BUSINESS REVIEW

31 DECEMBER 2024

Paris, 25 February 2025, 5.45 p.m. After review by the Supervisory Board, Management approved the consolidated financial statements for the 2024 financial year. Audits of the consolidated and individual financial statements (Altareit SCA) have been completed and the audit reports are in the process of being issued.

CONTENTS

1.1 Integrated real estate group

A 99.85% subsidiary of the Altarea Group, Altareit offers a skills platform covering all asset classes (residential, retail, offices, logistics, hotels, serviced residences, etc.), in order to respond effectively and comprehensively to the challenges of urban transformation.

Property development: a unique positionning

Residential: Altareit is the second-biggest developer in France[1], thanks to its portfolio of brands with complementary positioning.

Business property (Offices & Logistics): Altareit is involved in an extremely wide range of activities thanks to its highly diversified skills.

Over the years, the Group has built up a unique platform of real estate skills for low-carbon urban transformation.

The successive crises of recent years (health, environmental, social) have highlighted the need to thoroughly rethink the organisation and functioning of our cities. A large number of real estate infrastructures have become obsolete and must be transformed to adapt to both the changes in use that now affect almost all real estate products and climate change (energy efficiency).

Altareit's know-how lies in developing low-carbon real estate products that integrate all these issues into a complex economic equation. The complementary nature of the Group's operating brands covers all the real estate portfolio solutions that enable cities to play a key role in their transformation, either through successive touches or on the scale of entire neighbourhoods.

New businesses

The Group has decided to invest in new activities: photovoltaic infrastructures, data centers and property asset management.

These new markets are driven by immense needs, with high barriers to entry linked to the mastery of complex know-how.

For each of these new activities, the Group's strategy is to control the operational value chain (investing in skills) while systematically adopting an optimised capital model. Development is mainly through organic growth and, where appropriate, acquisitions.

1 Source: Ranking of Developers carried out by Innovapresse in June 2024.

1.2 Operational performance

1.2.1 Residential

Altareit is the number two Residential developer in France[2] through its consumer brands (Cogedim, Woodeum and Histoire & Patrimoine), which offer a wide and diversified range of housing[3] throughout the country.

1.2.1.1 ADAPTING TO THE NEW CYCLE

The previous cycle, marked by low interest rates and continued growth in volumes, reached an end in 2022, from that moment on, the market ran into crisis.

The Group has dedicated year 2023 to close out the previous cycle, in particular by accelerating the sale of the old generation units, reviewing its project portfolio and drastically reducing its land acquisitions. This policy made it possible to significantly reduce its commitments and its working capital requirement

In 2024, the Group has sold out all units built in previous cycle[4] and launched its affordable, low-carbon and profitable new generation offer.

In 2025 and 2026, the Group expects an increase in the volumes of the retail offer but with block sales still in the majority and a gradual restoration of profitability.

1.2.1.2 THE NEW OFFER

An affordable, low-carbon and profitable offer

With the newly developed offer, the Group goes back to fundamentals: the customer, their needs and their purchasing power.

The offer is mainly focused on two and three-room apartments in order to take into consideration changes in sociology and the size of households.

The compactness has been enhanced to maximize the useful square meters of living space through rework on the plans (simplification and standardization) and on the interior design (limiting distribution, circulation and infrastructure spaces).

The cost price has been optimized, both for the shell and the constructability of the plots, without compromising on architectural and environmental quality. The Group has focused on the ancillary costs of charts or imposed specifications without any benefits the customer.

This new generation offer is aimed at all of the Group's customers (block buyers, first-time buyers, investors). For first-time buyers, additional specific work has been done and the Access offer is addressed to them.

Access, the new offer designed for first-time buyers

The Group has concentrated its efforts on first-time buyers from the middle classes[5] and developed Access, an offer tailored for customers who are currently renting in the private or social sectors and who could not imagine being able to own property.

Access proposes an unprecedented and highly attractive financing offer, with loans at subsidized rates, no personal down payment, no notary fees and no interim interest. The buyer therefore only begins to pay when the keys are handed over for a monthly loan repayment close to or even equivalent to what they would pay in rent.

A new offering to meet the demand of institutional and individual investors

Institutional investors (social housing or intermediate housing or Logement Locatif Intermédiaire) account for the majority of the Group's residential sales. The new generation offer is tailored to their expectations in terms of quality (location, carbon performance, care in construction) as well as to their rental profitability target. Housing units acquired en bloc from The Group are thus an investment vehicle with a particularly attractive quality/price ratio.

For individual investors, the Group offers products meeting their needs (furnished properties rented under the LMNP scheme, managed residences, particularly for students). The Group has also developed a joint ownership offering based on freehold rental usufruct, as well as a tax solution for optimising the transfer of assets by doubling the reduction in gift tax.

Customer satisfaction as a priority

2024 was marked by strong delivery activity (11,000 units). Product quality and customer satisfaction remained at the heart of the Group's concerns, with a particularly satisfactory performance in terms of quality[6]. As a reward for such commitment, Cogedim, the Group's flagship residential brand, was voted best "Customer Service of the Year" for the 7th time in the "Property Development" category.

Cogedim also, for the 3rd consecutive year, retained its first place in the all-sector Top 200 for customer relations in 2024, organised by The Human Consulting Group for *Les Echos*.

2 Source: Classement des Promoteurs (developers ranking) published in June 2024 by Innovapresse.

3 New housing all ranges (home ownership and investment, free, social, Intermediate rental housing), serviced residences, Malraux, historical monuments, land deficits, condominium, timber-frame housing CLT, renovation. Mainly under the consumer brands Cogedim, Woodeum and Histoire & Patrimoine.

4 With the exception of a few units currently being reconfigured (cut up, repositioned).

5 Based on income slightly above the minimum wage.

6 With an average of less than 1.2 reserves per unit (almost all raised in the days following delivery of the housing units) and particularly low rates in the Residential Development sector.

1.2.1.3 ACTIVITY OF THE YEAR

New orders[7]

In 2024, new orders were down -5% in volume (7,601 units) and -17% in value (€1,875 million) compared to 2023.

The decrease in volumes is explained by a low offer for sale throughout the year due to limited sourcing in 2024.

This shortage of supply is the Group's main challenge, while demand for affordable products remained strong, as evidenced by the order rate of 10.4% of the retail units offered[8].

The decrease in value is furthermore affected by the reduction in the average price of units ordered, which is explained by an increasing weight of units located in the regions versus Paris, and by the type of units (more two- and three-room units and more compact units). The average price per lot fell year-on-year from €281,000 to €247,000 (-12%).

New orders	2024	%	2023	%	*Chge*
Individuals-Residential buyers	1,482	*19%*	1,458	*18%*	*+ 2%*
Individuals-Investment	1,646	*22%*	2,356	*29%*	*-30%*
Block sales	4,473	*59%*	4,190	*52%*	*+ 7%*
Total in volume (units)	**7,601**		**8,004**		***-5%***
Individuals-Residential buyers	447	*24%*	472	*21%*	*-5%*
Individuals-Investment	427	*23%*	649	*29%*	*-34%*
Block sales	1,001	*53%*	1,130	*50%*	*-11%*
Total in value (€m incl. VAT)	**1,875**		**2,250**		***-17%***
Of which EM, Group share	*17*	*1%*	*54*	*2%*	

Block sales order accounted for a little more than half of new orders. They involved a great number of buyers, with the top two customers (CDC Habitat and INLI) representing almost 40% of block sales.

Order by individual first-time buyers held up relatively well, driven in particular by the Access range which accounted for nearly a third of sales to first-time buyers.

Order by individual investors were down sharply throughout the year, despite the late recovery in demand for the last units eligible for the Pinel scheme.

Notarised sales

	2024	%	2023	%	*Chge*
Individuals	3,091	*37%*	4,531	*58%*	*-32%*
Block sales	5,348	*63%*	3,298	*42%*	*62%*
In units	**8,439**		**7,829**		**+ 8%**
Individuals	897	*42%*	1,418	*62%*	*-37%*
Block sales	1,220	*58%*	857	*38%*	*42%*
In €m incl. VAT	**2,118**		**2,275**		**-7%**

The sharp increase in notarised block sales almost offset the fall in sales by individuals, particularly by investors.

Notarised sales were higher than new orders for the year, reflecting a healthy commercial situation and controlled commitments.

Commercial launches

Launches	2024	2023	*Chge*
In units	3,126	3,564	*-12%*
In number of programmes	76	104	*-27%*

The year 2024 marks a low point for commercial launches. The Access range only started to ramp up in the second half of the year (1,377 units launched, i.e. 44% of the year's launches).

Building permits and land acquisitions

In 2024, the Group acquired 71 sites, including 37 in the last quarter alone. The recovery in land acquisitions should gain momentum throughout 2025.

In units	2024	2023	*Chge*
Permit filings	10,704	8,664	*+ 24%*
Permits obtained	6,166	10,177	*-39%*
Land acquisitions	6,282	5,064	*+ 24%*

The permit filing activity recovered at the end of 2024 with 10,704 units filed, including a significant proportion in the Access range.

1.2.1.4 OUTLOOK

Offer

At the end of 2024, the offer for sale represented 2,801 units[9], of which 72% under construction. It is now almost entirely made up of affordable, low-carbon and profitable programmes, of which around a quarter are from the Access range.

Offer	2024	2023	*Chge*
In units	2,801	3,307	-15%
In € million	840	1,130	-26%

Land options[10]

Land options	2024	2023	*Chge*
In €m incl. VAT	2,261	2,719	*-17%*
In units	11,108	9,934	*+ 12%*

The year's supplies concern programmes for which the average unit size is smaller than in the past, in line with the Group's commercial policy.

7 New orders net of withdrawals, in euros, including VAT when expressed in value. Data at 100%, except for operations under joint control which are reported in Group share.

8 Average monthly new orders compared with the average monthly offer (retail offer of new housing) over the year 2024. The offer for sale is sold out in less than 12 months when the rate is over 8%.

9 Including 28 completed units not sold.

10 Signature of new land options

Pipeline

€m incl. VAT of potential revenue	31/12/2024	No. month	31/12/2023	*Chge*
Offer	840	5	1,130	*-26%*
Land portfolio	8,895	57	8,690	*+ 2%*
Pipeline	**9,735**		**9,820**	**-1%**
No. of transactions	*538*		*545*	*-1%*
No. of units	*39,603*		*34,574*	*+ 15%*
In m²	*2,415,760*		*2,109,040*	*+ 15%*

After a year 2023 dedicated to the in-depth review of the land portfolio that led to the abandonment of 13,200 units, year 2024 marks a restarting point in terms of land development, with a pipeline now adapted to the new cycle.

Residential backlog[11]

The Residential backlog at 31 December 2024 was €2.4 billion excl. VAT, (vs €2.7 billion excl. VAT at end-December 2023).

11 Revenue (excl. tax) from notarised sales to be recognised on a percentage-of-completion basis and individual and block new orders to be notarised.

1.2.2 Business property (BP)

In Business Property sector, the Group operates in the Office and Logistics markets with a limited risk exposure and in various ways thanks to its highly diversified skill sets throughout the country.

1.2.2.1 OFFICES

In Offices, the Group acts as developer (off-plan sales, BEFA, PDC, or DPM[12]) and sometimes as a co-investor for certain assets to be repositioned.

Offices/Grand Paris

In 2024, the Group focused mainly on projects as service provider, while keeping a close eye on the market for investments. As a result, the Offices business in Grand Paris were highlighted by:

• the delivery at the end of April of *26 Champs-Elysées* in Paris, a 14,000 m² complex combining offices and shops, on behalf of 52 Capital;

• delivery of the *Bellini* building (18,000 m², La Défense), the new head office of SwissLife France;

• the signature of a 9-year firm leasehold agreement with the law firm Ashurst for the 6,100 m² real estate complex at 185 rue Saint-Honoré in Paris, with delivery scheduled for the first half of 2026;

• the rental of ten floors of *Landscape* (22,200 m², La Défense), bringing the occupancy rate to nearly 60% (project carried out on behalf of Altafund);

• the signature of the property development contract for the *Madeleine* project (21,000 m² in Paris) on behalf of Norges Bank IM.

Offices/Regional cities

The year was marked by the sale to Midi 2i of the *Blanc Azur* building in Aix-en-Provence, a fully let multi-occupant office of 6,600 m².

In the Regions, the Group delivered four office buildings, totalling 14,000 m² (*rue Laurencin*, *Hill Side* and *Urbanclay* in Toulouse and the first batch of *Feel Good* in Nantes).

In addition, six new projects totalling 38,000 m² were managed in Nantes, Nice, Clermont-Ferrand and Grenoble.

The pipeline of projects in the Regions represented 310,000 m² at the end of 2024. This highly granular portfolio consists of projects that will make a recurring contribution to the Group's future results.

1.2.2.2 LOGISTICS

In Logistics, the Group operates as a land and property developer on projects that meet increasing standard of technical, regulatory and environmental challenges.

The Group mainly develops large platforms or hubs strategically located on the traditional north-south transit route, as well as on the Atlantic Arc. These platforms are mainly for the use of distributors and e-commerce companies.

Active in the development of logistics platforms for many years now, the Group began to reap the rewards of its strategy this year and confirmed its ambitions in this buoyant market.

€390 million disposals signed at the end of 2024

At the end of 2024, the Group signed two disposal deals for a total amount of €390 million:

• sale of the *Bollène* logistics park[13] (Vaucluse) to WDP, which will eventually offer 260,000 m² of space over time as well as the 37,000 m² *Oseraye* logistics park in Puceul (Loire-Atlantique);

• sale to a fund managed by CBRE of three units in the *Coastal Ecopark* platform in La Boisse near Lyon (56,200 m²). This project stands out for its particularly exemplary environmental performance[14].

The accounting impact of these transactions is mostly recorded in the financial year 2024 with the balance spread over years 2025 and 2026.

After these disposals, the projects managed or in the process of being set up represents 650,000 m², out of which 310,000 m² has cleared building permits (75,000 m² pre-let) and will contribute to the Group's results over the coming financial years.

Business Property backlog[15]

The Business Property backlog at 31 December 2024 was worth €214 million excluding VAT (compared with €282 million excluding VAT at end-2023).

12 VEFA (off-plan sale), BEFA (off-plan lease), PDC (property development contract) and DPM (delegated project management).

13 The site has five warehouses, three of which are in operation and leased (ITM, ID Logistics, Mutual Logistics, Gerflor and Mistral Semences) and two are under development. The Bollène wind farm meets the latest safety standards and will be equipped with photovoltaic panels with an installed capacity of around 22 MWp, with 3 MWp currently in operation. It has the HQE® Bâtiment Durable Excellent and BREEAM® Excellent labels.

14 Delivered in November 2024, the Ecoparc was developed in compliance with biodiversity compensation and benefits from a low-carbon heating system using heat pumps. The site is aiming for HQE® Excellent certification.

15 Revenue (excl. tax) from notarised sales not yet recognised according to percentage of completion, new orders pending notarised deeds (signed PDCs) and fees pending receipt from third parties under signed agreements.

1.2.3 New businesses

As part of the Altarea's strategic roadmap, the Group has decided to invest in new activities that complement its know-how: photovoltaics, data centers and property asset management.

These New businesses are driven by huge needs, with high barriers to entry linked to the mastery of complex know-how.

The Group's strategy is to master the operational value chain (investing in skills) while adopting an economic model adapted to each risk profile.

1.2.3.1 PHOTOVOLTAICS

The decarbonisation of the French economy should significantly increase the need for electricity from photovoltaic sources(16) with investments estimated at several billion euros per year over the coming decades.

Altareit intends to capture part of this market through a strategy that combines the mastering of operational know-how and an optimised economic model in terms of capital employed. The Group is mastering the first links in the operational value chain with the teams already built, with a complete product range and with a pipeline of projects quite important.

In 2024, the Group reached a milestone with the acquisition of Prejeance Industrial(17) for an enterprise value(18) of €140 million, and received its first income from the sale of electricity.

A comprehensive system

The Group has set up a dedicated team operating in France and Italy, enabling it to master the entire operational value chain:

• studies of feasibility, design, land management;

• administrative authorisations (construction, connection) and financing;

• marketing of the energy produced;

• installation and commissioning;

• operation, monitoring, maintenance and recycling.

The Group now offers a complete product range:

• car park shading systems (particularly on its portfolio of managed shopping centres);

• photovoltaic roofs on its property projects (particularly logistics warehouses);

• ground-mounted solar power plants on brownfield sites (quarries, wasteland, landfill sites, etc.);

• agrivoltaics on the ground or integrated into buildings (barns, sheds, greenhouses, etc.), either directly or through strategic partnerships.

Infrastructure integrated into the Group's property projects

The Group now systematically integrates photovoltaic power plants into its real estate projects wherever possible in order to enhance the sites' value and deliver their users an extra service (comfort, self-consumption, responsibility).

In 2024, the Group commissioned the photovoltaic shade shelters at the Family Village Costières Sud in Nîmes, following that in La Vigie, Strasbourg (500 kWp(19) for each site). Seven projects are now under way, notably on the Retail Parks portfolio managed by Altarea(20).

In Logistics, the Bollène logistics park, sold to WDP this year, will include photovoltaic panels on the roof for an installed capacity of around 22 MWp over time.

Strategic partnerships with major operators

In early 2024, a partnership was signed with Terrena, an agricultural cooperative bringing together nearly 20,000 members in the Grand Ouest region. This partnership, which was initially addressed to sheep farmers, was opened during the year to other types of farming (cattle, poultry, wine-making, etc.). It will allow to make several dozen projects happen from 2026.

The Group is also in discussions with other cooperatives and major landowners (manufacturers, hospitals, logistics companies, REITs, etc.) to support them in their investments in photovoltaic infrastructures.

Operating assets and project portfolio

At the end of December 2024, the Group owned and operated a total capacity of 94 MWp, divided between 61 MWp of facilities already connected and 33 MWp under construction and/or awaiting connection.

The Group is also working on an important portfolio of projects, at very different stages of completion, of which 800 MWp is secured[21] and the remainder undergoing studies(22).

1.2.3.2 DATA CENTERS

The need for data centers, particularly large capacity, is growing worldwide, driven by the digitalisation of the economy and the rise of artificial intelligence. Total investment required is hard to estimate but certainly runs into several billion euros per year for a market such as France, which benefits from largely low-carbon electricity.

The Group has decisive competitive advantages for capturing part of this market thanks to its expertise in land management and obtaining complex administrative authorisations.

16 These needs would be in the order of 100 gigawatts-peak (GWp) by 2050 (source: RTE's "Energy pathways to 2050" report). At 31 March 2024, the capacity of France's solar photovoltaic installations stood at 21.1 GWp. Source: Ministry for Ecological Transition and Territorial Cohesion.
17 A French company specialised in developing photovoltaic projects on small and medium-sized rooftops (ranging from 100 to 500 kWp), primarily on agricultural warehouses.
18 o/w €10.4 million of intangible assets.
19 Watt-peak: theoretical maximum power reached at peak production by a solar panel.
20 Brest Guipavas, Gennevilliers, Aubergenville, Villeparisis and Ruaudin.
21 Secured land or land under promise.
22 Includes projects for which the land is the subject of a letter of intent, projects in the process of being secured, and projects undergoing calls for tenders (Appel d'offre), calls for expressions of interest (Appels à manifestation d'intérêt) or calls for projects (Appels à projets).

The Group intends to address two distinct segments: medium-sized colocation data centers and hyperscale data centers (Cloud and AI).

Eco-responsible colocation data centers

Local data centres are designed for corporate customers (private or public), providing connectivity, high performance, high security and high availability. They allow companies who so wish to (re)locate their data storage on French soil. These are generally medium-sized data centers (less than 20 MW).

For this type of product, the Group's strategy is to master the entire operational value chain (origination and authorisations, construction and building of facilities, marketing, operation and management of the physical infrastructure).

The Group has created a dedicated team through a mix of tactical acquisition and internal and external recruitments to develop eco-responsible data centers[23] under a "developer-asset manager" type of business model.

The Group is working on a pipeline of around fifteen potential sites in the main French cities (Paris, Lyon, Marseille, Toulouse, Nantes).

Hyperscale data centers

Hyperscale data centers are aimed at a limited number of organisations who think on a global scale and whose needs are immense. France is a preferred geographical target for these groups, enabling them to access the European market and benefit from largely low-carbon electricity. Hyperscale data centers require considerable investments due to their power requirements, which can reach several hundred megawatts.

The Group is working on several potential locations in a context where this type of product is both rare and administratively highly complex.

1.2.3.3 REAL ESTATE ASSET MANAGEMENT

Altarea Investment Managers, which was accredited by the *Autorité des Marchés Financiers* in 2023, now has a full management and investment team. It aims to gradually extend its distribution agreements to the general public, particularly through external networks and wealth management advisers (WMA), and to develop a comprehensive range of property investment vehicles.

The Alta Convictions SCPI, its first retail fund launched at the end of 2023, sits on the theme of the 'new property cycle', with no inventory or pre-crisis funding. Fund collection is ramping up, as do investments, with a diversification target both sectorally and geographically. In June, the SCPI was awarded the SRI label, underlining its commitment to responsible and sustainable management.

The Group also launched a real estate debt platform in 2023 in partnership with Tikehau Capital through a first fund, called ATREC (Altarea Tikehau Real Estate Credit) capitalised at €200 million from its sponsors (€100 million each) with intention to welcome third-party partners. This platform capitalises on Tikehau Capital and Altarea's complementary expertise in private debt and real estate assets, and will provide investors with privileged access to the combined pipeline of the two groups and their respective networks to seize the most attractive investment opportunities. The first projects have been rolled out and a pipeline of opportunities is being studied.

23 With treatment of waste energy including, where applicable, the recovery of the heat emitted and its reinjection into the district heating and cooling networks.

1.3 Environmental performance

1.3.1 European taxonomy[24]

The European Taxonomy is a classification system for economic sectors to identify environmentally sustainable activities. It defines uniform criteria for each sector to assess their contribution to the six environmental objectives defined by the European Commission.

Non-financial companies are required to publish indicators directly from their financial statements (revenue, CapEx and OpEx), indicating for each the proportion that comes under the taxonomy (eligibility rate published since 1 January 2022) as well as the proportion in line with the European environmental objectives (rate of alignment since 1 January 2023) and social (minimum social guarantees).

Since 1st January 2024, financial companies have had to publish the share of their investments that finance economic activities aligned with the taxonomy (Green Asset Ratio or GAR). Financial institutions with a high GAR should eventually benefit from a more favourable framework for their activities, as the goal pursued by the European Union is to sustain the ecological transition by driving savings and financing towards sustainable activities.

Altareit methodology

Altareit analyses the alignment of its revenue at the level of project or asset.

To be considered aligned, each project or asset contributing to revenue must be studied in light of six families of environmental criteria[25] (Climate change mitigation (Energy), Climate change adaptation (Climate), Sustainable use and protection of water and marine resources, (Water), Transition to a circular economy, Pollution prevention and control, Protection and restoration of biodiversity and ecosystems), themselves made up of several analytical sub-criteria[26].

In recent years, Altareit has deployed significant resources to ensure the digitised collection, control and standardised referencing of several thousand documents to justify the alignment of the programs analysed and to ensure a reliable audit trail. The Group has carried out specific work on certain particularly demanding criteria: energy, circular economy and pollution[27].

Thus, starting from the 2023 financial year, the methodology for calculating taxonomy alignment and its result has been subject of a review issued by consultants E&Y one year ahead of the regulatory requirement.

69.5% of revenue aligned in 2024[28]

In €m	Construction	Renovation	Ownership	Group
Consolidated revenue	2,256.7	197.5	4.4	2,473.7
Aligned revenue	1,622.5	92.6	4.4	1,719.5
% of consolidated revenue	*71.9%*	*46.9%*	*100.0%*	***69.5%***

In 2024, the alignment rate of consolidated revenue was 69.5% (43.4% for financial year 2022, 44.7% in 2023).

The steady increase in alignment is mainly due to the growing contribution of property development projects initiated from the 1 January 2022, for which the Group has implemented a policy of systematic alignment with the taxonomy on the energy criterion.

1.3.2 Carbon performance

Altareit has developed carbon accounting for all of its activities, making it possible to monitor its carbon performance with the same rigour as its accounting performance.

The Group thus has relevant indicators that enable it to reliably measure its emission volumes, carbon intensity per unit area and economic carbon intensity.

Altareit methodology

GHG emissions[29], in kilogrammes of CO_2 equivalent ($kgCO_2e$), are classified in three categories (scopes[30]):

• direct emissions (scope 1) cover all emissions associated with the consumption of fossil fuels (burning of fossil fuels, refilling of refrigerants, etc.);

• indirect emissions associated with energy (scope 2) represent emissions related to electricity consumption or heating and cooling networks;

• other indirect emissions (scope 3) represent all the other emissions from activities on which the overall Company's activities depend (purchases of goods & services, travel, freight, fixed assets, etc.).

For Altareit, the GHG emissions reflect the Group's business lines:

• for **Property Development**[31], they are linked to:

24 See CSRD-compliant Sustainability report.
25 One criterion of "substantial contribution" and five criteria of "do no significant harm" ("DNSH"). The number and nature of the criteria vary according to each activity, with a minimum number of two (a substantial contribution criterion and a DNSH criterion).
26 For example, climate change mitigation composed of four sub-criteria: primary energy consumption, airtightness and thermal integrity, life cycle analysis of a building (design, construction, operation and demolition) and energy management.
27 Altareit carried out a specific check on a representative sample of the products and materials used in the construction of its projects to ensure that its suppliers were not using hazardous products within the meaning of the REACH regulation and had the whistleblowing processes in place checked by a specialised firm.
28Altareit's 2024 revenue is eligible for the European taxonomy under "7.1. Construction of new buildings", "7.2. Renovation of existing buildings" and "7.7. Acquisition and ownership of buildings". The 2024 eligibility rate is 96.8% (i.e. €2,394.2 million in eligible revenue).
29 GHGs are gases in the atmosphere (carbon dioxide, nitrous oxide, methane, ozone, etc.) that absorb infrared radiation and redistribute it in the form of radiation that helps to retain solar heat (greenhouse effect).
30 In accordance with the GHG international protocol proposing a framework for measuring, accounting and managing GHG emissions from private and public sector activities developed by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI).
31 On behalf of third parties.

- construction of buildings: materials (including their transport), construction site and equipment, as well as maintenance and recycling,
- and their use: energy consumed by the occupants of the built asset, over a period of 50 years;

• for the **Corporate** area, they concern the emissions of employees in the context of their professional activity (energy consumption of the Group's headquarters and fuel consumption related to business travel).

The scope used for reporting emissions corresponds to proprietary transactions under operational control[32].

Property Development

Altareit accounts for its carbon performance "on a percentage-of-completion" basis, based on the same principles used to determine its accounting revenue:

• a carbon footprint is calculated for each project that contributed to revenue in 2024;

• construction-related emissions are recognised on a pro rata basis according to technical progress (excluding land) of each project;

• emissions related to the use of the asset are recognised on a pro rata basis according to commercial progress of each project.

16% reduction in emissions in 2024

In 2024, the Group's emissions (scopes 1, 2 and 3) represented 739 thousand tonnes, down -16% compared to 2023 and -52% compared to 2019 (the reference year)[33]. Out of this total, 232 thousand tonnes (i.e. 31%) correspond to emissions that have not yet occurred (share related to the future use of the buildings under construction).

In thousands of tCO_2e	2024	2023	2019
Property Development	**739**	**884**	**1 534**
Residential	*567*	*760*	*1 041*
Business Property	*148*	*82*	*315*
Retail	*21*	*34*	*178*
Corporate	**3**	**4**	**2**
New businesses	**1**	**-**	**-**
Group	**739**	**880**	**1 536**
o/w Construction	*505*	*594*	*805*
o/w Use	*231*	*282*	*729*
o/w Corporate	*3*	*4*	*2*

Residential property development accounts for the vast majority of the Group's emissions (77%).

Analysis of the change in GHG emissions and trajectory by 2030

Altareit's carbon trajectory is based on the combination of two[34] factors:

• the **business volume (volume effect)** measured by the real estate surface areas developed by the Group, the evolution of which depends largely on the real estate cycle[35];

• **carbon intensity per unit area (rate effect)** expressed in $kgCO_2e/m^2$ measures the equivalent quantity of carbon needed to build one m² of real estate plus the carbon emitted by the end user over a period of 50 years.

Altareit's main decarbonisation tool is to act on carbon intensity per unit area. Its reduction requires a review of all industrial processes (sourcing of materials and suppliers, design and construction of buildings) in order to achieve a low-carbon real estate product without compromising on its value in use.

Trend in 2024

Group GHG emissions in thousands of tCO_2e		*Chge*
2023 GHG emissions	**880**	
Property Development - volume effect	-45	*- 5%*
Property Development - rate effect	-96	*- 11%*
2024 GHG emissions	**739**	***- 16%***

The -5% decrease due to the volume effect is mainly a reflection of the economic crisis in Residential Development.

32 Fully consolidated at 100% and accounted for by the equity method at proportionate consolidation.
33 Altareit has chosen 2019 as the starting point of its decarbonisation trajectory. The year 2019 corresponded to relatively high levels of activity with an average carbon intensity per square meter of 1,553 kgCO2eq/m² and a total carbon footprint of 1,536 thousand tCO2eq/m².
34 The change in the product mix (housing, offices, logistics, etc.) could in theory have an influence on the Group's carbon trajectory, even if in practice, Altareit's carbon intensity per unit area is very close on average to that of housing with occasional exceptions depending on the year.
35 Real estate markets are characterised by cycles of variable duration and intensity. It is thus considered that the low of the previous cycle was reached in 2008/2009 and that the last cyclical high was reached in 2021/2022. Since the end of 2022, the real estate market has entered a downward phase whose duration is still difficult to estimate but which seems to have reached a plateau during 2024.

The -11% fall in carbon intensity per surface area(36) to 1,155 $kgCO_2e/m^2$ in 2024 (vs. 1,299 $kgCO_2e/m^2$ in 2023) is linked to the exit of older, more carbon-intensive projects(37) and the integration of new, more efficient operations(38).

Change since 2019 (reference year)(39)

Group GHG emissions in thousands of tCO_2e		Chge
2019 GHG emissions	**1,536**	
Change in scope of consolidation	*+34*	*+2%*
Volume effect	**-435**	***-28%***
Rate effect	**-396**	***-26%***
2024 GHG emissions	**739**	**-52%**

Compared with 2019, the Group's emissions fell from 1,536 thousand tCO_2e to 739 thousand tCO_2e, a decrease of - 52%. Structural decarbonisation (rate effect linked to intensity per unit area) represented -26%, the balance being due to the decline in activity (volume effect) and changes in scope of consolidation.

Carbon trajectory by 2030

By 2030, Altareit estimates that its average intensity per unit area will be between 900 $kgCO_2e/m^2$ and 1,000 $kgCO_2e/m^2$, due in particular to the ramp-up of the very demanding RE2020 regulations (thresholds in 2025 and 2028).

Altareit has set itself the target of returning to a level of activity at least equivalent to that of 2019 by 2030. With this in mind, and given its target for intensity per unit area, GHG emissions in 2030 should be between 850 and 950 thousand tCO_2e (down by -46% to -38% compared to 2019).

This estimate is "all other things being equal". It does not include certain potentially significant events likely to have a favourable or unfavourable impact on the Group's carbon trajectory, namely:

- changes in the real estate cycle between now and 2030;
- a transformation of construction processes and materials used in the construction of new buildings;
- any regulatory change that calls into question the Group's carbon trajectory assumptions;
- the rise in the sale of carbon credits by the Group, particularly for Woodeum products[40];
- a structural change in the Group's product mix;
- any significant external growth or divestment transactions.

Altareit will review its carbon trajectory every year and explain any changes.

Monitoring the decoupling between economic value creation and GHG emissions

Decoupling of economic value creation from GHG emissions is a fundamental principle of low-carbon growth.

Altareit measures this decoupling through the carbon intensity (Group share), which corresponds to the quantity of CO_2e emitted to generate one euro in revenue(41) .

In gCO_2e /€	2024	2023	2019
Carbon intensity	**299**	359	533

In 2024, Altareit emitted 299 grams of CO_2e per euro of revenue, i.e. -17% compared to 2023 (and -44% compared to 2019). The decrease recorded in 2024 was particularly sharp due to the significant contribution of Logistics to consolidated revenue. Logistics is a less carbon-intensive product on average than Residential or Offices, for example.

36Quantity of CO2e emitted to build and use a square meter of real estate, expressed in kilograms of CO2e per square meter or kgCO2e/m². Calculation excluding Logistics.

37Average carbon intensity per unit area of 1,381 kgCO2e/m².

38Average carbon intensity per unit area of 1,125 kgCO2e/m².

392019 corresponded to a "normal" level of activity with an average carbon intensity per unit area of 1,551 kgCO2e/m² and a total carbon footprint of 1,362 thousand tCO2e/m².

40 In 2024, Woodeum obtained the very first carbon credits for new construction in France, corresponding to 2,042 tCO2eq/m².

41Expressed in grammes of CO2e per euro or gCO2e/€.

1.4 2024 Consolidated results

Consolidated sales for 2024 came to €2,474.0m, up +1% on 2023 (to €2,450.8m). The decline in Residential sales was offset by a sharp rise in Business property, driven by Logistics transactions at the end of the year.

Operating profit (FFO) rose by 6% to €68.9m (from €64.7m in 2023):

• €32.0 million in Residential (vs. €62.8 million, -49%), resulting from recording the contribution of low-margin transactions from the previous cycle on a percentage-of-completion basis;

• 44.1 million in Business property (vs. €9.1 million, x4.9). This increase was mainly due to Logistics transactions, the accounting impact of which was mainly recorded during the year, with the balance spread mainly over the years 2025 and 2026. Office activity in the Regions remained strong in 2024.

Structural costs related to the development of new activities were fully expensed.

Net profit FFO[42] was €24.9m, compared with €23m in 2023 (+8%). The Group's net result was a loss of €(61.0)m (vs. a loss of €(325.6)m[43] in 2023), after booking a notable €-26.9 m for the change in value of financial instruments and other changes in value, estimated expenses and transaction costs, including a €16 million write-down of intangible assets[44].

In €m	Residential	Business property	New businesses	Other Corporate	Funds from operations (FFO)	Changes in value, estimated expenses and transaction costs	TOTAL
Revenue and ext. services.	**1,997.1**	**476.9**	–	–	**2,474.0**	–	**2,474.0**
Change vs 31/12/2023	*(11.1)%*	*x2.3*	-	-	*+1%*	-	*+1%*
Net property income	76.0	58.7	–	-	134.7	(6.7)	128.1
External services	26.7	5.0	–	-	31.8	–	31.8
Net revenue	**102.7**	**63.8**	–	–	**166.5**	**(6.7)**	**159.8**
Change vs 31/12/20232	*(33)%*	*x1.2*	-	-	*(9)%*		*(11)%*
Production held in inventory	125.0	8.2	–	-	133.3	–	133.3
Operating expenses	(193.4)	(29.6)	(6.1)	(0.5)	(229.6)	(23.9)	(253.5)
Net overhead expenses	**(68.4)**	**(21.4)**	**(6.1)**	**(0.5)**	**(96.3)**	**(23.9)**	**(120.2)**
Share of equity-method affiliates	(2.4)	1.7	(0.6)	–	(1.3)	(9.9)	(11.1)
Depreciation and amortisation	-	-	-	-	-	(36.4)	(36.4)
Operating income	**32.0**	**44.1**	**(6.7)**	**(0.5)**	**68.9**	**(76.9)**	**(8.0)**
Change vs 31/12/2023	*(49)%*	*x4.9*	-	-	*+6%*		*na*
Net borrowing costs					(17.9)	(1.9)	(19.8)
Other financial results					(13.9)	–	(13.9)
Gains/losses in the value of financial instruments					–	(26.9)	(26.9)
Corporate Income Tax					(0.7)	19.6	19.2
Net income					**36.4**	**(85.9)**	**(49.5)**
Non-controlling interests					(11.5)	0.0	(11.5)
Net income Group share					**24.9**	**(85.9)**	**(61.0)**
Change vs 31/12/2023					*+8%*		
Diluted average number of shares					*1,748,360*		
Net income Group share per share					**14.26**		
Change vs 31/12/2023					*+8%*		

42 Funds from operations (FFO): net income excluding changes in value, estimated expenses, transaction costs and changes in deferred tax. Group share.
43 Altareit recorded a value adjustment of an exceptional accounting charge for Promotion of -393.9 million euros before taxes (-293.4 million euros after taxes), reflecting its market outlook and aiming to settle the previous cycle.
44 Including the Pitch brand.

1.5 Financial resources

Highlights of the year

In 2024, Altareit continued its efforts to reduce the working capital requirements of its development business, enabling it to invest in new activities (photovoltaic infrastructure, data centres and property asset management) while ensuring a reduction in its net debt. Altareit has also finalised its programme to strengthen its long-term resources.

In 2024, Altareit signed or renegotiated €436 million in bank loans, including €326 million in RCFs[45] and €110 million in 5- year Term Loans.

These corporate bank loans include an EU Taxonomy[46] linked loan clause.

Available cash

At 31 December 2024, Altareit had available cash of €1,761 million (€1,640 million at 31 December 2023) broken down as follows:

Available (€ millions)	Cash	Unused credit lines	Total
At Corporate level	444	700	1,144
At project level	339	278	617
Total	**783**	**978**	**1,761**

Unused credit lines amount to €700 million in RCF, with an average maturity now standing at 4 years, with no maturity before June 30, 2027. As of December 31, 2024, no RCF has been drawn.

Altareit already has liquidity, primarily in the form of placed cash, to repay its 2025 bond maturity.

Short and medium-term financing

The Group has one NEU CP programme[47] (maturity less than or equal to one year) and one NEU MTN [48] programme (maturity greater than one year). At the date of publication, the outstanding amount of these programmes was nil.

Net debt[49]

In €m	31/12/2024	31/12/2023
Corporate and bank debt	228	225
Credit markets	335	339
Debt on property development	109	141
Debt on photovoltaic infrastructures	81	-
Total gross debt	**753**	**705**
Cash and cash equivalents	(653)	(559)
Total net debt	**100**	**146**

At 31 December 2024, Altareit's net debt was €46 million lower than at end-2023. Gross debt, up €48 million year-on-year, now includes €81 million of debt related to photovoltaic projects at Préjeance Industrial, of which Altareit took 100% control in July 2024.

Applicable covenants

The corporate debt is subject to the consolidated covenants of the Altarea Group, of which Altareit is a subsidiary at 99.85% (LTV ≤ 60%, ICR ≥ 2).

As of the end of December 2024, the financial situation of the Group comfortably meets all the covenants stipulated in the various credit agreements.

Altarea's Covenant		31/12/2024	31/12/2023	Delta
LTV [(a)]	≤ 60%	28.5%	28.7%	-0.2 pt
ICR [(b)]	≥ 2.0 x	9.6x	7.5x	+2.1x

(a) LTV (Loan to Value) = Net bond and bank debt/Restated value of assets including transfer duties.
(b) ICR (Interest Coverage Ratio) = Operating income/Net borrowing costs (column "Funds from operations").

Furthermore, the Property development debt secured by projects is subject to specific covenants for each project.

Lastly, Altareit's gearing ratio[50] stands at 0.13x as of the end of December 2024, compared to 0.18x at the end of December 2023.

Financial ratings

On 9 October 2024, S&P Global confirmed Altareit's long-term Investment Grade rating at BBB-, with a negative outlook due mainly to the market environment.

Equity

Shareholders' equity for Altareit amounts to €751 million as of December 31, 2024, positioning Altareit as one of the most capitalized French developers.

45 Revolving Credit Facilities.
46 The Taxonomy Regulation (or European Taxonomy) is a classification system common to the European Union (EU) used to identify economic activities considered to be environmentally sustainable. It defines uniform criteria for each sector to assess their contribution to the EU's environmental objectives.
47 NEU CP (Negotiable European Commercial Paper).
48 NEU MTN (Negotiable European Medium Term Note).
49 Net bank and bond debt.
50 Net bank and bond debt / consolidated equity.

Consolidated income statement by segment

(€ millions)	31/12/2024 Funds from operations (FFO)	31/12/2024 Changes in value, estimated expenses and transaction	31/12/2024 Total	31/12/2023 Funds from operations (FFO)	31/12/2023 Changes in value, estimated expenses and transaction	31/12/2023 Total
Revenue	1 970.4	–	1 970.4	2 217.7	–	2 217.7
Cost of sales and other expenses	(1 894.4)	(6.7)	(1 901.1)	(2 092.7)	(297.5)	(2 390.3)
Net property income	**76.0**	**(6.7)**	**69.3**	**124.9**	**(297.5)**	**(172.6)**
External services	26.7	–	26.7	29.1	–	29.1
Production held in inventory	125.0	–	125.0	142.0	–	142.0
Operating expenses	(193.4)	(19.9)	(213.3)	(233.2)	(19.8)	(253.0)
Net overhead expenses	**(41.6)**	**(19.9)**	**(61.6)**	**(62.1)**	**(19.8)**	**(81.9)**
Share of equity-method affiliates	**(2.4)**	**(5.3)**	**(7.6)**	**(0.0)**	**(3.7)**	**(3.7)**
Net depreciation. amortisation and provision	**–**	**(28.5)**	**(28.5)**	**–**	**(67.5)**	**(67.5)**
Transaction costs	**–**	**–**	**–**	**–**	**(0.0)**	**(0.0)**
OPERATING INCOME - RESIDENTIAL	**32.0**	**(60.4)**	**(28.4)**	**62.8**	**(388.6)**	**(325.8)**
Revenue	471.9	–	471.9	196.0	–	196.0
Cost of sales and other expenses	(413.2)	–	(413.2)	(175.5)	(17.9)	(193.4)
Net property income	**58.7**	**–**	**58.7**	**20.5**	**(17.9)**	**2.6**
External services	5.0	–	5.0	8.0	–	8.0
Production held in inventory	8.2	–	8.2	10.6	–	10.6
Operating expenses	(29.6)	(3.4)	(33.0)	(22.4)	(3.6)	(26.0)
Net overhead expenses	**(16.3)**	**(3.4)**	**(19.7)**	**(3.8)**	**(3.6)**	**(7.4)**
Share of equity-method affiliates	**1.7**	**(4.4)**	**(2.6)**	**(7.6)**	**10.1**	**2.5**
Net depreciation. amortisation and provision	**–**	**(0.2)**	**(0.2)**	**–**	**(47.1)**	**(47.1)**
Income/loss in the value of investment property	**–**	**(1.9)**	**(1.9)**	**–**	**–**	**–**
OPERATING INCOME - BUSINESS PROPERTY	**44.1**	**(9.9)**	**34.2**	**9.1**	**(58.5)**	**(49.3)**
Net overhead expenses	**(6.1)**	**(0.7)**	**(6.7)**	**(5.9)**	**(1.0)**	**(6.9)**
Share of equity-method affiliates	**(0.6)**	**(0.3)**	**(0.9)**	**(0.6)**	**(1.7)**	**(2.4)**
Net depreciation. amortisation and provisions	**–**	**(3.6)**	**(3.6)**	**–**	**(1.4)**	**(1.4)**
Gains / losses on disposals of assets	**–**	**–**	**–**	**–**	**0.0**	**0.0**
Transaction costs	**–**	**(2.1)**	**(2.1)**	**–**	**–**	**–**
NET DIVERSIFICATION INCOME	**(6.7)**	**(6.7)**	**(13.4)**	**(6.5)**	**(4.1)**	**(10.7)**
Others (Corporate)	(0.5)	0.1	(0.4)	(0.7)	(0.1)	(0.7)
OPERATING INCOME	**68.9**	**(76.9)**	**(8.0)**	**64.7**	**(451.3)**	**(386.6)**
Net borrowing costs	(17.9)	(1.9)	(19.8)	(12.1)	(1.9)	(13.9)
Other financial results	(13.9)	–	(13.9)	(14.0)	–	(14.0)
Change in value and income from disposal of financial	–	(25.9)	(25.9)	–	(17.2)	(17.2)
Net gain/(loss) on disposal of investments	–	(1.0)	(1.0)	–	(3.2)	(3.2)
PROFIT BEFORE TAX	**37.1**	**(105.7)**	**(68.6)**	**38.7**	**(473.5)**	**(434.9)**
Corporate income tax	(0.7)	19.8	19.2	0.5	108.5	108.9
NET INCOME	**36.4**	**(85.9)**	**(49.5)**	**39.1**	**(365.1)**	**(325.9)**
Non-controlling interests	(11.5)	0.0	(11.5)	(16.1)	16.5	0.4
NET INCOME. GROUP SHARE	**24.9**	**(85.9)**	**(61.0)**	**23.0**	**(348.6)**	**(325.6)**
Diluted average number of shares	*1,748,360*	*1,748,360*	*1,748,360*	*1,748,351*	*1,748,351*	*1,748,351*
NET EARNING PER SHARE (€/SHARE). GROUP SHARE	**14.26**	**(49.13)**	**(34.86)**	**13.16**	**(199.36)**	**(186.21)**

Consolidated balance sheet

€millions	31/12/2024	31/12/2023
Non-current assets	**854.6**	**737.6**
Intangible assets	332.0	340.2
o/w Goodwill	228.9	218.5
o/w Brands	99.0	115.0
	1.3	3.6
o/w Other intangible assets	2.8	3.1
Property plant and equipment	163.4	24.0
Right-of-use on tangible and intangible fixed assets	116.2	123.8
Investment properties	59.1	58.0
o/w Investment properties in operation at fair value	9.1	10.4
o/w Investment properties under development and under construction at cost	48.0	45.5
o/w Right-of-use on Investment properties	2.0	2.1
Securities and investments in equity affiliates and unconsolidated interests	135.1	139.9
Loans and receivables (non-current)	8.9	28.6
Deferred tax assets	40.1	23.1
Current assets	**2,942.4**	**3,015.8**
Net inventories and work in progress	938,0	1,090.9
Contracts assets	507,2	536.0
Trade and other receivables	806.9	785.3
Income tax credit	3.2	17.3
Loans and receivables (current)	30.8	27.1
Derivative financial instrument	2.9	-
Cash and cash equivalents	653.4	559.2
TOTAL ASSETS	**3,797.2**	**3,753.4**
Equity	**751.0**	**807.1**
Equity attributable to Altareit SCA shareholders	**717.1**	**776.5**
Capital	2.6	2.6
Other paid-in capital	76.3	76.3
Reserves	699.1	1,023.2
Income associated with Altareit SCA shareholders	(61.0)	(325.6)
Equity attributable to minority shareholders of subsidiaries	**33.9**	**30.6**
Reserves associated with minority shareholders of subsidiaries	22.4	31.0
Other equity components. Subordinated Perpetual Notes	11.5	(0.4)
Non-current liabilities	**529.7**	**786.2**
Non-current borrowings and financial liabilities	476.7	727.4
o/w Bond issues	–	*333.6*
o/w Borrowings from lending establishments	*354.4*	*259.8*
o/w Advances from Group shareholders and partners	*0.2*	*0.3*
o/w Lease liabilities	*122.1*	*133.8*
Long-term provisions	48.9	56.2
Deposits and security interests received	2.8	1.5
Deferred tax liability	1.2	1.0
Current liabilities	**2 516.5**	**2,160.0**
Current borrowings and financial liabilities	644.1	337.9
o/w Bond issues	*339.0*	*4.8*
o/w Borrowings from lending establishments	*59.1*	*60.2*
o/w Bank overdrafts	*1.3*	*47.0*
o/w Advances from Group shareholders and partners	*224.0*	*207.6*
o/w Lease liabilities	*20.7*	*18.4*
Financial derivative instruments	6.7	0.7
Contracts liabilities	130.2	257.0
Trade and other payables	1 734.3	1,564.1
Tax due	1.2	0.4
TOTAL LIABILITIES	**3,797.2**	**3,753.4**