171.00	€159.60	€163.40	€103.20	€130.89
Latest	€208.10	€165.80	€202.50	€143.40	€167.60

	High	Low	Latest	Number of shares traded	Amount of Capital traded
January 2021	€146.30	€130.89	€134.01	123,882	€17,505,733
February 2021	€141.42	€133.03	€138.30	105,767	€14,410,097
March 2021	€153.90	€139.66	€151.17	121,008	€18,069,848
April 2021	€166.58	€152.34	€163.66	130,784	€20,694,263
May 2021	€184.72	€161.90	€181.02	199,186	€35,203,723
June 2021	€185.31	€171.26	€172.82	102,144	€18,196,770
July 2021	€188.62	€169.31	€184.33	122,426	€22,046,825
August 2021	€195.06	€178.48	€194.09	145,636	€27,511,272
September 2021	€203.35	€180.24	€182.38	202,784	€39,040,623
October 2021	€190.18	€174.58	€180.43	90,721	€16,387,794
November 2021	€184.53	€154.20	€162.40	244,193	€40,593,239
December 2021	€167.60	€149.40	€167.60	159,064	€24,999,310

Source: Euronext.

7.3 Simplified organisation chart at 31 December 2021



* Pitch Immo, Histoire & Patrimoine, Severini, Serviced Residences business and Altarea Solution Services, and the shareholding in AltaFund and Woodeum are held by Alta Faubourg.

Altarea centralises the Group's cash surpluses. Note 8 to the consolidated financial statements shown in Chapter 2 of this document on financial instruments and market risks provides information on the main banking covenants. The main assets and borrowings are carried by the subsidiaries that conduct the corresponding business operations.

The list of the main companies included in Altarea's consolidation scope is presented in Note 4 to the consolidated financial statements. That of Altarea's subsidiaries and direct equity interests is given in Section 3.2.3.5 of the Notes to the financial statements (Chapter 3 of this document).

During the 2021 financial year, the Company did not make any equity investments coming under Article L. 233-6 of the French Commercial Code in a company having its registered office in France.

7.4 Dividend policy

7.4.1 Dividends paid over the past financial years

Dividends paid to the Limited Partners in respect of the last three years are as follows:

Financial year[(a)]	Number of shares eligible for dividend	Total amount distributed	Dividends per share	Amount eligible for the allowance provided for in Art. 158-3-2 of the French General Tax Code[(b)]	Scrip dividend option	Portion of dividend payable in shares	Option rate for PSD[(c)]
2018	15,891,299	€202.6 m	€12.75	€0.02	√	50%	93%
2019	16,568,565	€149.2 m	€9.00	€0.79	√	50%	82%
2020[(d)]	17,220,977	€163.6 m	€9.50	€2.58	√	50%	92%

(a) Paid in the subsequent year.
(b) 40% tax allowance provided for in Article 158-3-2 of the French General Tax Code and applicable to natural persons whose tax residence is in France.
(c) Percentage of shares eligible for dividend payment presented by shareholders for payment in shares.
(d) See 7.1.4 above.

Pursuant to Article 29 paragraph 6 of the Company's Articles of Association, the General Partner, who has unlimited liability for the Company's debts to third parties, receives in this capacity a dividend of 1.5% of the annual dividend. This amounted to €3,039 thousand in respect of financial year 2018, €2,237 thousand in respect of financial year 2019 and €2,462 thousand in respect of financial year 2020.

The treasury shares held by the Company do not bear dividends.

In accordance with the law, dividends not claimed after a period of five years from the date of payment are cancelled and paid to the State.

7.4.2 Dividend distribution policy

Under the terms of the Company's Articles of Association, it is the Supervisory Board that decides each year on the appropriation of earnings, distribution of the reserves and the dividend payment procedure to be proposed to the General Shareholders' Meeting (see 8.1.2.9 below).

The Company's dividend policy is based on an analysis that takes into consideration regulatory constraints, related in particular to the SIIC regime, dividends paid historically and the Group's financial position, results and growth outlook.

The Supervisory Board of the Company decided to propose to the next General Shareholders' Meeting, to be held in 2022 to approve the financial statements for the year ended 31 December 2021, the payment of a dividend of €9.75 per share in respect of the 2021 financial year, an increase of €0.25 (+2.6%) on the dividend paid for the previous financial year.

7.4.3 Expenditures and fees under Article 39-4 of the French General Tax Code

No expense or fee that is non-deductible for tax purposes within the meaning of Article 39-4 of the French General Tax Code was incurred in 2021.

8

ADDITIONAL INFORMATION

8.1 Company information

8.1.1 History and developments

1994
Altarea was founded by Alain Taravella and Jacques Nicolet.

1995
Control of Gerec, a company specialising in shopping centre development and created in 1973.

1996
Control of Espace Aménagement, the retail property management arm of Foncière Rallye.

2000
Delivery of Bercy Village, a redevelopment project started in 1997.

2001
Start of operations in Italy with the creation of **Altarea Italia.**

2002
Launch of **Retail Park** business.

2004
Stock exchange listing of Altarea on Euronext Paris. Start of operations in Spain with the creation of **Altarea España**.

2005
Adoption of **SIIC** status.

2006
Acquisition of property assets of Bail Investissement Foncière.

2007
Acquisition of **Cogedim**.

Transformation of Altarea into a partnership limited by shares.

2008
Capital increase of €375 million and entry of the APG pension fund into the capital of Altarea.

Companies in the Property Development division (Residential and Business property) become subsidiaries under Altareit, which is separately listed on Euronext Paris.

2009
Acceleration of the **sustainable development** process[(1)].

2010
Acquisition, by the consortium Altarea-ABP-Predica, of Aldeta, a company that owned the regional **CAP3000** shopping centre in Nice.

2011
Creation in partnership with the ABP Pension Fund and Predica of **AltaFund**, an office property investment fund.

2013
Long-term partnership with Allianz Real Estate concerning a portfolio of shopping centres.

Delivery of the first **Cogedim Club®**[(2)]. The Group also develops halls of residence for students, business tourism, etc.

2014
Delivery of the regional shopping centre Qwartz in Villeneuve-la-Garenne, which receives a MAPIC Award for its digital innovations.

Acquisition of **Histoire & Patrimoine**[(3)].

Partnership with Crédit Agricole Assurances in the Cogedim Club® operating company.

2016
Acquisition of **Pitch Promotion**.

The Group exceeds its objective **of 10,000 units sold** per year.

Delivery of the L'Avenue 83 shopping centres in Toulon and Le Parks in Paris.

2017
Delivery of the **large mixed-use project** Place du Grand Ouest in Massy.

Success of the competition for the construction of a shopping and leisure centre in Ferney Voltaire on the outskirts of Geneva.

2018
Sale of the **Kosmo** building in Neuilly-sur-Seine (global headquarters of Parfums Christian Dior) and **87 Richelieu** in Paris (Altarea Group head office).

First **S&P Global** credit rating: BBB (stable).

2019
Acquisitions of 85% of **Severini**, a developer active mainly in Nouvelle-Aquitaine, and 50% of **Woodeum**, a low-carbon residential developer.

Signature of two **Retail partnerships with Crédit Agricole Assurances** (for Proximity and International).

Acquisition for redevelopment of the current CNP Assurances head office above Paris-Montparnasse station.

2020
Launch of **Altarea Solutions & Services**[(4)].

Delivery of **87 Richelieu**, the Group's new head office, which won the Grand Prix Simi 2020[(5)], and **Convergence** in Rueil-Malmaison, Danone's new global headquarters, and a 46,000 m² **logistics platform** for Lidl near Nantes.

2021
Delivery of office buildings **Bridge** in Issy-les-Moulineaux (Orange's new head office, WiredScore labelled "Platinum") and **Eria** in La Défense (future Cybersecurity division).

Announcement of **partnership with Carrefour** for the transformation of three commercial sites into mixed-use urban projects.

Delivery of the **Paris-Montparnasse station** and finalisation of the **extension-renovation of CAP3000** with the premium email "**Corso**" to CAP3000.

Partnerships with Crédit Agricole Assurances for €1 billion in Retail (Alta Infrastructures for flow-through shops in stations and Alta Retail Parks).

From an extra-financial standpoint, the Group once again ranks **second place in the HCG France - Les Echos customer relations ranking** after making its debut in the Top 3 in 2020 and Cogedim won "**Customer Service of the Year**" for the 5th consecutive year. Altarea is once again recognised as a "**Top Employer France**"[(6)] and confirms, for the 6th consecutive year, its GRESB "**Green Star -5 stars**" status.

2022
Altarea is listed on the **SBF 120®** and CAC® MID 60 indices.

(1) The Group receives one of the three top French HQE® (high environmental quality) Retail certifications for Okabe (Kremlin Bicêtre) and generalises NF Habitat certification in Residential.
(2) The Group's Serviced Residences line for active seniors.
(3) Specialist in the rehabilitation of assets and tax exemption products (Malraux, historical monuments, land deficit, etc.)
(4) In-house value-added service platform to support customers and partners throughout their residential real estate project
(5) In the category "Renovated office building or particularly innovative redevelopment".
(6) Certification awarded by the Top Employers Institute.

8.1.2 General information

8.1.2.1 Company name
(Article 3 of the Articles of Association)

The Company's name is Altarea.

8.1.2.2 Legal form – applicable legislation
(Article 1 of the Articles of Association)

Altarea was originally incorporated as a *société anonyme* (a French public limited company).

It was transformed into a *société en commandite par actions* (a French partnership limited by shares) by resolution of the shareholders at the Combined General Shareholders' Meeting held on 26 June 2007.

Article 24.2 of the Articles of Association sets out that any Limited Partner (*i.e.* any shareholder) holding individually or in concert 5% or more of the share capital and voting rights of the Company may propose to the General Shareholders' Meeting to transform the Company into a *société anonyme*. As such, Limited Partners may decide, by a majority required for the Extraordinary General Shareholders' Meeting, to terminate the status of the *société en commandite par actions*. The General Partner may not oppose such a transformation. Nevertheless, as long as Alain Taravella, Co-Manager and General Partner, directly or indirectly holds more than a third of actual voting rights, such a decision would be contingent upon his voting in the affirmative.

Altarea is a company incorporated under the laws of France and governed principally by the provisions of Book II of the French Commercial Code.

Altarea is therefore subject to French law.

8.1.2.3 Special legislation applicable

Following the decision made in March 2005 by the Company and its eligible subsidiaries to opt for the tax regime available to *Sociétés d'Investissements Cotées* (SIIC) in accordance with Article 208-C of the French General Tax Code – decree no. 2003-645 of 11 July 2003, Altarea is subject to the specific provisions of this regime (see 8.1.2.9 below and the "Taxes" section of 3.2.2.2 above).

8.1.2.4 Head office
(Article 4 of the Articles of Association)

The registered office of Altarea is located at 87 rue de Richelieu - 75002 Paris.

Its telephone number is: +33(0)1 56 26 24 00.

Altarea is hosted by its sub-subsidiary Cogedim Gestion, which itself holds a commercial lease on the premises of its head office.

8.1.2.5 Date of constitution and lifespan of the Company
(Article 5 of the Articles of Association)

The Company was incorporated on 29 September 1954 and, in accordance with Article 5 of its Articles of Association, has a term of 99 years as of that date, unless it is extended or wound up early.

8.1.2.6 Corporate purpose
(Article 2 of the Articles of Association)

The Company's corporate purpose, both in France and abroad, on its own behalf and in participation with third parties, is as follows:

- principal purpose, either directly or indirectly through the companies it controls and manages, in the meaning of Article 8 and Paragraphs 1, 2 and 3 of Article 206 of the French General Tax Code:
  - the acquisition of land, property rights and building rights, as well as any assets and rights that may be subsidiary or ancillary to said property assets,
  - the construction of offices and all transactions directly or indirectly related with building these offices,
  - all for the purpose of: operating and creating value through letting these properties, leasing any type of property assets and investing in any companies with the same purpose;
- subsidiary purpose:
  - the management of buildings, property appraisals, property development and the acquisition for resale, renovation, maintenance and cleaning of property assets,
  - the development, management and operation of shopping centres,
  - the centralisation of cash management,
  - making available to subsidiaries its intellectual and industrial property rights,
  - the provision of services for the benefit of the subsidiaries,
  - investments or shareholdings, directly or indirectly, in any company or enterprise running a business of whatever nature in the field of real estate,
  - the exchange or disposal by sale, contribution or otherwise of the property assets acquired or built for leasing in accordance with the principal purpose of the Company;

and, in general, any civil, financial, commercial, industrial, real estate and other transactions deemed useful for the furtherance of one of the Company's above-mentioned purposes.

8.1.2.7 Identifying information

The Company is registered at the Paris Trade and Companies Registry under registration number 335 480 877.

The Company's SIRET number is 335 480 877 00430 and its business code is 6820B (Administration of other property assets).

The Company's legal entity identification code (LEI) is 969500ICGCY1PD6OT783.

The Company's intra-European VAT number is FR 34 335 480 877.

It is listed in Compartment A of Euronext Paris (ISIN code: FR0000033219 – Mnemonic: ALTA).

8.1.2.8 Financial year
(Article 28 of the Articles of Association)

The financial year begins on 1 January and ends on 31 December.

8.1.2.9 Statutory distribution of profits (Article 29 of the Articles of Association)

The distributable profit as defined by law is at the disposal of the Ordinary General Shareholders' Meeting. It may, in whole or in part, allocate it to any general or special reserve fund, carry it forward or distribute it to the shareholders.

For as long as the Company is subject to the regime set out in Article 208-C of the French General Tax Code, the amount of any distributions shall be determined in accordance with the provisions of the second, third and fourth paragraphs of Article 208-C II of the same code such that the Company may benefit from the provisions set out in the first paragraph thereof.

The Ordinary General Shareholders' Meeting, ruling on the accounts for the financial year, may grant each shareholder, for all or part of the dividend distributed or of an interim dividend, an option between the payment of the dividend, either in cash, or in ordinary shares, these securities being issued by the Company, in accordance with the legal and regulatory provisions in force.

Said Meeting may also decide to distribute all or part of the dividend in kind through the allocation of listed financial securities of the subsidiaries (including all listed rights and warrants that may confer entitlement to shares in the Company's subsidiaries) on the terms and conditions set out by current regulations and providing that equal treatment of all shareholders is respected.

Interim dividends may also be distributed in cash, in Company shares or in kind through the allocation of listed financial securities of the subsidiaries (including all listed rights and warrants that may confer entitlement to shares in the Company's subsidiaries) on the terms and conditions set out by current regulations and providing that equal treatment of all shareholders is respected.

The Ordinary General Shareholders' Meeting may decide at any time, on the terms and conditions set out by current regulations, to distribute sums taken from the reserves and/or premiums at its disposal, including by allocating listed financial securities of the subsidiaries (including all listed rights and warrants that may confer entitlement to shares in the Company's subsidiaries) providing that equal treatment of all shareholders is respected.

The General Partner is entitled to a priority dividend equal to 1.5% of the annual dividend paid.

Save in the event of a capital reduction, no distribution may be made to the shareholders if the Company's net equity is or would as a result of the distribution become lower than the amount of share capital plus any reserves which are not distributable by law.

All of the foregoing is without prejudice to any future issuance of non-voting preferred shares.

A Relevant Shareholder (as defined in Article 10 of the Articles of Association – see 7.1.1 above) whose own position or position of its shareholders causes the Company to become liable for the withholding (the "Withholding") referred to in Article 208-C II *ter* of the French General Tax Code (a "Liable Shareholder") shall compensate the Company for the Withholding arising upon any distribution of dividends, reserves, share premiums or "income deemed to be distributed" within the meaning of the French General Tax Code.

All Relevant Shareholders are deemed to be Liable Shareholders. A shareholder claiming not to be a Liable Shareholder must provide evidence thereof to the Company no later than five (5) business days before the distribution payment date in the form of a satisfactory unqualified legal opinion from a law firm of international repute and with recognised expertise in French tax law, certifying that the shareholder is not a Liable Shareholder and that the distributions made to it will not cause the Company to become liable for the Withholding.

Should the Company directly or indirectly hold a percentage of the dividend rights at least equal to that referred to in Article 208-C II ter of the French General Tax Code, or in one or more of the *sociétés d'investissements immobiliers cotées* referred to in Article 208-C of said Code (a "SIIC Subsidiary") and should a SIIC Subsidiary, due to the position of the Liable Shareholder, have paid the Withholding, the Liable Shareholder shall, as the case may be, compensate the Company either for the sum paid by the Company to the SIIC Subsidiary to compensate the SIIC Subsidiary's payment of the Withholding or, if the Company has not paid any compensation to the SIIC Subsidiary, for a sum equal to the Withholding paid by the SIIC Subsidiary multiplied by the percentage of dividend rights held by the Company in the SIIC Subsidiary, such that the Company's other shareholders do not bear any portion of the Withholding paid by any of the SIICs in the holding chain in respect of the Liable Shareholder (the "Additional Compensation"). The amount of Additional Compensation shall be borne by each of the Liable Shareholders in proportion to their respective dividend rights divided by the aggregate dividend rights held by all Liable Shareholders.

The Company shall be entitled to set off its claim against any Liable Shareholder subject to Withholding against sums due to be paid to the Liable Shareholder by the Company. Thus, sums deducted from Company profits, and which are exempt from corporate income tax under Article 208 C II of the French General Tax Code, due to be paid to the Liable Shareholder in respect of each share held in respect of the above-mentioned dividend distribution or a share buyback, will be reduced by the amount of the Withholding borne by the Company as a result of these sums and/or the Additional Compensation.

In the case of a scrip dividend, each Liable Shareholder will receive a portion of the sums due to be distributed in shares, with the proviso that no fractional shares shall be created, and the balance in cash paid into an individual current account so that the set-off mechanism described above can be applied to that portion of the distribution.

The amount of any compensation due by a Liable Shareholder will be calculated in such a way that the Company shall be in the exact same position after payment of the compensation and taking account of any related tax effects, as it would have been had the Withholding not been payable.

Should it transpire that (i) after a distribution of dividends, reserves or share premiums, or "income deemed to be distributed" within the meaning of the French General Tax Code made from the tax-exempt earnings of the Company or a SIIC Subsidiary under Article 208-C II of the French General Tax Code, a shareholder was in fact a Liable Shareholder on the distribution date, and that (ii) the Company or SIIC Subsidiary should have paid the Withholding in respect of the sums paid to the Liable Shareholder and said sums were paid without application of the reduction mechanism described above, the Liable Shareholder will be required to pay the Company compensation for its loss in a sum equal to the Withholding that the Company would then have to pay in respect of each share held by that Liable Shareholder on the distribution date, plus, where applicable, the amount of the Additional Compensation (together the "Indemnity").

The Company has the right to set off the Indemnity due against all sums that might subsequently be paid to the Liable Shareholder without prejudice, where applicable, to the prior application to said sums of the reduction described above. Should, after such set-off, the Liable Shareholder still owe the Company any sums in respect of the Indemnity, the Company may once again set off the outstanding balance against any sums that might subsequently be paid to the Liable Shareholder until the debt has been fully extinguished.

8.2 Other information

8.2.1 Competitive situation

Quantitative information on Altarea's businesses and services, current trends, competitive environment and earnings is given in the integrated strategic report and the business review (first and second parts of the Universal Registration Document). The business review also discusses the macroeconomic factors and business cycles affecting the shopping centre and residential property markets.

The Company's main competitors are as follows:

- in the shopping centres sector, the nine other REITs that together have more than €1 billion in market capitalisation, excluding the Altarea Group, are[1] Unibail-Rodamco-Westfield, Gecina, Covivio, Klépierre, Icade, Argan, Covivio Hotels and Carmila;
- in the property development sector, the ten leading property operators, which include the Altarea Group are[2]:
  - in residential[3]: Nexity, Kaufman & Broad, Vinci Immobilier, Bouygues Immobilier, Alila, Adim, Icade, Groupe Pichet and Procivis,
  - in business property: Nexity, Kaufman & Broad, Adim, BNP Paribas Real Estate, Vinci Immobilier, Crédit Agricole Immobilier, Bouygues Immobilier, Groupe WO2 and GA Smart Building.

8.2.2 Absence of material changes in the financial or business position[4]

Over the last 12 months, with the exception of what is shown, where applicable, in Note 11 to the consolidated financial statements (see 2.3 of this document) and paragraph 8.5 below, the Company has not experienced any material changes in its financial position or business situation.

The Group composed of the Company and its subsidiaries enjoys both the recurring revenue characteristic of a retail REIT and the added value of a developer active on the three main real estate markets (Retail, Residential and Business property).

The Company's press release on the financial information for the first quarter of the current financial year is reproduced in full in Section 8.5 below.

8.2.3 Information that can affect Altarea's businesses or profitability[4]

Overall, the Company is not dependent on its customers.

In the Retail division, the ten largest tenants of shopping centres managed by the Altarea Group accounted for 17% of total rental income (excl. VAT) as at 31 December 2021. Out of these, none accounted for more than 10% of rental income.

In addition, in the Property Development division (Residential and Business property), a single client alone accounted for more than 10% of the division's revenue at 31 December 2021, with €489.5 million (see Note. 4.4 to the consolidated financial statements in Chapter 2, 3 of this document). The ten largest customers accounted for 34% of total revenue.

The attention of the reader is drawn to the significant risks to which the Company is exposed and which are detailed in Chapter 5.2 of this document, in particular as regards the risks related to the evolution of the real estate market and the economic environment and uncertainties relating to the COVID-19 pandemic and the conflict in Ukraine (see Sections 5.2., 5.2.1 and 5.2.2.2), as well as the dispute mentioned in paragraph 5.1.6 above relating to legal and arbitration proceedings.

(1) Source: Institut de l'Epargne Immobilière & Foncière: Euronext IEIF SIIC France, index nomenclature as of 31/12//2021 (www.ieif-indices.com).

(2) In global business volume in millions of euros - Developers' Ranking 2021 (33rd ed.) - Innovapresse - pages 13 and 15. Altarea being ranked 2nd in terms of business volume in residential and 4th in terms of business volume in the tertiary sector (offices, retail, hotels and business/logistics premises).

(3) Including the Serviced Residences business.

(4) This paragraph of the Management Report has been updated since the closing of the 2021 financial statements on 22 February 2022.

8.3 Persons responsible for the Universal Registration Document and the audit of the financial statements

8.3.1 Person responsible for the Universal Registration Document

Altafi 2, Co-Manager, represented by its Chairman, Mr Alain Taravella.

8.3.2 Statement by the person responsible for the Universal Registration Document

"I certify that the information contained in this Universal Registration Document is, to the best of my knowledge, true and fair and free from material omission.

I declare that, to the best of my knowledge, the financial statements were prepared in accordance with generally accepted accounting principles and give a true and fair view of the assets, liabilities, financial position and earnings of the Company and all entities included within the Company's scope of consolidation. I also declare that, to the best of my knowledge, the management report, the cross-reference table of which appears on page 316, gives a true and fair view of the businesses, earnings, financial position and primary risks and uncertainties of the Company and all entities included in the Company's scope of consolidation."

Altafi 2

Co-Manager

Represented by its Chairman

Mr Alain Taravella

8.3.3 Persons responsible for the audit of the financial statements

Statutory Auditors[(a)]	Date of first appointment	Start date and duration of current term	Expiration of term
Full members			
GRANT THORNTON 29 rue du Pont, 92200 Neuilly-sur-Seine Represented by Pascal Leclerc	15 April 2016	15 April 2016 6 financial years	GSM on the accounts for the financial year 2021
ERNST & YOUNG ET AUTRES Tour First – 1 place des Saisons, 92400 Courbevoie Represented by Anne Herbein	28 May 2010	15 April 2016 6 financial years	GSM on the accounts for the financial year 2021
Alternates			
IGEC – Institut de Gestion et d'Expertise Comptable 22 rue Garnier – 92200 Neuilly-sur-Seine	15 April 2016	15 April 2016 6 financial years	GSM on the accounts for the financial year 2021
AUDITEX Tour First – 1 place des Saisons, 92400 Courbevoie	28 May 2010	15 April 2016 6 financial years	GSM on the accounts for the financial year 2021

(a) The Company's Statutory Auditors are members of Compagnie Nationale des Commissaires aux Comptes.

8.4 Documents and information

8.4.1 Documents incorporated by reference

In compliance with Article 19 of Regulation (EU) 2017/1129, the following information is incorporated into this Universal Registration Document by reference:

- the consolidated financial statements and corresponding audit report provided on pages 91 and 149, the annual financial statements and corresponding audit report provided on pages 155 and 176, as well as the management report provided on page 53 of the 2019 Universal Registration Document filed with the Autorité des Marchés Financiers on 23 March 2020 under number D. 20-0158;
- the consolidated financial statements and corresponding audit report provided on pages 69 and 123, the annual financial statements and corresponding audit report provided on pages 129 and 150, as well as the management report provided on page 39 of the 2020 Universal Registration Document filed with the Autorité des Marchés Financiers on 19 March 2021 under number D. 21-0158.

8.4.2 Documents available

For the full period of validity of this Universal Registration Document, the following documents are available to the public in electronic or printed form and can be obtained from the Company's registered office at 87 rue de Richelieu – 75002 Paris, on working days and during office hours:

- the Company's most recent Articles of Association;
- all reports, letters and other documents, past financial data and expert opinions or statements requested by the Company that are included or mentioned in this Universal Registration Document.

All regulated company information circulated by the Company in accordance with Articles 221-1 *et seq.* of the AMF General Regulation, such as Universal Registration Documents (including the annual financial statements) containing essentially the Company's historic financial information, filed with the AMF for the past ten financial years, and any updates thereof, are available on the Company's internet site (www.Altarea.com, heading Financial information/ Regulatory information). The information which appears on the Company's website is not part of this Universal Registration Document unless it has been incorporated by reference.

8.4.3 Third party information

Some information in this Universal Registration Document has come from third-party sources. The Company hereby confirms that this information has been faithfully reproduced and, as far as the Company is aware and can confirm in the light of the information published, no fact has been omitted that would render the information produced inaccurate or misleading.

8.4.4 Property appraisers report

Overview of valuation reports prepared by Altarea's independent external appraisers

General context of the valuation

Background and instructions

In accordance with the instructions of Altarea ("the Company") as detailed in the signed valuation agreements between Altarea and the appraisers, we have valued the assets held by the Company taking account of the nature of their ownership (freehold, ground lease, etc.). This Summary Report, which outlines the terms of our engagement, has been prepared for inclusion in the Company's Universal Registration Document.

The valuations were undertaken by our valuation teams in each of the various countries and were reviewed by the pan-European valuation teams. In order to determine a market value for each asset, we took into consideration property transactions across Europe and not only domestic transactions. We confirm that our opinion on the market value has been reviewed in the light of the other appraisals carried out in Europe, in order to have a consistent approach and to take into consideration all the transactions and information available on the market.

The valuations were performed using the discounted cash flow and capitalisation methods, which are regularly used for these types of assets.

We can confirm that we did not receive fees from the Company representing more than 10% of our respective revenues.

Our valuations were performed as of 31 December 2021.

Standards and general principles applied

We confirm that our valuations were performed in accordance with the latest edition of the RICS Valuation – Global Standards 2019 ("Red Book"), effective 31 January 2020. This is an internationally-accepted valuation basis. Our valuations are compliant with IFRS and IVSC guidance. The valuations were prepared on the basis of the recommendation of the Autorité des Marchés Financiers (AMF) on valuation data pertaining to the real estate assets of listed companies, as published on 8 February 2010. They also take into account the recommendations of the Barthès de Ruyter report on the valuation of real estate of listed companies, as published in February 2000.

We confirm that we have prepared our valuations as external and independent valuers, as defined by the RICS Red Book. We also confirm that the appraisals were performed in accordance with the principles of IFRS 13, *i.e.*, on the basis of the "highest and best use" of each asset.

The market value set out hereafter generally approximates fair value within the meaning of IFRS, and particularly IFRS 13.

Basis of valuation

Our valuations correspond to Fair Values and are reported to the Company on both a net basis (after deduction of transfer duties and costs) and gross basis (before deduction of transfer duties and costs).

Valuation considerations and assumptions

Information

The Company's management was asked to confirm that the information provided relating to the assets and tenants was complete and accurate in all material respects. Consequently, we have assumed that all relevant information known by Company employees that could have an impact on values was made available to us and that this information was up to date in all material respects. This includes running costs, work undertaken, financial information (including doubtful debts), turnover rents, lettings signed or in the process of being signed and lease incentives, in addition to the list of leases in force and vacant units.

Floor areas

We have not measured the assets and have therefore based our valuations on the floor areas that were provided to us.

Environmental analysis and ground conditions

We have not been asked to undertake a study of ground conditions or an environmental analysis, and therefore have not investigated past events in order to determine if the ground or buildings are or have been contaminated. Unless provided with information to the contrary, we have worked on the assumption that the assets are free from historic ground contamination or potential contamination, and that the condition of the land will not affect its current or future usage.

Planning regulations

We have not reviewed the relevant planning permissions and have assumed that the assets have been built, and are occupied and used, in conformity with all necessary authorisations and that the land is free of legal restrictions. We have assumed that the layout of the assets conforms to legal requirements and planning regulations, including as regards structures, fire protection, health and safety, and security. We have also assumed that any extensions in progress are being undertaken in line with planning regulations and that all necessary authorisations have been obtained.

Title deeds and tenancy schedules

Our work was based on the tenancy schedules, summaries of additional revenues, non-recoverable charges, capital projects and business plans provided to us. We have assumed, beyond that which is set out in our individual asset reports, that the assets are not subject to any constraints that could impede a sale, and that they are free from any restrictions or charges. We have not reviewed the title deeds and have taken as correct the rental, occupational and all other pertinent information provided to us by the Company.

Condition of the assets

We observed the general condition of each asset during our inspection. While our engagement does not include a building or structural survey, we have indicated in our report any disrepair that was visible during our inspection. The assets were valued based on the information provided by the Company, which state that no deleterious or harmful materials were used in their construction.

Taxation

Our valuations are prepared on the basis of Fair Value and were performed without taking into account any fees or taxes that may be applicable in the event of a transfer. Rental and market values are stated net of value-added taxes.

Confidentiality and disclosure

In accordance with our standard practice, we confirm that our valuation reports are confidential and are addressed solely to the Company. Accordingly, we accept no liability to third parties. This report, or an extract thereof, may not be published or reproduced in any document, declaration, memorandum or communication with any third party without our prior written consent as regards the form and context in which this information may appear. In signing this Summary Report, the individual valuation firms accept no liability for the valuations carried out by the other firms.

Christophe Adam Director JLL Expertises	Béatrice Rousseau Director CBRE Valuation	Jean-Philippe Carmarans Chairman Cushman & Wakefield Valuation France

8.5 First quarter 2022 financial information

Press release

Paris, 25 April 2022, 5:45 p.m.

Business driven by the urban transformation market

Altarea, leader in urban transformation

A comprehensive real estate offering serving the city and its users

A €19.4 bn pipeline[1] (4.3 million m^2, 800 projects)

Major progress on large mixed-use projects

"Cœur de ville" delivered in Bezons (65,000 m^2), construction in Bobigny (100,000 m^2) launched

New projects in the Regions (Rouen, Tours, Annecy)

Residential supply rebuilt amid persistently strong demand

Supply ramped up, particularly in new regional markets

Priority given to Individuals with new orders up +28%

Agile monitoring of activity in a context of inflation

Multiple value-creating transactions in Business Property

Sale of the remainder of Orange's head office; offices sold off-plan in the Regions

Lease of the Group's first urban logistics project in Paris's 12th arrondissement

Retail business gets back to normal

Retailer sales back to 2019 levels

Net rental income up, collection rate near normal, sharp decline in bad debts

Financial performance

Consolidated revenue up to €661.2 m (+0.9% vs 2021 and +11.6% vs 2019)

Net debt down to €1,518 m (-€128 m vs 31/12/2021 and -€798 m over 12 months)

Strong liquidity at €3,035 m

Annual General Meeting on 24 May 2022

Proposed dividend for 2021: €9.75/share (+2.6% vs 2020)

Change in payment terms: dividend to be paid fully in cash on 31 May 2022

Outlook

Given the non-completion of the acquisition of the Primonial group, Altarea modifies the guidance announced on 22 February 2022

Considering the first quarter performance, Altarea expects its 2022 operating profit to be significantly higher than 2021 and 2019, unless the macroeconomic and geopolitical context deteriorates further

By 2025, Altarea is targeting FFO[2] per share of around €18, mainly generated by organic growth

Unaudited data as of 31 March 2022

(1) Potential value at end-December 2021. Potential value = market value at delivery date. Retail: potential market value including transfer duties of projects on delivery (net rents capitalised at a market rate) at 100%, and revenue excluding tax for development projects. 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, near stable year-on-year.

(2) Funds from operations (FFO): net profit excluding changes in value, calculated expenses, transaction fees and changes in differed tax.

"Since the beginning of the year, Altarea has taken full advantage of the booming urban transformation market, in which it holds undisputed leadership positions with its comprehensive offering and wide product ranges. Operational successes achieved in each of our business lines make us confident about our outlooks, while remaining vigilant as to the changes in the environment.

In an inflationary context, driven by the consequences of the war in Ukraine, Altarea has already hardened its criteria in terms of land commitments and project launches. We note, however, that demand remains strong from all customers, with real estate playing its full role as a safe haven in times of crisis. More than ever, Altarea is proactive in terms of risk management, and will make the most of its agility and ability to seize opportunities in a market that remains favourably oriented.

Altarea remains confident in its long-term outlooks, which are fundamentally based on the urban transformation market. Given the non-completion of the acquisition of the Primonial group, we modify the guidance announced on 22 February. Considering the first quarter performance, we expect its 2022 operating profit to be significantly higher than 2021 and 2019, unless the macroeconomic and geopolitical context deteriorates further. By 2025, we are targeting FFO per share of around €18, mainly generated by organic growth.

Altarea's financial structure is particularly sound, with historically low net debt and abundant liquidity. As a result, and given the absence of any significant acquisition in the short term, Altarea will propose to the next Annual General Meeting of Shareholders the payment of the annual dividend entirely in cash."

Alain Taravella, Chairman and Founder of Altarea

Residential: supply rebuilt amid persistently strong demand

Supply ramped up, particularly in new regional markets

Over the quarter, Altarea intensified its efforts to increase supply, which rose to 5,795 units, +25% vs 2021 and +29% vs 2019. Growth was mainly driven by the new territories which contributed nearly a quarter of Q1 supply (Angers, Tours, Caen, Amiens, etc.).

In units	31/03/2022	31/03/2021	31/03/2020	31/03/2019
Supply	5,795	4,623	4,032	4,480

In addition to these development successes, Altarea has succeeded in speeding up times to market, with, in particular, an increase in building permits granting.

In units	31/03/2022	31/03/2021	
Building permits granted	2,323	1,933	+20%
Land bought	2,600	1,446	+80%
Commercial launch (individuals only)	1,753	924	+90%

Priority given to Individuals with new orders up +28%

Despite a clear rise in supply, demand cannot be fully met. In this context, Altarea has pro-actively given priority to Individual investors. First-quarter sales were stable in value terms but with a radically changed mix: new orders from Individual investors grew +28% to represent 75% of sales (against 58% in 2021), so recovering to pre-Covid levels.

New orders	31/03/2022	31/03/2021		31/03/2019
In value (incl. VAT)	€588m	€587m	+0%	€627m
o/w Individual investors	*€439m*	*€343m*	*+28%*	*€440m*
o/w Institutional investors	*€149m*	*€245m*	*-39%*	*€187m*
In volume (units)	1,944 units	2,121 units	-8%	2,651 units
o/w Individual investors	*1,445 units*	*1,144 units*	*+26%*	*1,543 units*
o/w Institutional investors	*499 units*	*977 units*	*-49%*	*1,108 units*

Outlook: Agile monitoring of activity in a context of inflation

In an environment dominated by resurgent inflation and supply chain disruptions, commercial mix management is a lever for steering the Group's profitability. Real estate is playing its role as a safe-haven asset, particularly for Individual investors. Altarea is therefore focusing its offer on this customer segment, even though Institutional demand remains strong. With the supply now regularly replenished, Altarea intends to pursue this strategy over the coming months. In the short term, Altarea can rely on a near-stable backlog[1] of €3,650 million (-1.9% vs end-2021), representing around 1.5 times 2021 Residential revenue.

(1) The backlog is a leading indicator of potential revenue, which includes revenue from sold units and those subject to completion to be booked in revenue according to technical progress.

Business Property: value-creating transactions

Offices

Paris region: full disposal of Orange's global headquarters

During the first quarter 2022, Altarea sold to Crédit Agricole Assurances its remaining 10% stake in Bridge, Orange's global headquarters in Issy-les-Moulineaux (58,000 m²). This project is particularly representative of the Group's expertise in new-generation offices, characterised by user comfort adapted to new ways of working and with exemplary energy efficiency.

Regions: two off-plan sales[1]

In the Regions, Altarea has agreed a third off-plan sale with Tivoli capital, to develop a 4,200 m² co-working space in the Jolimont building in Toulouse, and another in Marseille with Erilia, a social housing enterprise (SHE) which will move its head office into 6,200 m² of the Porte Est project by 2024.

Logistics

Logistics platform off-plan lease[2]

Altarea Logistique has signed an off-plan lease with Logeos covering 25,000 m² out of a total 38,000 m² in a future multi-user logistics platform located on the link road between Nantes and Rennes, confirming the Group's growing expertise in this fast-growing real estate sector.

Urban logistics

At the end of March Altarea signed an agreement to let the Manufacture de Reuilly building. This project, located in the heart of the 12th arrondissement of Paris, is the first urban logistics site to be developed by the Group.

Outlook

With a pipeline of nearly €5 billion, Altarea is France's leading Business Property developer not only by volume but also by the depth and diversity of its offering. Business Property should continue to contribute significantly to Group profits in the future.

Retail: business gets back to normal

Retailer sales: back to 2019 levels

In the first quarter of 2022, tenant's revenue returned to their level of 2019[3] despite lower footfall[4]. The end of Covid restrictions[5] since mid-March should help restaurants and leisure activities, the sectors hardest hit by these measures.

CAP3000 won the world's "Best shopping centre" award at the MIPIM Awards 2022[6]

CAP3000, the emblematic shopping centre on the Côte d'Azur, has once again been rewarded for its sea-front extension and its catering & lifestyle offering. This exceptional site, certified BREEAM "Excellent", is also the first shopping centre in the world to earn the BiodiverCity label.

Net rental income up, collection rate near normal, sharp decline in bad debts

The Group's net rental income (IFRS) for the first quarter 2022, was €50.3 million, up +5.9% of which +4% due to scope effects. The collection rate is 91.6%[7]. Excluding catering and leisure activities, the rate stood at 94.1%, close to pre-Covid levels. As a result of this improvement, bad debts fell sharply, which should have a significantly favourable impact on net rental income for the first half 2022 (lower bad debts provisions).

Outlook

In an inflationary environment, Altarea expects a recovery in tenants' revenue, with increased differentiation by sector and retail concept. Demand from brands remains strong and the financial vacancy rate is nearly back to pre-crisis levels. As a result, rent levels should start growing again, thanks in part to the effect of rent indexation[8].

(1) In French, VEFA (vente en l'état futur d'achèvement).

(2) In French, BEFA (bail en l'état futur d'achèvement).

(3) +1,0% vs 2019 (at constant surface area, excluding restaurants and leisure activities). Cumulative data from January to March.

(4) Footfall from January to March 2022 was down 14% on the same period 2019 at a constant surface area basis.

(5) Mask-wearing and vaccine passports.

(6) The MIPIM (Marché International des professionnels de l'Immobilier) Awards reward the world's most exciting real estate projects each year.

(7) €77.1 million received out of €84.2 million in rents and charges billed (including VAT).

(8) There were changes to the way the French official retail rent index - Indice de Loyers Commerciaux (ILC) - is calculated. It is now composed 75% by the consumer price index (IPCL) and 25% by the construction cost index (ICC), giving an increase of +2.42% for the rolling annual inflation to end-2021.

Financial performance

First-quarter 2022 revenue: €661.2 million (+0.9% vs. 2021 and +11.6% vs. 2019)

In €m (excl. tax)	Q1 2022	Q1 2021	Change 22/21	Q1 2020	Q1 2019
Revenue by% of completion	549.9	535.5	+2.7%	384.2	433.0
External services	3.2	2.4	-	2.7	1.8
Residential	**553.0**	**537.8**	**+2.8%**	**386.9**	**434.8**
Revenue by% of completion	51.9	59.5	-12.9%	116.7	101.0
External services	1.5	3.9	-	1.1	1.0
Business Property	**53.4**	**63.5**	**-15.9%**	**117.8**	**102.0**
Rental income	50.3	47.5	+5.9%	51.4	49.1
External services	4.6	4.7	-	4.2	6.6
Revenue by% of completion	-	1.6	-	6.0	-
Retail	**54.8**	**53.8**	**+2.1%**	**61.6**	**55.7**
REVENUE	**661.2**	**655.1**	**+0.9%**	**566.2**	**592.5**

Consolidated first-quarter 2022 revenue amounted to €661.2 million (+0.9%):

- Residential: revenue growth (+2.8%) reflects healthy sales and technical progress,
- Business Property: the fall in revenue (-15.9%) is linked to the change in business mix (PDCs for large Paris projects delivered in 2021, increasing contribution of new projects in the Regions). The sale of the remaining stake of Bridge will be booked as a contribution by equity-method affiliates in the half-year financial statements,
- Retail: rental income grew +5.9%, of which +4% was linked to scope effects.

Reduction in net debt and strong liquidity

On 31 March 2022, net debt[1] was €1,518 million, down €128 million vs 31 December 2021. This fall was in large part due to the signature in February 2022 of the Alta Infrastructures partnership specialising in retail outlets at European rail stations with Crédit Agricole Assurances.

Over 12 months, net debt has fallen by €798 million. As a reminder, Altarea's consolidated LTV[2] was 24.1% at 31 December 2021.

At end-March 2022, the Group had €3,035 million in liquidity[3] (+€365 m vs 31/12/2021). This cash position is notably linked to retail partnerships signed in 2021 and in 2022, and to the €350 million capital increase in December 2021, transactions realised in the view of the acquisition of Primonial Group.

Given the cash position and the absence of any significant external growth in the short term, Altarea will propose to its shareholders to pay the 2021 dividend fully in cash (see next paragraph "Annual General Meeting").

On 18 March 2022 the S&P Global ratings agency confirmed the rating Investment Grade, BBB-, with a negative outlook.

(1) Bank and bond debt.

(2) Loan-to-Value (LTV): indebtedness ratio. Consolidated net bond and bank debt/Consolidated market value of Group assets.

(3) Of which €688 million cash at corporate level, €1,196 million undrawn facilities, and €1,151 million at project level. Figures are exclusive of Neu CP (treasury notes) which stood at €559 million at end-March.

Primonial(1)

On 2 March 2022, Altarea informed the public that the acquisition of the Primonial Group could not be completed on the terms agreed. In the course of reviewing the legal documentation, some elements of which were only disclosed on 25 February 2022, Altarea found that the conditions precedent agreed for the acquisition of the Primonial Group on 2 March 2022 had not been met, due to non-respect - in substance, form and deadlines - of the provisions of the acquisition protocol signed in July 2021, which has lapsed following the failure to complete the prior operations required by the protocol.

Given the non-completion of the Primonial acquisition, the Company and its indirect subsidiary Alta Percier 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.

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

Annual General Meeting - Changes in payment terms

Following the Supervisory Board meeting held today, it was decided to change the terms of payment of the annual dividend:

- the dividend proposed in respect of financial year 2021 is unchanged at €9.75/share (vs €9.50 last year),
- the dividend will be paid fully in cash (the option to take part-payment in shares is cancelled),
- the payment date is now set at 31 May 2022 (vs 28 June initially) with an ex-dividend date on 27 May.

The agenda item and draft resolutions published in the BALO (French official state bulletin) on 15 April 2022 will be amended accordingly.

These proposals will be submitted to the shareholders for approval at the Annual General Meeting on 24 May 2022, to be held at 11:00 a.m. at the Group's headquarter.

Financial calendar 2022

- Annual General Meeting: 24 May 2022 (11 a.m.)
- 2021 Dividend:
  - 27 May 2022: Ex-dividend date
  - 31 May 2022: Payment of dividend in cash
- Half-year results 2022: 28 July 2022 (after market close)

(1) Please refer to the original text in French for more strict legal terms.

Cross-reference table

Universal Registration Document cross-reference table

The cross-reference table below can be used to identify the information required by Annexes 1 and 2 of the Delegated Regulation (EC) 2019/980 of 14 March 2019.

Headings of Annexes 1 and 2 of the Delegated Regulation of 14 March 2019		Section	Page
1	**Persons responsible**		
1.1	Identity of the persons responsible	8.3.1	306
1.2	Statement by persons responsible	8.3.2	306
1.3	Appraisers' declaration	8.4.4	307
1.4	Statement relating to third-party information	8.4.3	307
1.5	Declaration without prior approval of the competent authority	AMF insert	1
2	**Statutory Auditors**	8.3.3	306
3	**Risk factors**	5.2	237 to 247
4	**Information about the issuer**		
4.1	Company name and business name	8.1.2.1	303
4.2	Place, registration and legal entity identification code (LEI)	8.1.2.7	303
4.3	Date of constitution and lifespan of the Company	8.1.2.5	303
4.4	Registered office, legal form, applicable legislation, country of origin, website, address and telephone number of the registered office	8.1.2 - 8.4.2	303 - 307
5	**Business overview**		
5.1	Principal activities	RSI - 1.1 - 1.2	3 to 41
5.2	Main markets	RSI - 1.1 - 1.2	3 to 41
5.3	Exceptional events	RSI - 2.3.4.1 - 8.5	10 to 11 - 75 to 76 - 309 to 313
5.4	Strategy and objectives	RSI - 1.1 - 1.2 - 8.5	4 to 7 - 18 to 41 - 309 to 313
5.5	Issuer's dependency on patents, licences, contracts or new manufacturing processes	N/A	
5.6	Statement on competitive position	1.2.2.1 - 8.2.1	35 - 305
5.7	Investments		
5.7.1	High-value investments made	1.2.1.3 - 1.2.3.3	31 - 40 - 41
5.7.2	Main investments underway or which the issuer intends to make in the future	1.2.1.4 - 1.2.3.2	33 - 39
5.7.3	Joint-ventures or affiliates likely to have a major impact	2.3.4.2 - 2.3.4.5	77 to 82
5.7.4	Environmental issues	RSI - 1.1.3 - 4	19 - 23 - 29 - 141 to 229
6	**Organisational structure**		
6.1	Brief summary of the Group	RSI - 7.3	8 - 20 to 21 - 299
6.2	List of significant subsidiaries	2.3.4.2	77 to 81
7	**Review of financial position and income**		
7.1	Financial position	RSI - 1	22 to 50
7.2	Operating income/(loss)	1.2 - 1.3	30 to 46
8	**Cash flow and capital resources**		
8.1	General information about the share capital	1.4 - 2.3.6	47 to 50 - 85 to 90
8.2	Cash flow	2.1 - 2.3.6.2.5	56 - 90
8.3	Borrowing requirements and funding structure	1.4 - 2.3.7	47 to 50 - 91 to 96
8.4	Restrictions on the use of capital resources	2.3.6.2 - 2.3.8.3	87 to 90 - 100
8.5	Anticipated sources of funds	1.4 - 2.3.8.3	47 to 50 - 100
9	**Regulatory environment**	5.1.5 -5.2.2 - 5.2.3 - 5.2.5	236 - 238 to 241 - 243
10	**Trend information**		
10.1	Material trends and changes since the end of the previous financial year	8.2.2	305
10.2	Events that may have a material impact on the outlook	5.2 - 5.2.1 - 5.2.2.2- 8.2.3	237 - 238 - 239 - 305

Headings of Annexes 1 and 2 of the Delegated Regulation of 14 March 2019		Section	Page
11	**Profit forecasts or estimates**	N/A	
12	**Administrative, management and supervisory bodies and general management**		
12.1	Information about the members	6.2	251 to 263
12.2	Conflicts of interest	6.2.5.1	269
13	**Compensation and benefits**		
13.1	Compensation paid and benefits in kind	6.3	271 to 285
13.2	Provision for benefits payable at retirement	2.3.6.3	90
14	**Procedures of administrative and management bodies**		
14.1	Expiration of the terms	6.2	251 to 256
14.2	Service contracts binding on the members of the issuer's executive, Managerial or supervisory bodies	2.3.9 - 6.3.3	101 - 274 to 283
14.3	Information about the Audit Committee and the Compensation Committee	6.2.3.2	266 to 267
14.4	Declaration of compliance with the Company's current Governance Policy	6.1	250
14.5	Events which could have a major impact on Corporate Governance	N/A	
15	**Employees**		
15.1	Number of employees	4.4.1 - 4.5.2	195 to 196 - 205
15.2	Shareholding and stock options	2.3.6.1 - 4.4.3 - 6.3.3	86 - 200 - 274 to 283
15.3	Arrangements involving employees in the issuer's capital	4.4.3 - 7.1.4 - 7.1.5	200 - 294 - 295
16	**Main shareholders**		
16.1	Shareholders with more than 5% of the share capital	7.1.5	295
16.2	Different voting rights	N/A	N/A
16.3	Direct or indirect control	7.1.6	296
16.4	Agreement which, if implemented, could result in a change of control	N/A	N/A
17	**Related party transactions**	2.3.9 - 3.5	101 - 139 to 140
18	**Financial information concerning the issuer's assets and liabilities, financial position and results**		
18.1	Historical financial information	2 - 3 - 8.4.1	51 - 113 - 307
18.2	Interim and other financial information	N/A	
18.3	Audit of the historical financial information	2.4 - 3.4 - 3.5 - 4.7	106 - 135 - 139 - 226
18.4	Pro forma financial information	N/A	
18.5	Dividend policy	7.4 - 8.5	300 - 313
18.6	Administrative, legal and arbitration proceedings	5.1.6	237
18.7	Material change in the financial position	8.2.2	305
19	**Additional information**		
19.1	Share capital		
19.1.1	Amount and characteristics	7.1.1	292
19.1.2	Shares not representative of share capital	N/A	
19.1.3	Treasury shares	7.1.2	293
19.1.4	Securities that are convertible, exchangeable or with subscription warrants	7.1.3	293
19.1.5	Rights or obligations attached to authorised share capital	6.4.1 - 7.1.1	286 to 287 - 292
19.1.6	Capital of a member of the Group subject to an option	N/A	
19.1.7	Share capital history	7.1.4	294
19.2	Deeds of constitution and Articles of Association		
19.2.1	Corporate purpose	8.1.2.6	303
19.2.2	Rights, privileges and restrictions relating to each share class	6.5 - 8.1.2.9	289 - 304
19.2.3	Provisions that may delay, defer or prevent a change of control	N/A	
20	**Significant contracts (concluded outside the normal course of business)**	N/A	
21	**Documents available**	8.4.2	307

Cross-reference table for the annual financial report
(Articles 222-3 of the AMF General Regulation and L. 451-1-2 of the French Monetary and Financial Code)

Title		Section	Page
1.	**Annual financial statements**	3	113
2.	**Consolidated financial statements**	2	51
3.	**Management report**		See below
4.	**Supervisory Board report on corporate governance**	6	249
5.	**Statutory Auditors' reports**		
	Report on the annual financial statements	3.4	135
	Report on the consolidated financial statements	2.4	106
6.	**Statement by persons responsible**	8.3.2	306

Cross-reference table for the management report
(Articles L. 225-100-1, L. 232-1 and L. 233-26 of the French Commercial Code)

Title	Section	Page
I. Activities		
Analysis of changes to the business, results and financial position of the Company during the past financial year	1	27 to 50
Analysis of changes to the business, results and financial position of the Group during the past financial year	1	27 to 50
Results of the subsidiaries and companies controlled by type of business	1.2 - 1.3 - 2.3.4.2	30 to 45 - 77 to 80
Research and development activities	4.3.5	191 to 192
Foreseeable changes and outlook	RSI - 1.1.2 - 1.2 - 8.2.3	27 to 29 - 30 to 41 - 305
Important events occurring after the closing date of the financial year	2.3.11 - 8.2.3	105 - 305
II. Risks and internal control		
Description of the principal risks and uncertainties	5.2	237 to 247
Main characteristics of the internal control and risk management procedures relating to the preparation and treatment of accounting and financial information	5.1.3	234 to 235
Group policy in terms of financial risk management and exposure to pricing, credit, liquidity and cash flow risks	2.3.8 - 5.1.4 - 5.2.4	97 to 100 - 235 - 242
Indications on financial risks linked to climate change and presentation of the measures taken by the Company to limit them	5.2.2.1	238
III. Declaration of Extra-Financial Performance (Article L. 225-102-1 of the French Commercial Code)	**4**	141 - 229
IV. Legal information and information on the shareholders		
Employee participation in the share capital (Article L. 225-102 of the French Commercial Code)	7.1.5	295
Identity of shareholders holding more than 5% - treasury shares (Article L. 233-13 of the French Commercial Code)	7.1.5	295
Information on share buybacks (Article L. 225-211 of the French Commercial Code)	7.1.2	293
Amount of dividends distributed over the last three years (Article 243 bis of the French General Tax Code)	7.4	300
Summary of transactions by officers in the securities of the Company (Article L. 621-18-2 of the French Monetary and Financial Code and 223-26 of the General Regulation of the AMF)	7.1.7	297
V. Supervisory Board report on corporate governance	**6**	249 to 289
VI. Other information		
Equity investment or takeover of companies domiciled in France (Article L. 233-6 the French Commercial Code)	7.3	299
Information on supplier payment terms (Article L. 441-6-1 of the French Commercial Code)	3.3.1	133
Table of the Company's results over the last five years (Article R. 225-102 of the French Commercial Code)	3.3.2	134

Glossary

Acronyms and abbreviations

GLA: Gross Leasing Area

EXCL. TR. TAX: Excluding transfer taxes/**INCL. TR. TAX:** Including transfer taxes

EXCL. TAX: Excluding tax/**INCL. TAX:** Including tax

LFL: On a like-for-like basis

GS: Group share

CBD: Central Business District

SA: Surface area or total surface area of the rooms (internal measurements)

TNFA: Total net floor area

CHG.: Change

A

AVERAGE COST OF DEBT: The average cost of debt is the ratio of the total financial costs of short- and long-term financial instruments including related fees (commitment fees, non-use fees, etc.) to the average debt for the period.

B

BEFA: A BEFA (Lease in the Future State of Completion), also called a "turnkey rental", consists for a developer to rent a building before its construction.

BREEAM®: Building Research Establishment (BRE) Environmental Assessment Method. Method of assessing the environmental performance of buildings developed by the BRE, a private British building research establishment. It is now applicable throughout the world through the BREEAM In-Use international pilot standard.

BUSINESS PROPERTY BACKLOG: Revenue (excl. tax) from notarised sales not yet recognised according to percentage of completion, new orders pending notarised deeds (signed PDAs) and fees pending receipt from third parties under signed agreements.

BUSINESS PROPERTY DEVELOPER: The Group operates under off-plan sales, off-plan leases and property development contracts, with a particularly strong position on the turnkey users market or as service provider under delegated project management contracts.

C

CNCC: Conseil National des Centres Commerciaux, the French Council of Shopping Centres. French professional organisation of all shopping centre industry professionals, which publishes an index of revenue earned in the shopping centres of the member companies.

COMMERCIAL LAUNCH (RESIDENTIAL): A commercial launch is the release for sale of a residential property programme. This is when the price list is drawn up (a selling price is set for each unit) and the promotional material (sales plans and sales leaflets) is made available. It equates to revenue incl. tax when expressed in value.

COST PRICE: Total development budget including interest expenses for the transaction and capitalised internal costs (including land price) in the case of off-plan sale or lease investment and development projects.

CSR: Corporate Social Responsibility (CSR) is a "concept whereby companies voluntarily incorporate social, environmental and economic concerns into their business activities and their interaction with their stakeholders". By adopting operating practices which are more ethical and more sustainable, they should be able to play their part in creating a better society and protecting the environment. Stated more clearly, it is "the contribution of companies to the challenges of sustainable development". (Source: French Ministry for the Ecological and Inclusive Transition).

"CUSTOMER SERVICE OF THE YEAR" AWARD: The award, which was created in 2007 by Viseo Customer Insights, uses mystery shoppers to annually test the customer service quality of French companies in 42 different economic sectors. It is the benchmark ranking for customer relationships in France. For the first time, real estate developers joined the panel for the 2018 edition.

D

DELEGATED PROJECT MANAGEMENT: In a delegated project management arrangement, the Project Manager has appointed a representative to handle all or some of the project management duties on his behalf. It is essential to differentiate between project management and prime contractor in the project process to separate the responsibilities of the two entities involved. The Project Manager is solely responsible for setting the objectives. The prime contractor is in charge of building the structure according to deadlines, quality standards and costs set by the Project Manager, and on a more general level, the terms of a contract.

DOUBTFUL LOANS: Amount net of allowances and reversals of provisions for doubtful loans as well as definitive losses over the period in question, divided by rent and billed expenses, at 100%.

E

EPRA NAV: Market value of all Group assets (net assets), including unrealised capital gains on assets and excluding the fair value of debt and financial instruments.

EXIT RATE (OR "CAPITALISATION RATE"): Ratio of the portfolio's potential rents (net rental income on let units + rental value of vacant units + income from pop-up trading) and its appraisal value excl. transfer duties. It reflects the fundamental medium- to long-term quality of assets.

F

FFO GROUP SHARE: FFO (funds from operations) Group share represents operating income after net borrowing costs, corporate income tax and non-controlling interests, for all Group activities.

FOOTFALL: Change in the number of visitors, measured by Quantaflow at shopping centres equipped with this technology, or by counting cars at retail parks (excluding travel retail).

G

GATEWAY CITY (MÉTROPOLE): The Group operates in 12 regional gateway cities: Grand Paris, Métropole Nice Côte d'Azur, Marseille-Aix-Toulon, Toulouse Métropole, Grand Lyon, Grenoble-Annecy, Nantes Métropole, Bordeaux Métropole, Eurométropole de Strasbourg, Métropole européenne de Lille, Montpellier Méditerranée Métropole and Rennes Métropole.

GOING CONCERN NAV: The going concern NAV is the equity market value assuming a continuation in business, taking into account the potential dilution related to the SCA status.

GRESB: Global Real Estate Sustainability Benchmark. Not-for-profit organisation whose primary task is to assess the social and environmental performance of property companies. Created in 2009, it brings together around 15 of the largest pension fund Managers and major property sector organisations including EPRA (European Public Real Estate Association). Each year, the GRESB compiles an international classification to assess the CSR performance of property companies around the world.

I

ICR: ICR (Interest Coverage Ratio) is operating income/net borrowing costs (funds from operations column) on the consolidated income statement by segment.

L

LARGE MIXED-USE PROJECTS: Complex real estate programmes, offering a mix of Residential, Retail and Office and also including public and leisure facilities (hotel resorts, cultural and sports venues, etc.).

LTV: The Loan-to-Value ratio (LTV) is the ratio of net debt to the restated value of assets including duties.

M

MARKET CAPITALISATION: Share price on the specified date multiplied by the number of shares at this date.

N

NET DEBT TO EBITDA: Net bond and bank borrowings over FFO operating income.

NET RENTAL INCOME ON A LIKE-FOR-LIKE BASIS: Net rental income (including contributions to the marketing fund, re-billing of works and lessor investments, which are not included in the definition of EPRA net rental income) excluding, for the periods analysed, acquisitions, disposals and restructuring assets giving rise to changes in surface areas.

NEW ORDERS – BUSINESS PROPERTY: New orders at 100%, with the exception of jointly-controlled operations (equity-accounted) which for which new orders are shown in Group share (in euros incl. tax when expressed as a value).

NEW ORDERS – PROPERTY DEVELOPMENT: Orders are the indicator of the "Property Development" business volumes and do not include asset disposals carried out by the REIT.

NEW ORDERS – RESIDENTIAL: New orders net of withdrawals at 100%, with the exception of jointly-controlled operations (Group share) (in euros incl. tax when expressed as a value).

O

OCCUPANCY COST RATIO: Ratio of billed rents and expenses to tenants (including reductions) to sales revenue.

OPERATING INCOME: Recurring operating cash flow (FFO column in the consolidated income statement by segment).

P

PINEL (MECHANISM): The intermediary rental investment aid scheme, known as "Pinel", targets operations carried out between 1 September 2014 and 31 December 2021 in high-demand areas (areas A, A *bis* and B1) and in municipalities covered by an active defence site revitalisation contract. The principle is, for any buyer of a new home or off-plan sale in an area eligible under this Act, to benefit from a tax reduction.

PIPELINE (IN POTENTIAL VALUE): Market value at delivery date. Retail: potential market value including duties of projects on delivery (net rental income capitalised at a market rate) at 100% of revenue excluding tax for development projects. 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%), contract values excl. tax for off-plan sales/PDCs and estimated value for other development projects (at 100%, or Group share for jointly owned projects) plus capitalised DPM fees.

PIPELINE (IN SURFACE AREA): Total surface area in m^2 of all the projects under development in all of the Group's activities [Retail: retail surface area created – Business property: floor area – Residential: surface area (properties for sale and portfolio)].

PROPERTIES FOR SALE – RESIDENTIAL: Projects under management (through an option on the land, almost exclusively in unilateral form) which have not yet been launched (in euros incl. tax when expressed as a value and units when expressed in volume).

PROPERTY DEVELOPMENT CONTRACT (PDC): "Common interest mandate" whereby a project owner entrusts the development of its property project to a developer. The developer takes charge of the entire project, administrative procedures and contracts, and is responsible for the successful completion of the project at the agreed price. The PDC is frequently used in turnkey office projects carried out for investors or users.

PROPERTY FOR SALE – RESIDENTIAL: Units available for sale on projects under construction not yet sold or rented (in euros incl. tax when stated by value or number of units when expressed by volume).

R

RENTAL INCOME: Rental income includes gross rental income, including the effects of spreading stepped rents over the non-cancellable lease term, rent holidays and other benefits granted by contract to the lessee by the lessor, and notably reductions granted during the lease term.

RESIDENTIAL BACKLOG: Revenue (excl. tax) from notarised sales to be recognised on a percentage-of-completion basis and individual and block reservations to be notarised.

RESIDENTIAL REVENUE: Revenue in euros excl. tax recognised according to the percentage of completion method in accordance with IFRS 15 – Revenue from contracts. Technical progress is measured by the progress of the construction item taking into account the land.

RETAILER SALES: Tenants' revenue (incl. tax) from like-for-like sites (excluding assets under redevelopment) for the period in question.

RESIDENTIAL SUPPLY: Preliminary sale agreements for land signed and valued as potential residential orders (incl. tax).

S

SCA: The SCA (*société en commandite par actions* a French partnership limited by shares) is a unique form of company in that it has two categories of partner: General Partners and Limited Partners. The Limited Partners can only be held liable up to the value of their shareholding. As such they are like shareholders. The General Partners, on the other hand, are jointly and severally responsible for all of the Company's debt. The SCA is managed by one or more General Partners. Management is overseen by a Supervisory Board.

SIIC: The SIIC (Listed Property Investment Company) tax regime was introduced by the Finance Act 2002-1575 of 30 December 2002 and came into force on 1 January 2003. This tax regime covers REITS investing in property assets with a view to leasing them. In return for distributing a significant portion of their income (95% of recurrent income based on parent company net income and 60% of capital gains from the sale of assets), SIICs do not pay corporate income tax. Altarea Cogedim opted for SIIC status in 2005.

U

UNIVERSAL REGISTRATION UNIVERSAL: or URD.

URD: Universal Registration Document.

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