

INVESTOR INFORMATION

Action Logement Services (ALS), a social housing financing corporation and subsidiary of Action Logement Groupe, has published its 2021 consolidated financial statements:

- A net collection of EUR 1.5 billion, down 5% compared to the 2020 financial year, in a social and economic context that has been weakened by the health crisis.
- In accordance with the strategic guidelines defined in 2019 in consultation with the State, when the Voluntary Investment Plan was signed, the year 2021 was characterised by:
 - a very sharp acceleration in activity with nearly EUR 7.5 billion committed (+29% vs. 2020) and 795,000 households assisted in 2021, an increase of 23% compared to the previous year;
 - a net income of EUR -3,954 million, in line with forecasts.

Consolidated profits of Action Logement Services and its subsidiaries for the year 2021

The Board of Directors of Action Logement Services, which met under the joint chairmanship and vice-chairmanship of MEDEF and CFTC on 7 June 2022, approved the Company's consolidated financial statements.

1. Scope of consolidation

The scope of consolidation organised around the parent company Action Logement Services, the consolidating company, includes the following companies: Ma Nouvelle Ville, Astria Foncier, Solendi Expansion and Opérateur National de Vente.

On 1 December 2021, the subsidiary Projimmo Conseil, a limited liability company with capital of EUR 80,000, of which Action Logement Services was the sole shareholder and which was included in the scope of consolidation on 31 December 2020, was subject to a universal transfer of assets to Action Logement Services.

2. Action Logement Services Business Activities

In millions of euros	2018	2019	2020	2021	2021/2020 Performance (M€)	2021/2020 Performance (%)
Net collection	1,695	1,742	1,572	1,486	-86	-5%
Loan repayments	1,355	1,275	1,213	1,199	-14	-1%
State compensation	-	-	238	-	-238	-100%
Total resources excluding bond issues	3,051	3,018	3,023	2,685	-338	-11%
Financial support to employees	666	581	1,201	2,407	1,206	100%
Financial support to social landlords	1,381	1,548	3,333	3,355	22	1%
Public housing policies	535	534	1,304	1,759	455	35%
Total commitments	2,582	2,663	5,838	7,521	1,683	29%
<i>of which VIP</i>	-	8	2,696	3,301	606	22%
<i>of which exceptional payments to the National Fund for Housing Assistance (FNAL)</i>	-	-	500	1,000	500	100%

In 2021, the net collection of repayments due in 20 years, mainly from companies' contributions to the Employers' Contribution to the Construction Effort (PEEC), amounted to EUR 1.5 billion, down 5% compared to 2020.

This change is explained by the drop in gross collections within the context of the health crisis (in 2021, the calculation base corresponds to the 2020 payroll), and by the increase in the repayment of mature collections received in the form of loans. Of the gross funds collected (EUR 1.66 billion), 79% was received in the form of grants and 21% in the form of 20-year bullet loans, a distribution comparable to that observed in previous years.

Loan repayments, down slightly over one year (-1%), amounted to EUR 1.2 billion.

To compensate for the impact of the increase in the threshold for companies to be subject to the PEEC, which was raised from 20 to 50 employees on 1 January 2020 pursuant to the Plan d'Action pour la Croissance et la Transformation des Entreprises (PACTE law), the State paid EUR 238 million to Action Logement Services in 2020. This compensation has been abolished as of 2021, in strict application of the 2021 Finance Act published in the Official Journal on 30 December 2020.

Thus, the resources, excluding bond issues, amount to EUR 2.7 billion for the 2021 financial year, down by EUR 0.3 billion over one year, i.e. -11%.

The year 2021 was marked by a sharp increase in commercial activity, amounting to almost EUR 7.5 billion, compared to EUR 5.8 billion in 2020 (i.e. +29%). Almost 795,000 households were assisted in 2021, up 23% compared to 2020.

After launching its inaugural EUR 1 billion bond issue in the second half of 2019, Action Logement Services did not issue bonds in 2020.

In 2021, as part of its 100% sustainable EMTN programme, Action Logement Services carried out two bond issues worth EUR 1 billion each.

i. The deployment of the Five-Year Agreement over the period 2018-2022

2021 was a year of sustained activity from Action Logement Services within the framework defined by the Five-Year Agreement concluded on 16 January 2018 by the State and Action Logement Groupe

(ALG). As a financing company, Action Logement Services is responsible for the implementation of its operations, including ensuring PEEC collections and the subscription of the resources necessary for the distribution of uses split up by category, in compliance with the envelopes determined in application of the agreement.

These uses, which are mainly aimed at facilitating access to housing for employees and participating in the construction of housing in areas of high property pressure, are concretely defined by Action Logement Group directives, which may change according to the macro-economic context and the needs of Action Logement Services' priority target groups.

Thus, the "accession loan" offer for people with resources equal to or below the regulatory ceilings changed in September 2020, with a reduction in the interest rate from 1% to 0.5% and a doubling of the maximum loan amount from EUR 20,000 to EUR 40,000. This development had a full effect on the year 2021, with EUR 0.8 billion in commitments.

- ii. The implementation of the Voluntary Investment Plan (VIP): full implementation over the period 2020-2022

Growth in activity is mainly a reflection of the successful implementation of the Voluntary Investment Plan signed on 25 April 2019 by the State and Action Logement Groupe and its Schedule, known as the "Recovery Schedule", dated 15 February 2021.

With a total budget of EUR 9.2 billion, the VIP is designed to facilitate access to housing for employees and to promote their mobility. By 31 December 2021, 80% of the EUR 6 billion in subsidies linked to this plan had been distributed, 44% of which in the year 2021 alone. The achievement of subsidiaries linked to the energy renovation of housing and home improvement has been confirmed in 2021 in the amount of EUR 1.1 billion.

The fulfilment of Action Logement's contractual commitments is reflected in the significant mobilisation of Action Logement Services' resources leading to the success of the Voluntary Investment Plan and its Recovery Schedule.

The Voluntary Investment Plan is scheduled to end on 31 December 2022. This mechanism is complementary to the 2019-2022 Five-Year Agreement, established, like the successive agreements, by the provisions of Article L. 313-3 (13th paragraph) of the Construction and Housing Code.

- iii. Contribution to national policies

During the year, Action Logement Services continued to contribute EUR 0.8 billion to national housing policies, in addition to an exceptional payment of EUR 1 billion to the National Fund for Housing Assistance, in accordance with the provisions of the 2021 Finance Act.

- iv. Focus on the commercial activity of the National Sales Operator (ONV)

Among the subsidiaries, ONV, a social housing sales company, continued its development in 2021 by acquiring 54 buildings, representing 1,878 homes, for EUR 215 million.

Over the same period, 116 sales were finalised for EUR 17 million and income from the rental management activity generated rental income of EUR 17 million.

For its third financial year, ONV has demonstrated the robustness of its economic model by generating a profit of EUR 3 million.

3. Consolidated financial results

In millions of euros	2018	2019	2020	2021	Performance (M€)	Performance (%)
Net non-banking income	601	580	-1,676	-3,714	-2,038	122%
<i>Employers' contribution (+)</i>	<i>1,507</i>	<i>1,536</i>	<i>1,600</i>	<i>1,304</i>	<i>-297</i>	<i>-19%</i>
<i>Subsidies (-)</i>	<i>-906</i>	<i>-955</i>	<i>-3,276</i>	<i>-5,017</i>	<i>-1,741</i>	<i>53%</i>
Net banking income	152	134	126	113	-12	-10%
Net operating income	753	715	-1,550	-3,600	-2,050	132%
Management fees	-303	-357	-295	-296	-2	1%
Gross operating result	450	358	-1,845	-3,897	-2,052	111%
Cost of risk	-13	11	-62	-57	5	-8%
Operating result	437	368	-1,906	-3,953	-2,047	107%
Gains or losses on fixed assets		43	1	1	0	-35%
Earnings before tax and interest	437	411	-1,905	-3,952	-2,048	107%
Extraordinary result		-2			0	-86%
Income tax payable	-1	-11	-1	-1	0	36%
Net income (group share)	436	398	-1,906	-3,954	-2,048	107%

In 2021, the group registered a net loss of EUR 3,954 million, due to the following elements:

- Net non-banking income in line with economic activity. The Net Non-Banking Income reflects the success of the strategy defined in 2019 consisting in significant mobilisation by Action Logement Services over the period 2020-2022 to serve employees and employment;
- Net Banking Income of EUR 113 million, down EUR 12 million compared to 2020. This decrease is mainly due to the decrease in the net interest margin;
- Management fees stable over one year (+0.6%);
- Cost of risk in net allocation of EUR 57 million, limited with regard to customer loans in the amount of EUR 16.1 billion.

4. Consolidated balance sheet information

Action Logement Services' consolidated balance sheet total was EUR 20.1 billion at 31 December 2021, down EUR 1.2 billion over one year.

Customer loans represent EUR 16.1 billion.

Cash and cash equivalents amounted to EUR 2.8 billion at 31 December 2021, down EUR 1.8 billion over one year, as a result of targets being achieved.

Off-balance sheet commitments amounted to EUR 22.1 billion, up by EUR 2.4 billion over the year 2021.

The increase in these commitments illustrates the attractiveness of the VISALE free rental guarantee scheme. This tenant guarantee offered by Action Logement Services makes it possible for a wider

range of people to access housing and provides private landlords with security insurance for their rented property.

5. Supervisory reporting

Based on a comprehensive view of all the activities performed by Action Logement Services, the solvency ratio is 42.1% at 31 December 2021, confirming the company's financial strength. This ratio is significantly higher than the regulatory threshold of 10.5% applicable to Action Logement Services.

Action Logement Services expects to maintain its CET1 ratio at around 30% at the end of 2022, the date of completion of the VIP.

6. Action Logement Services' rating

Action Logement Services' rating is aligned with that of the French State.

Moody's confirmed the long-term rating at Aa2 in December 2021 with a stable outlook since February 2020, following the change from positive to stable in the outlook associated with France's Aa2 sovereign bond rating.

Based on its methodology for rating government-related entities, Fitch confirmed Action Logement Services' AA rating in January 2022 with a negative outlook since May 2020, reflecting the lowering of France's outlook from stable to negative at the same date.

	Moody's Investors Service	Fitch Ratings
Senior unsecured long-term note	Aa2	AA
Short-term note		F1+
Outlook	Stable	Negative
Date of last report	16/12/2021	18/01/2022

7. Events since the end of the financial year

On 2 April 2022, Action Logement Services issued a 10-year bond as part of its 100% sustainable EMTN programme. The new bond has a face value of EUR 1.25 billion and a coupon of 1.375%. The success of this operation, executed in a deteriorated geopolitical context and a volatile interest rate environment, is further proof of investors' confidence in Action Logement Services' signature and its missions.

8. Outlooks

The 2022 financial year marks the end of the arrangements concluded with the State in 2018 (Five-Year Agreement), 2019 (Voluntary Investment Plan) and 2021 (Recovery Schedule).

The context in which Action Logement Services is likely to intervene from 2023 onwards will be fully consistent with the objectives negotiated between Action Logement Groupe and the State as part of its commitments to affordable and sustainable housing for employees and its social utility missions.

The level of uses of Action Logement Services will remain subject to its interventions in relation to households, social landlords and public policies in the future, in connection with its capacity to mobilise the necessary resources.

Action Logement Services remains confident, in this specific context, of its ability to preserve the balance and sustainability of its economic model.

The audit procedures on Action Logement Services' company and consolidated financial statements for the period from 1 January 2021 to 31 December 2021 were carried out by the Statutory Auditors, whose audit reports on the certification of the accounting period are available and published on the Action Logement website.

More information at : [Consolidated results ALS 2021](#)

The regulated information is available on the Action Logement website:

[Investor Relations | Action Logement Group](#)

This press release contains certain forward-looking statements regarding Action Logement Services' outlooks, which are based on reasonable assumptions at the date of publication of this press release, but are by their nature subject to uncertainties that could lead to a difference between the actual results and those announced.

ABOUT ACTION LOGEMENT SERVICES

Since its creation in 2016, Action Logement Services has aimed to finance actions in the field of housing, in particular for employee housing, in order to promote employment and contribute to economic growth throughout France. As such, Action Logement Services collects the Employers' Contribution to the Construction Effort and grants loans, financial aid and services to employees, companies and social and intermediary landlords.

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