

Bezannes, 23 February 2023 - 5:00 p.m. – 2022 Annual Results



FREY: the sustainable retail REIT executes its strategic plan and posts strong growth for all of its indicators

An “entreprise à mission” with the B Corp™ certification and very ambitious ESG commitments

FREY “B Corp Best for the World™ 2022”

4 major ESG commitments to “restore retail as a service for the common good”

A climate strategy aligned with the SBT (Science Based Targets) initiative

Target to reduce GHG emissions by **42% in scopes 1&2**

and halve the carbon intensity of the construction and operation components of scope 3 ⁽¹⁾

Solar energy production potential: **40,000 MWh** on 100% of the portfolio ⁽²⁾ by 2028

ForREY® 1,667 ha in exploitation: **48%** of 2030 target achieved

1st multi-country open-air shopping platform with solid fundamentals

Economic portfolio: **€1.7 billion** (+16.9%)

Internationalisation of the portfolio: **35%** ⁽³⁾

Financial occupancy rate: **98.0%** ⁽⁴⁾ (stable)

Annualised rents Group share: **€100.1 million** (+24.2%)

2022 collection rate ⁽⁵⁾: **98.1%**

Tenants’ sales ⁽⁶⁾: **+10.4%** (vs. 2019)

Group OCR ratio ⁽⁷⁾: **8.4%** (8.7% vs. 2021)

Cap rate ⁽⁸⁾: **6.0%** (5.7% vs. 2021)

The leading French operator specialised in urban renewal of commercial zones at city entrances

An innovative partnership serving the Territories: FREY, Banque des Territoires and CDC Habitat are creating a real estate bridge financing vehicle

“New VITAM”: new project secured in a JV with Migros France at the heart of the Genevois region

Development pipeline: **€732 million in investments** ⁽⁹⁾

An excellent operating performance

Rental income: **€91.5 million** (+25.6%)

Profit from recurring operations: **€65.0 million** (+22.5%)

Net income Group share: **€129.4 million** (+97.7%)

Net income Group share excluding MTM valuation: **€68.3 million** (+19.6%)

A solid financial structure

EPRA NAV NDV ⁽¹⁰⁾: **€35.0/share** (+9.3%)

LTV ratio (incl. transfer tax): **38.9%**

Available liquidity: **€277 million** ⁽¹¹⁾

Proposed 2022 dividend ⁽¹²⁾: **€1.70/share** (+6.2%) fully in cash

(1) Excluding visitor movement.

(2) Portfolio comprising assets more than 50% owned by FREY (excluding Finestrelles Shopping Centre) and with more than 3 cells.

(3) Calculated on the basis of annualised rents, including Finestrelles Shopping Centre and Parque Mediterráneo.

(4) At 31 December 2022, the vacancy rate calculated in accordance with the EPRA Best Practices Recommendations stood at 2.0%.

(5) Charged rents collected relative to charged rents invoiced.

(6) Tenants’ sales from January to December 2022, changes versus comparable periods in 2019 for FREY data.

(7) Rolling 12 months/FREY Group scope (France, Spain, and Portugal). France scope: 8.4%.

(8) Potential annualised rents relative to the value incl. transfer tax on delivery of works remaining to be disbursed – scope of operating assets.

(9) Incl. development.

(10) Calculated according to the standard developed and published by the European Public Real Estate Association (EPRA).

(11) €72m in cash and €205m in corporate credit lines.

(12) As proposed to the General Meeting to be held on 9 May 2023.

*“2022 was another particularly intensive vintage for FREY. We executed our strategic plan while recording significant growth in all our operating and financial indicators. New strategic partnerships were set up to boost the Group’s future growth and new assets were added to enhance its portfolio. 2022 was also a very enriching year for FREY and its team members, who are fully committed to carrying out its mission and the four major social and environmental objectives associated with it. On the back of all of these achievements, now more than ever we can reiterate FREY’s ambition to become the leading sustainable retail platform in Europe.”
Antoine Frey, Chairman and Chief Executive Officer of FREY.*

Key figures - In € million - 12 months	31.12.2022	31.12.2021	% Change
Consolidated revenue	124.1	98.7	+25.7%
o/w property investment activity (gross rental income)	91.5	72.9	+25.6%
Profit from recurring operations	65.0	53.0	+22.5%
Change in fair value of investment property	38.9	28.8	+35.4%
Net income Group share	129.4	65.4	+97.7%
Net income Group share excluding MTM valuation	68.3	57.1	+19.6%
Balance sheet indicators - In € million	31.12.2022	31.12.2021	Change
EPRA NAV NDV	989.2	906.3	+9.1%
<i>i.e. per share</i>	35.0	32.0	+9.3%
LTV (incl. transfer tax)	38.9%	32.2%	+6.7pt

At its meeting of 23 February 2023, FREY’s Board of Directors approved the consolidated financial statements for 2022. Audit procedures have been carried out by the Statutory Auditors. The certification report is in the process of being issued.

2022 KEY EVENTS

- **FREY confirms its status as a pioneer in terms of ESG commitments**

At a time when physical retail is undergoing numerous changes, with its status as a **B Corp™ certified** (a first in France for a listed company) **“entreprise à mission”** - FREY has a committed vision for a sustainable economy, society, and retail. Thus, through its concepts, its construction methods, and the way it operates its sites, FREY is involved daily in making society more responsible, respectful of the environment and socially beneficial to its ecosystem. Furthermore, FREY has placed its CSR strategy at the core of the Group’s overall strategy through the deployment of its mission: **“Restoring retail as a service for the common good”**, which breaks down into four major ESG commitments ⁽¹⁾:

1. Retail as a driver of urban diversity
2. Retail as a driver of social cohesion and local economic resilience
3. Retail as a driver of the environmental transition
4. FREY, a company that serves the common good

(1) The Mission and its 4 pillars are enshrined in the company’s articles of association since 2021.

In 2022, after obtaining the discharge of its Mission Committee, **FREY published its first mission report** ⁽¹⁾ defining a clear roadmap with 15 objectives. As a mission-led REIT, it gives all its stakeholders (employees, tenants, local authorities, consumers, shareholders, bankers, and suppliers, etc.) a guarantee of the level of excellence of its ESG commitments. **2022 was an active year in terms of the execution of its mission and monitoring of its indicators**, notably through the launch of test projects on pilot sites:

1. **Developing the diversity and density of its sites: Clos du Chêne, a “sustainable city demonstrator”.** At a time of zero net artificialisation, with land sobriety and environmental challenges considered, it is necessary to rethink urban planning. As such, commercial zones on the outskirts of urban areas are an opportunity to gradually switch from single-function use to mixed and sustainable neighbourhoods. The Clos du Chêne project, selected by the French State ⁽²⁾ has become the laboratory for a sustainable city through its transformation, which will involve, among other things, the reclassification of existing public spaces, the development of new commercial polarities, a new urban density and mix offering different uses to create a new piece of the city.
2. **An ambitious climate strategy:**
 - In 2022, FREY carried out a carbon footprint according to the GHG Protocol methodology ⁽³⁾. This allows the Group to define a climate strategy in line with the Science Based Target (SBTi) initiative and thus to align itself with the new international standards. The SBT initiative aims to align the greenhouse gas (GHG) reduction strategies of companies around the world with scientific recommendations. FREY has set itself a 2030 target of a 42% reduction in GHG emissions from scopes 1 & 2 compared to its 2021 base year (direct emissions). This trajectory follows the objectives of the Paris Agreements (2015), i.e. limiting global warming to +1.5 C°. For its scope 3 (construction and operation of sites excluding visitor travel) FREY has set a target of halving its carbon intensity expressed in Kg eqCO₂/m² compared to its base year 2021. Regarding GHG emissions linked to scope 3 visitor travel (transport-mobility), FREY will also consider them as part of its climate strategy and implement targeted actions to reduce them. The company plans to submit all of these trajectories (including visitor travel) to the SBT later this year.
 - As part of its ambitious and proactive carbon sobriety trajectory, **wood is the founding element of the 3rd pillar of FREY’s mission of “restoring retail as a service for the common good”**. With a dual objective, to supply the French wood industry and contribute to its structuring while guaranteeing its own needs by securing the wood supply for its projects with bio sourced, sustainable, and local material. Through FoREY®, FREY’s forest group created in 2020, the company is pursuing its strategy of investing and operating sustainably managed French forests. **To date, FoREY® owns and exploits 1,667 hectares with a target of 3,500 hectares by 2030 (48% of the 2030 target achieved).**
 - **Developing carbon-sober projects:** OPEN is FREY’s first fully eco-designed major wood construction project. The use of wood as the main material for the superstructure and cladding of the buildings enabled the **project to obtain the label E+C- E3C1 level for its design. A first for a project of this scale.** Obtaining this label reflects FREY’s very strong commitment in this area, with the Group aiming to obtain an Excellent BREEAM certification. In this respect, the operational part of the development strategy of the low-carbon project has already started **with the massive integration of wood into the Halle des Docks de St-Ouen project (93)**, which is planned for delivery in the second half of 2023.
 - In line with its commitment, FREY has published a carbon-weighted net income Group share of **€95.9 million** ⁽⁴⁾ in 2022.

(1) Audited by an independent third-party body, KPMG.

(2) As part of the 4th Investments for the Future Programme (PAI4), France’s Prime Minister unveiled at the beginning of January 2022 the 9 winners of the call for expressions of interest (AMI) for “Demonstrators of the sustainable city”. The project (Fertile hybridisation of a shopping centre and its district in the Paris suburbs), carried by EpaMarne, a public development agency for East Greater Paris, with the assistance of FREY, is one of the winners.

(3) It is an international protocol providing a framework for measuring, accounting and managing greenhouse gas emissions from private and public sector activities developed by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI).

(4) 2022 net income Group share of €129.4m reduced by the 2022 carbon charge of €33.4m (FREY carbon emissions in 2022 calculated using the GHG Protocol method of 417,593 tonnes x €80/tonne of carbon) compared with 2021 Carbon net income Group share of €34.6m (385,000 tonnes emitted according to the new method with a price of x €80/tonne).

3. **An ambitious trajectory to produce renewable solar energy:** in line with its climate strategy, FREY wishes to become a producer of renewable energy by deploying, initially, solar panels on its properties. The Group will give priority to install solar panels on its roofs, to limit the carbon footprint of the installations, as opposed to solar shading on car parks. This would make it possible to recover some of the parking areas for new forms of land use with greater added value for the area, such as: residential, new mixed-use buildings and their renaturation to promote biodiversity and combat urban heat islands. To develop short energy circuits and limit losses on the network, FREY will favour local consumption of the energy produced. The potential for solar energy production is estimated at 40,000 MWh, which would cover 100% of FREY's consumption and 50% of its tenants' consumption. **To achieve this, 50% of the portfolio⁽¹⁾ will be equipped with solar panels by 2026 and 100% by 2028.**

4. **100% of FREY employees are directly committed to the mission:** “to make FREY a company that serves the common good”. This is an essential pillar as it makes it possible to promote the status of a mission-led company to all the Group’s stakeholders, including its employees. A purely economic performance is no longer sufficient to motivate teams and meet society’s expectations. It is therefore essential to unite employees around more ambitious objectives that are more closely tied to their motivations. **The “entreprise à mission” status is an important framework for reflection and guidance.** Thus, the fact that each employee has joined a “mission group” creates a dynamic and a sense of belonging. This positive impact is also generated by the integration of a “personal objective” linked to the CSR approach, on which the annual bonus is partially contingent.

FREY received B Corp™ certification in 2021 with a remarkable score of 102.2 points and was named B Corp Best for the World 2022 in recognition of its significant positive impact for the “Environment” impact category. Best for the World is a recognition awarded by the NGO B Lab to B certified companies that rank among the top 5% of their category globally in at least one of the five impact areas⁽²⁾ assessed by the B Impact Assessment.

- ***FREY is executing its strategic plan to fulfil its ambition to become the European leader in sustainable retail.***

With the aim of becoming the European leader in sustainable retail, FREY is pursuing its growth strategy. This strategy is based on its expertise in the investment, development and management of **open-air shopping centres that are more sustainable, more practical, user-friendlier and with a more profitable business model for retailers.**

1. **In 2022, FREY actively pursued its long-term expansion strategy through:**
 - **The acquisition of two open-air centres with solid fundamentals** to transform them and bring them up to the standards of the REIT’s portfolio, both in terms of economic performance and environmental performance:
 - **Finestrelles Shopping Centre** in Barcelona (41,100 m²) benefits from a strategic location and a large catchment area (470,000 inhabitants in a 10-minute radius with a purchasing power above the Spanish and Catalan average). Leased at 96.5%, the asset generated €8.1 million in annual net rental income in 2022. It was acquired for a total amount of €127.5 million.
 - **Parque Mediterráneo**, located 5 km from the port city of Cartagena in the southeast of Spain is one of the largest retail parks in Spain (68,200 m²). As the first commercial destination on the Murcia coast, the centre currently generates €6m in secure annual rental income and has a strong potential for optimisation, which will enable FREY to deploy all its management and development know-how (current occupancy rate of 100% and potential for extension with 6,000 m² in building rights). It was acquired for a total amount of €83 million.

(1) Assets comprising assets more than 50% owned by FREY (excluding Finestrelles Shopping Centre) and with more than 3 cells.

(2) Five impact areas: Community, Clients, Environment, Governance and Employees.

These two assets are in addition to Parc Vallès in Barcelona and the Algarve Shopping in Portugal, acquired in 2018 and 2019, respectively, **bringing FREY's international presence to 35%** ⁽¹⁾.

As part of this long-term expansion strategy, FREY is rolling out its pan-European platform by opening in new countries such as Poland: in the second half of 2022, FREY signed a purchase agreement with Ingka Centres, for the **Matarnia Park Handlowy** retail park in **Gdańsk** (Poland), for a total investment amount of approximately €105 million (including transfer tax). Ideally located in one of Poland's most dynamic cities, Matarnia Park Gdańsk also benefits from the attraction of one of Poland's first IKEA stores. FREY will be able to transform this high-potential asset to bring it up to the standards of its Shopping Promenade® concept and thus extract all its quintessence. This acquisition also marks FREY's first investment in Poland, one of the fastest growing economies in Europe.

- **Urban renewal operations in commercial zones at city entrances: FREY has formed an innovative partnership with Banque des Territoires and CDC Habitat serving the Territories.**

In a national context in which zero net artificialisation is becoming a priority and with the various economic, social, urban and environmental challenges facing French peri-urban commercial zones, this partnership draws on these constraints to transform them into an opportunity: **these commercial areas at city entrances represent a huge stock of already artificialised land on which cities will reinvent themselves in the future.** FREY, Banque des Territoires and CDC Habitat announced in December 2022 that they have partnered to transform these zones. **This partnership draws on the synergy of the three players to address this:** FREY, a specialist in commercial real estate with unique expertise in urban and commercial renewal, Banque des Territoires, a major partner of municipalities and a long-term investor for the general interest, and CDC Habitat, a global public-interest housing operator. The roll-out of this 20-year partnership began in January 2023. This innovative partnership thus aims to implement a new methodology through the creation of a bridge financing institution to execute these projects to convert suburban commercial zones through the acquisition, demolition, decontamination, consolidation, development, and resale of redeveloped land. The capital structure of this bridge financing institution is 40% Banque des Territoires, 30% CDC Habitat, and 30% FREY. The total investment planned to launch the project in its first phase is €200 million ⁽²⁾.

2. Embedded growth: delivery and renewal of the pipeline

FREY successfully delivers the first tranche of the Docks de St-Ouen ⁽³⁾ project. A new vibrant, convivial and engaged city retail centre of a total surface of 24,000 m², the programme consists of a cultural and food court (12,000 m²) and an animated shopping street "Le Cours des Lavandières" (12,000 m², 50 shops with 6 medium-sized stores) for which the first leases are effective with national brands such as Intermarché and Biocoop, as well as healthcare and local services players (an emergency centre, an analysis lab, a pharmacy, optician, etc.). The opening of the cultural and food court and delivery of the second tranche of the Cours des Lavandières are scheduled for the second half of 2023.

At the end of 2022, FREY announced that it has partnered with MIGROS France to convert its Vitam site (recreation and retail centre) into a mixed and sustainable project for the Genevois region. The stakes of this partnership consist of designing a "Nouveau Vitam" that will ultimately become a new destination and local hub creating wealth for the region, social ties, and a new urban mix supporting the environmental transition. The new project will develop 23,000 m² of additional retail space, i.e. approximately 39,000 m² of floor space. This project also confirms FREY's interest in this region and makes a perfect complementary fit with our OPEN project.

(1) Calculated on the basis of 2022 annualised rents, including Finestrelles Shopping Centre and Parque Mediterráneo.

(2) Total investment after applying 50% leverage.

(3) Developed in three phases (2022, 2023 and 2024).

- **The performance of FREY's open-air shopping centres confirms the relevance of the model**

In a normalising operating environment, following the still disrupted context in the first half of 2022, **the success of FREY's open-air shopping centre model was confirmed once again in the year just ended**, with indicators outperforming national indices. **FREY's tenants' ⁽¹⁾ revenue was up by +10.4%** compared to 2019 and significantly outperformed the sector index of the *Fédération des Acteurs du Commerce dans les Territoires* (-1.9%).

The footfall at FREY's sites returned to its pre-crisis highs, recording a limited decline of 1.4% compared to 2019, while the national average ⁽²⁾ still shows a decline of 11.7%.

The normalisation of activity was also confirmed in the rental collection rate ⁽³⁾, which reached 98.1% for 2022, versus 94.5% for the full year 2021 when it was published (increased to 98.3% to date).

Thus, the concept of an open-air shopping promenade, combined with a balanced merchandising mix, perfectly suits the needs of consumers and demonstrates the relevance of a more sustainable and more profitable business model for retailers.

- **A dynamic rental activity plebiscite by retailers**

Leasing activity was once again very active with 135 leases signed on the portfolio in operations or under development, for €13.2 million in additional rental income (€10.8 million Group share). For renewals and reletting, **the average up-lift**, calculated on net economic rents, ⁽⁴⁾ **worked out at +3.2%**. The diversification of the portfolio of banners continued, with national and international players such as Biocoop, Intermarché, Bioethernalys, Sport 2000, Décathlon, Primor, etc., as well as with local retailers and services (child day care, pharmacy, medical laboratory, doctor's offices, eye, or dental clinic, etc.).

A testimony of this trust and the appetite of the brands, **FREY was named "favourite landlord of brands" in 2022**. Each year Sites Commerciaux ⁽⁵⁾ reveals the list of the retailers' favourite lessors. This ranking organised by the real estate and urban retail planning magazine evaluates REITs ⁽⁶⁾ based on five criteria: international support; marketing and management of centres; openness to negotiation and relational qualities. In 2022, FREY was named the favourite REIT by retailers.

Priority is given to the satisfaction and performance of the brands as demonstrated above and notably thanks to a **Group OCR ratio that remains very contained at 8.4% ⁽⁷⁾**(versus 8.7% at 31/12/2021).

And thanks to the relevance of open-air shopping centres and strong leasing activity, **the EPRA occupancy rate came to 98.0% at 31 December 2022** (stable vs. 31/12/2021).

FREY continues to diversify its rental risk with the **Top 10 tenant brands representing 19% of the rental base ⁽⁸⁾** (versus 21% at the end of 2021), with national and international players all leaders in their sector: Cultura, Décathlon, Boulanger, Intersport, Maisons du Monde, Fnac Darty, Inditex, etc.

(1) Tenant revenue from January to December 2022, changes versus comparable periods in 2019 for FREY data and the *Fédération des Acteurs du Commerce dans les Territoires* (FACT, formerly CNCC) sector index for all formats.

(2) Change in footfall in the France scope for FREY equipped sites from January to December 2022, changes versus comparable periods in 2019 for FREY data and the FACT sector index for all formats combined.

(3) Rents and expenses collected relative to rents and expenses invoiced, Group share.

(4) Calculated on economic rents net of lessor contributions.

(5) Sites Commerciaux issue 323, November 2022.

(6) This ranking concerns the 18 largest French operators.

(7) Rolling 12 months/FREY Group scope (France, Spain and Portugal). France scope: 8.4%.

(8) Calculated based on annualised rents, including Finestrelles Shopping Centre and Parque Mediterráneo.

- **Change in portfolio**

At 31 December 2022, FREY's economic portfolio ⁽¹⁾ in operation:

- covers a surface area of **632,810 m²** (vs. 551,165 m² at end-2021), taking into account the acquisition of the Finestrelles Shopping Centre and Parque Mediterráneo in Spain and arbitrage transactions carried out over the period;
- were valued at **€1,542.8 million excluding transfer tax** (including €466.7 million internationally), up +16.1% compared to end-2022 (**€1,328.7 million**);
- offered **€100.1 million in annualised gross rents**, up +24.2% compared with the end of 2021 (€80.6m);
- posted a limited EPRA vacancy rate ⁽²⁾ of **2.0%** (i.e. a stable occupancy rate of 98.0% vs. end-2021).

In 2022 FREY sold eight assets (30,000 m²) for a cumulative amount of €82.7 million at 100% (€61.8 million for Group share), with a premium on appraisal values at end-December 2021 of 3% for Group share.

At 31 December 2022, the total value of the portfolio excluding transfer taxes (economic portfolio in operations €1,542.8 million + projects in progress for €119.9 million) **amounted to €1,662.7 million** compared with €1,422.9 million at the end of 2021.

- **Rental income: €91.5 million (+25.6%)**

At 31 December 2022, **rental income from the consolidated portfolio amounted to €91.5 million**, an increase of **+25.6%** compared to €72.9m in 2021. This positive change is mainly due to a full year of operation of the Shopping Promenade® Claye Souilly (77) and Cœur Alsace (67) and that of Carré Sud in Nîmes (30) (acquired in July 2021) as well as the integration of the share of the two acquisitions during the year, Finestrelles Shopping Centre and Parque Mediterráneo.

As such, FREY's consolidated revenue amounted to €124.1m vs. €98.7 million in 2021.

- **Profit from recurring operations: €65.0 million (+22.5%) – Net income Group share: €129.4 million (+97.7%)**

Profit from recurring operations amounted to €65.0 million at end-December 2022, compared with €53.0 million in 2021 thanks to the increase in revenue, as described above.

Operating profit, at €95.9 million (versus €76.0 million in 2021), benefited from a **change in fair value of €38.9 million**, of which €29.4m on the portfolio on a like-for-like basis (i.e. +2.2%).

Consolidated net income Group share amounted to €129.4 million in 2022 (versus €65.4m in 2021), after taking into account a cost of net debt of (€14.7) million and income tax and the positive impact of a fair value adjustment of financial assets of €61.0 million. Consolidated net income Group share excluding MTM valuation came to €68.3 million (vs. €57.1 million in 2021 / +19.6%)

- **EPRA NAV NDV ⁽³⁾ of €35.0/share (+9.3% vs. 2021)**

(1) The economic portfolio in operation include assets 100% held by FREY, plus assets held in partnership up to their share of ownership.

(2) Calculated in accordance with the EPRA Best Practices Recommendations.

(3) Calculated according to the standard developed and published by the European Public Real Estate Association (EPRA).

Group shareholders' equity increased by +€83 million in 2022 compared with 31 December 2021 to stand at **€990 million**, taking into account the income for the period and the distribution of a dividend of €45.4 million.

Therefore, EPRA NAV NDV (excluding transfer taxes) amounted to €989.2 million at end-December 2022 versus €906.3 million at 31 December 2021 (+9.1%). The EPRA NAV NDV per share worked out at €35.0, versus €32.0 per share at the end of 2021, i.e. a 9.3% increase, directly linked to the distribution of a dividend of €1.60 per share in H1 2022 and 2022 earnings.

- ***Solid and responsible financial structure***

In line with its responsible finance strategy as a B Corp™ certified “entreprise à mission”, in 2022 FREY continued to combine all of its corporate financing with ESG (environmental, social and governance) performance criteria, and signed two new financing lines ⁽¹⁾ of the same type for a total amount of €210 million with its long-standing banking partners. FREY will use the new financing to continue strengthening its liquidity with the systematic implementation of its ESG commitments. **Responsible bank loans with a CSR component thus account for 100% of the Group's corporate financial arrangements.**

At the end of December 2022, the Group's bank debt stood at €806.3 million (versus €606.4 million at 31 December 2021).

At 31 December 2022, the Group had **€277 million in available liquidity** (€308m at 31 December 2021), including €72m in cash and €205m in corporate lines. The maturity of the Group's bank debt works out at 3.7 years, compared with 4.3 years at end-2021.

After taking interest rate hedges into account (hedge rate of 97.9% vs. 92% in 2021), **the average interest rate on bank debt** based on market conditions at 31 December 2022 **stood at 1.82%** (compared with 1.38% at 31 December 2021).

The LTV ratio consolidated (including transfer tax) stood at 38.9%, vs. 32.2% at the end of 2021. The Group maintained a comfortable level of leverage in the current economic environment.

(1) a first line in February 2022, for a total amount of €70 million over 5 years with Natixis, increased in May to €100 million, and a second line in October 2022, for a total amount of €110 million over 5 years (with two extension options for an additional year) with its long-standing banking partners.

FREY will continue to execute its strategic plan by:

- **Leadership maintenance in terms of ESG trajectory:** FREY began its strategic shift as early as 2010: FREY was the first REIT to deliver a High Environmental Quality (HQE)-certified retail space. This ESG trajectory is part of the Group's DNA and has been strengthened since 2021. Today, thanks to its status as a **B Corp™ certified "entreprise à mission"**, FREY is part of a progress approach and is positioned at the forefront of environmental, innovative, and exemplary engagement, with the ability to share the best practices identified and continually improve the positive impact of its business. This will involve the continued execution of its "mission", the preparation of its B Corp recertification for 2024, the validation of its carbon trajectory by the SBT and the deployment of its "energy plan" with the installation of its first solar renewable energy production plants.
- **Embedded growth:** with the development of retail assets perfectly adapted to the expectations of consumers and brands. The Group is currently developing **12 large medium-term projects representing 256,413 m² and €732 million in investments**, of which 185,000 m² and €601 million in investments in assets to be held in portfolio by the Group and representing potential rental income of €43.5 million. This pipeline notably includes Lleida Promenade in Spain and OPEN near the Swiss border for a total of 106,000 m², €316 million in investment (€22.4 million in minimum guaranteed rents for the 97,000 m² kept by the REIT, for a cumulative investment of €307 million).
- **The expansion of its pan-European platform:** through the acquisition of prime open-air retail assets in Europe to convert them and bring them up to the REIT's standards, both in terms of economic performance and environmental performance.
- **Use its expertise as urban planner at the service of territories' development:** through urban renewal in commercial zones at city entrances that will be able to generate development or co-development margins on other asset classes (logistics, residential, etc.) reload the investment pipeline.

This press release is available on the website frey.fr/en, under Finance/Results and Press Releases

2023 Financial Calendar:

- 9 May 2023: Annual General Meeting of Shareholders
-

About FREY

Developer, investor and manager, FREY is a real estate company specialising in the development and operation of open-air shopping centres in Europe. A pioneer in environmentally-friendly retail parks with its Greencenter® concept and inventor of next generation open-air shopping centres Shopping Promenade®, "entreprise à mission", B Corp™ certified FREY is fully engaged in a more responsible, greener society that is socially beneficial to its ecosystem and its stakeholders. As the company knows just how essential retail is to urban diversity, social link, local economic resilience and environmental transition, its mission is restoring retail as a service for the common good. FREY also conducts major urban renewal operations and mixed-purpose projects.

FREY is listed on compartment B of Euronext Paris. ISIN: FR0010588079 - Mnemo: FREY

CONTACTS:

Sébastien Eymard – Deputy Chief Executive Officer

Victoire Birembaux – Corporate Communication and Public Relations Manager

v.birembaux@frey.fr – Tel.: +33 (0)6 07 35 64 04

- *Figures relating to the portfolio in operation (in € million, excluding transfer tax)*

In € million	(Excluding transfer tax)	31.12.2022
	Consolidated investment property	1,739.0
+	Properties held for sale	1.9
-	Extension projects	(1.1)
-	Projects under development	(52.3)
-	Projects underway valued at cost	(70.9)
=	CONSOLIDATED PORTFOLIO IN OPERATION	1,616.6
-	Assets in operation in the partnerships (non-Frey share)	(111.1)
+	Assets in operation in the associates (Frey share)	37.3
=	ECONOMIC PORTFOLIO IN OPERATION	1,542.8
+	Assets in operation in the partnerships (non-Frey share)	111.1
+	Assets in operation in the associates (non-Frey share)	184.7
=	TOTAL PORTFOLIO IN OPERATION	1,838.6

- *IFRS consolidated simplified income statement*

In € million	31.12.2022	31.12.2021	Change
Gross rental income	91.5	72.9	+25.6%
Income from third-party development	4.9	4.3	
Income from other real estate management activities	2.1	2.5	
Re-invoiced expenses - IFRS 16	25.6	19.1	
Revenue	124.1	98.7	25.7%
Purchases consumed	(44.0)	(33.2)	
Payroll expenses	(13.2)	(10.5)	
Other income and expenses	2.4	2.5	
Taxes and similar payments	(1.5)	(1.0)	
Amortisation, depreciation and impairment	(2.9)	(3.4)	
Profit from recurring operations	65.0	53.0	+22.5%
Other operating income and expenses	(8.0)	(5.8)	
<i>o/w rent waivers of rents granted</i>	-	(1.0)	
Adjustment of investment property values	38.9	28.8	
Operating profit	95.9	76.0	+26.1%
Share of net profit (loss) of associates	3.2	2.5	
Operating profit after share of net profit from associates	99.1	78.6	+26.2%
Cost of net debt	(14.7)	(10.9)	
Other financial income and expenses	61.1	8.3	
Profit before tax	145.5	75.9	77.5%
Income tax	(10.1)	(3.7)	
Net profit	135.4	72.2	91.6%
<i>Net profit attributable to non-controlling interests</i>	<i>(6.0)</i>	<i>(6.8)</i>	
Net profit Group share	129.4	65.4	97.7%

• **IFRS Consolidated Simplified Balance Sheet**

ASSETS in € million	31.12.2022	31.12.2021
Non-current assets	1,798.1	1,547.1
o/w Investment property	1,739.0	1,487.9
o/w share of associates	17.5	14.6
Current assets	250.7	195.6
o/w Cash and cash equivalents	72.1	84.5
Assets held for sale	1.9	12.8
LIABILITIES in €m		
Equity	1,053.2	966.3
Non-current liabilities	871.0	699.4
o/w long-term financial debt	826.4	658.5
Current liabilities	126.5	89.8
o/w short-term financial debt (including bonds issues)	51.4	15.5
Liabilities related to assets held for sale	-	-
Total statement of financial position	2,050.7	1,755.5

• **IFRS consolidated cash flow statement**

In € million	31.12.2022	31.12.2021
Cash flow from operations	49.0	45.3
Dividends received from associates	-	-
Tax paid	(3.9)	(1.3)
Change in WCR related to the activity	13.6	7.5
Net cash generated by operating activities (1)	58.8	51.5
Acquisitions of fixed assets	(140.6)	(120.4)
Changes in loans, advances and other financial assets	0.98	(10.9)
Disposal of fixed assets	59.6	52.3
Disposal of financial assets	-	0.2
Impact of changes in consolidation scope and miscellaneous	(129.8)	(69.9)
Change in other investments	-	-
Net cash flow from investment activities (2)	(209.9)	(148.9)
Dividends paid to shareholders of the parent company	(45.4)	(26.6)
Capital increase	-	101.3
Net sale (acquisition) of treasury shares	(1.4)	(1.7)
Increase in borrowings	475.4	430.3
Loan repayments (including finance leases)	(274.9)	(366.2)
Repayment of lease liabilities	(0.9)	(0.9)
Interest paid (including on lease obligations)	(13.8)	(10.5)
Change in other financing	-	-
Net cash flow to financing (3)	138.9	125.7
Change in cash (1+2+3)	(12.2)	28.3

- **Net Asset Value (NAV)**

The Group presents the EPRA NAV Net Reinstatement Value (NRV), EPRA NAV Net Tangible Assets (NTA) and EPRA NAV Net Disposal Value (NDV) as defined by the EPRA recommendations for fiscal years beginning on or after 1 January 2020.

In € million	31.12.2022	31.12.2021	Change
EPRA NAV Net Disposal Value (NDV)	989.2	906.3	+9.1%
<i>EPRA NAV Net Disposal Value per share (€)</i>	<i>35.0</i>	<i>32.0</i>	<i>+9.3%</i>
EPRA NAV Net Tangible Assets (NTA)	934.7	926.2	+0.9%
<i>EPRA NAV Net Tangible Assets per share (€)</i>	<i>33.1</i>	<i>32.7</i>	<i>+1.1%</i>
EPRA NAV Net Reinstatement Value (NRV)	1,002.2	985.0	+1.7%
<i>EPRA NAV Net Reinstatement Value per share (€)</i>	<i>35.5</i>	<i>34.8</i>	<i>+1.9%</i>
<i>Number of diluted shares</i>	<i>28,366,803</i>	<i>28,366,803</i>	
<i>Number of treasury shares held in the liquidity contract</i>	<i>112,768</i>	<i>73,605</i>	
<i>Number of adjusted shares</i>	<i>28,254,035</i>	<i>28,293,198</i>	