PRESS RELEASE

2020 annual results exceeding expectations

Strong growth potential expected in 2021

- **Increase in turnover and improvement in profitability exceeding expectations in 2020 :**
  - Sharp rise in turnover to €204.8 m (+ 23.8% compared with 2019) exceeding expectations (€190 m)
  - EBITDA increasing to €24.3 m with a margin rate of 11.9% exceeding expectations (10.4%)

- **Proposed dividend distribution of €0.70 per share**

- **Extremely favourable outlook for 2021:**
  - Confirmation of expected growth based on dynamic production, development and commercial indicators at the beginning of the year
  - Reiteration of a target turnover expected to exceed €250 m.
  - Setting of a target operating result of around €17 m.

Saint-Herblain, 25 March 2021, 6 p.m. The Board of Directors of the regional development group REALITES met on 23 March 2021 and approved the consolidated financial statements for 2020.

In millions of Euros excl. tax	31/12/2020	31/12/2019	*Variation*
Turnover	**204.8**	165.4	*+23.8%*
EBITDA	**24.3**	19.3	*+25.8%*
EBITDA margin rate	*11.9%*	*11.7%*	
Operating result	**13.6**	15.9	*-14.3%*
Operating margin rate	*6.6%*	*9.6%*	
Net result	**7.9**	8.9	*-11.2%*
Net margin rate	*3.9%*	*5.4%*	
Group share of net result	**6.1**	7.6	*-19.7%*
EPS	*1.72*	*2.89*	

Consolidated audited data, financial statements according to IFRS standards.

Sustained growth of activity

In spite of an unfavourable health-related and administrative context (sharp decline in the issuance of permits), REALITES generated a turnover of €204.8 m in 2020, up 23.8% compared with 2019, a level which is significantly higher than that of €190 m initially forecast.

The increase in turnover was upheld by sustained growth in the main project management activity (+15%) as well as the development of new end-user consultancy activities (in particular HEURUS and CAP'ETUDES) which contributed €14.6 m to the Group's consolidated turnover.

The 2020 financial year confirmed the relevance of the diversification strategy (end-user consultancy, major urban projects, international sphere) initiated by the Group and its commitment to smart regional development. The natural complementarity between the two areas of project management and end-user consultancy has accelerated the development and enhanced the recurrence of Group revenues.

The level of reservations has also increased significantly (€291 m in 2020 compared with €244 m in 2019) which is a major indicator of the Group's short / medium-term growth. The total amount of transactions recorded has reached a new record level of €229 m (+11% compared with 2019) even though the national market has declined overall by -32% (source ECLN, SDES CGDD) based on this indicator.

The percentage of completed stock remains very low at 1.2% of the overall offer as a % of the number of lots (compared with 4.7% at national level - source FPI).

Sharp increase in EBITDA

The EBITDA has increased significantly to €24.3 m (+25,8% compared with 2019) with a margin rate of 11.9%, exceeding the forecast 10.4% previously announced. After a first half year that was hugely impacted by the first lockdown, but thanks to a proactive policy of rapid project recovery, activity improved significantly during the second half of the year, with very high numbers of reservations and deeds during the final quarter of the year.

Restated for the impact of the change in consolidation method used by the subsidiary HEURUS, the 2019 EBITDA rate stood at 9.2% (after being restated) compared with 11.7% during the 2020 financial year.

The operating result for the year amounted to €13.6 m, up 27.1% compared with the operating result restated for the HEURUS transaction in 2019, i.e. €10.7 m.

In spite of the context, the Group also pursued its proactive investment and structuring policy associated with its strong development. This investment resulted in a payroll increase of 21% on a like-for-like basis (+43% with the consolidation of end-user consultancy).

The net result stood at €7.9 m, with the Group share of the net result amounting to €6.1 m, after taking into account a financial result of €-4.5 m and tax charges of €1.3 m.

In a market that has been heavily impacted by the pandemic, REALITES has recorded improved profitability indicators, confirming the solidity of its economic mode.

Contribution to profitability by business

With the takeover of HEURUS (management of serviced homes for the elderly) on 1 January and the acquisition in two stages of 84% of the capital in the CAP'ETUDES group (management of serviced student accommodation), REALITES is planning to step up the development of its end-user consultancy activity. This activity is becoming significant at Group level, representing around €15 m.

The contribution to the results per segment was presented for the first time in 2020:

In millions of Euros excl. tax	Project management	%	End-user consultant	%	Total
Turnover	**190.1**	*100%*	**14.6**	*100%*	**204.8**
EBITDA	**17.2**	*9.0%*	**7.1**	*48.6%*	**24.3**
Allowances for depreciation and provisions	-3.2	*-1.7%*	-7.5	*-51.4%*	*-10.7*
Operating result	**14.0**	*7.4%*	**-0.4**	*-2.7%*	**13.6**

Project management, which is the group's traditional business, represents 93% of the total turnover and will continue to be the Group's main area of growth over the coming years.

This sector is currently being structured and developed and certain activities have not reached their profitability threshold (HEURUS, UP2PLAY). The contribution of end-user consultancy to the Group's profitability is set to increase in the medium term.

By combining these two businesses, which overlap considerably in terms of residential construction (contributing €60 m to the total amount of reservations in 2020), REALITES is hoping to benefit from marked synergies and eventually reduce the cyclical nature of its activity to some degree, whilst benefiting from an increase in the profitability of end-user consultancy.

Strengthening of the financial structure linked to announced growth

The financial structure of the Group was as follows on 31/12/2020:

In millions of Euros excl. tax	31/12/2020	31/12/2019
Debenture loan debts	72.3	48.6
Opening of credits to SCCV (civil construction / sale companies)	34.9	25.2
Other financial debts	59.1	27.2
Available cash	-76.2	-42.8
Net debt	**90.2**	**58.1**
Equity capital	**102.8**	**75.6**
Gearing excluding debts linked to property assets	**88%**	**77%**

REALITES had a self-financing capacity amounting to €25.5 m in 2020, illustrating the high level of cash generated by its activity.

During the financial year, the Group continued with the work begun over the past two years to consolidate its financial resources in order to anticipate current and future requirements within the framework of the Ambition 2025 plan and to guarantee its financial independence by strengthening its cash flow position, which was at an all-time high at the end of the year (available cash: €76.2 m).

The Group launched a successful capital increase by means of a public offer, maintaining the pre-emptive subscription right for an amount of €14.8 m with another reserved for 49 Group managers amounting to €4.9 m. The latter were also subscribed for on this occasion for an amount of €4.8 m in super-subordinated perpetual securities. This major management contribution to the capital of REALITES confirms the support offered by teams for the corporate project Ambitions 2025.

In addition, REALITES has incurred additional bank and bond debts for a gross amount of €76.6 m. The total debt drawn at the end of 2020 amounted to €166.3 m compared with €101.0 m a year earlier.

The Group's cash flow on 31/12/2020 was up €33.4 m to reach €76.2 m.

The net debt (excluding property debt) stood at €90.2 m at the end of 2020 with a controlled gearing of 88%.

The controlling of the debt level reflects the risk control policy implemented by the management over recent years and the Group's agility in reacting and financing itself even in periods of crisis.

Proposed dividend distribution

In view of the strong performances recorded in 2020, the Board of Directors is to propose a unit dividend of €0.70 for shareholders at the next shareholders' general meeting with a maximum distribution of €2.5 m.

With this dividend, REALITES wishes to reward the loyalty of its shareholders who went without a dividend distribution in 2020 in order to maintain the company's liquidity.

Extremely favourable outlook for activities in 2021

The order book at the end of 2020 represented around 2 billion euros, up 30.5% compared with the situation at the end of 2019. It is made up of a property portfolio amounting to €1,336 m, a commercial offer of €231 m and the commercial backlog of €337 m. The latter element illustrates the turnover on board on 31/12/2020 but not yet recognised on that date.

In a market marked by a supply crisis, the commercial offer available on 31/12/2020 showed a sharp increase to €231 m (compared with €165 m on 31/12/2019), representing growth of 39.8% thanks to numerous commercial launches during the second half of 2020.

Furthermore, with regard to the end-user consultancy activity, the planned opening of a number of new establishments (HEURUS, CAP'ETUDES and UP2PLAY) and the development of existing activities should generate turnover of around €18 m.

These favourable indicators and the excellent visibility of the Group's activities have led it to anticipate continued growth in 2021, at least on a par with the last two financial years, with a target turnover in excess of €250 m.

As far as profitability is concerned, given the maturity and relative weighting of activities, the management are working towards a target operating result of €17 m.

The 2021 financial year is therefore fully in line with the "Ambitions 2025" plan presented to the financial community on 28 January 2021.

REALITES is planning to continue its activities in 2021 in keeping with its fundamental purpose: "Being useful everywhere at all times in support of smart regional development". This motto, coupled with four societal objectives, enabled the Group to adopt the status of social purpose corporation last January.

The annual financial report presenting all the financial statements will be available for download on 9 April 2021 from the website www.groupe-realites.com, under the heading Finance/Legal Publications.

Financial schedule

26 March at 9.30 a.m.: SFAF meeting to present the 2020 annual financial statements at a video-conference

About REALITES

REALITES is a regional development company which develops new, innovative solutions with and for cities and urban areas to create value, enhance attractiveness and promote economic development. From the regeneration of regions through end-user consultancy (serviced homes for the elderly and for students, indoor sports and leisure complexes, innovative health and well-being solutions, etc.) to implementation through project management (apartments, managed housing, shops, offices, business premises, etc.), REALITES is committed to developing and launching projects which correspond as closely as possible to the needs of a city, area or district. Through its commitments to child protection via its endowment fund, integration and success with Nantes Atlantique Handball and Red Star FC, REALITES is the first project manager in France to adopt the status of social purpose corporation. REALITES has made a commitment to be "useful everywhere at all times in support of smart regional development", a motto which is underpinned by four societal objectives.

REALITES was founded in 2003 by its CEO, Yoann CHOIN-JOUBERT and is present in France and Africa (Morocco). With over 520 employees, REALITES recorded a turnover of 204 million euros excluding tax in 2020. REALITES has been listed on the Euronext Growth market since 2014 (Isin code: FR0011858190, ticker: ALREA).

Further information: www.groupe-realites.com

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Glossary

Deeds: for the current year, reserved housing for which the notarised deed of sale or private contract have been signed.

For VEFA sales (sales before completion),***commercial* backlog** covers reserved housing for which the notarised deed of sale has not yet been signed and non-delivered reserved housing for which the notarised deed of sale has been signed for the proportion not yet included in the turnover (for a programme which is 30% complete, 30% of turnover from housing for which the notarised deed of sale has been signed is recorded as turnover and 70% is included in the *backlog*).

Order book includes (i) the property portfolio, (ii) the commercial offer and (iii) the commercial *backlog*.

Property development : potential future earnings from the commercialisation of programmes for all plots of land for which a commitment (i.e. sales agreement) has been signed during the year.

Delivered lots in stock : housing included in completed property projects that has not been sold.

Commercial offer : potential future earnings on the basis of commercially launched projects, i.e. all housing that has not been reserved on a given date (minus commercial tranches not yet open).

Property portfolio : potential future earnings from the commercialisation of programmes for all plots of land for which a commitment (i.e. sales agreement) has been signed.

Reservations : For the current year, reserved housing for which the notarised deed of sale has not yet been signed (for VEFA sales (sales before completion)).

Volume of activity: all the projects on which REALITES is working which could be accounted for by full consolidation or the equity method (according to the governance of the project concerned). This is not a turnover.