Bezannes, 25 July 2024, 5:30pm – ***2024 half-year results***

FREY rolls out its growth strategy

A focus on open-air retail assets offering the greatest potential
Acquisition of ROS, Europe's 4th-largest outlet operator (1)
A first €100 million investment in the vibrant outlet sector in Malmö, Sweden (1)
Improved portfolio average quality

Solid operating performances
H1 2024 gross rental income: **€69.4 million** (+28.3%), i.e. +5.7% at constant scope (vs. H1 2023)
Relettings and renewals: **+4.7%** uplift
Financial occupancy rate(2): **97.7%,** high and stable vs. end-2023
Group OCR ratio (3) : 8.9%

Results and NAV trending upwards
Economic portfolio : €**2.1 billion**
Revenue: **€95.7 million** (+35.9%)(4)
Profit from recurring operations: **€55.7 million** (+30.8%) (3)
Net income Group share: **€46.5 million** (+27.0%)(3)
EPRA NAV NTA: **€1,043.6 million** (+0.9%)(4) or **€32.8** per share (+0.6%)(4)

Balance sheet geared towards a strategy aimed at creating Europe's #1 in open-air shopping destinations
€400 million in new financing raised in June 2024, thus extending the debt maturity profile
LTV ratio (including transfer tax): **42.6%**, consistent with the medium-term target (of below 45%)
Available liquidity: **€300.6 million** (5)

Antoine Frey, Chairman and Chief Executive Officer of FREY, made the following statement*: "By deploying a strategy aimed at building up positions in Europe's finest open-air shopping destinations and taking an active approach to managing our portfolio, we have been able to maintain positive momentum through both organic and external growth. We have added yet another lever to our development by moving into the flourishing outlet market. FREY enjoys the confidence of its partners and regular access to the capital markets (equity and debt financing) and is therefore in a prime position to fulfil its ambition of becoming Europe's leading operator of open-air shopping destinations. With its assets under management now exceeding €3 billion, FREY also plans to pursue an exacting ESG policy and thus continue improving its non-financial performances apace, in keeping with its DNA as a mission-driven real estate company and its B Corp certification".*

(1) Made in July 2024
(2) At 30 June 2024, the vacancy rate calculated based on EPRA (European Public Real Estate Association) Best Practices Recommendations stood at 2.3%
(3) Rolling 12 months/FREY Group scope (France, Spain and Portugal). France scope: 9,0%..
(4) Change vs. 30/06/2023
(4) Change vs. 31/12/2023
(5) €100.6 m in cash, investments and €200,0m in corporate credit lines

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KEY FINANCIAL DATA

Key figures - €m - 6 months	***30.06.2024***	***30.06.2023***	***% change***
Consolidated revenue	95.7	70.4	+35.9%
o/w property investment activity (gross rental income)	**69.4**	**54.1**	**+28.3%**
Profit from recurring operations	**55.7**	**42.6**	**+30.8%**
Change in fair value of investment properties	12.0	9.4	
Net income Group share	**46.5**	**36.6**	***+27.0%***
Net income Group share excluding MTM valuations	95.7	70.4	+35.9%

Balance sheet indicators - €m	***30.06.2024***	***31.12.2023***	***Chg.***
EPRA NAV Net Tangible Assets (NTA)	**1,043.6**	**1,033.8**	**+0.9%**
i.e. per share	*32.8*	*32.6*	**+0.6%**
LTV ratio (incl. transfer tax)	**42.6%**	**41.0%**	**+160bp**

FREY's Board of Directors approved the consolidated financial statements for the half-year period ended 30 June 2024 at its meeting of 25 July 2024. The interim financial statements were the subject of a limited review by the statutory auditors. The statutory auditors' reports on the half-year financial information were issued without any reservations.

HIGHLIGHTS OF THE FIRST HALF OF 2024

1. FREY moves into a new open-air retail segment: outlets

The market for designer outlets, or factory outlets, is a vibrant one and in many ways resembles the retail parks market, although it requires specific marketing and leasing expertise. This is the backdrop against which FREY is **acquiring ROS, a major real estate operator specialising in outlets**.

ROS is an Austrian company founded in 2011 and operating across 8 European countries. It manages 12 outlet shopping assets on behalf of third parties covering a total surface area of 215,000 sqm and spanning Spain, Portugal, Germany, Belgium, Poland, Hungary and Croatia. It also has a number of ongoing projects, including outlet extensions as well as upcoming new developments.

ROS is very much a services platform, offering an extensive range of expertise that covers the full spectrum of outlet development and outlet management activities including finance sourcing and arrangement, works project management, asset and property management, centre management, leasing and marketing.

The amount involved in the acquisition, which was announced in July, remains confidential, but the deal covers 100% of ROS' share capital and will have an accretive impact on earnings per share as of 2024.

This strategic deal fulfils three complementary objectives for FREY by offering it **a significant foothold in the outlet market, a more extensive third-party management activity and a prime position from which to seize growth opportunities** across a larger number of European markets. ROS is to be operationally folded into FREY's platform in a process that will be completed in the second half of 2024, and its founders will remain closely involved in running the company to ensure it prospers.

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2. First investment in Malmö

FREY is already drawing on its new expertise and announced in July that it is acquiring its first outlet project in Malmö, Sweden.
The Malmö Designer Village is currently under development and located at the very heart of Scandinavia's largest catchment area (with a population of 4m and attracting 26m tourists each year from within a 90-minute radius) which includes the cities of Malmö, Helsingborg and Copenhagen.
With all the necessary authorisations free of any objections having been obtained and the pre-letting process already well underway, work is scheduled to begin by the end of 2024. A first phase covering a surface area of 18,000 sqm will open in the second half of 2026, while a second phase spanning 8,000 sqm is set to follow on from the first.
Some €100 million is to be invested under phase 1 and the target yield on cost is above 8%. So the operation will be earnings- and NAV-accretive, while phase 2 will add to the pipeline of controlled development operations.

3. Portfolio assets of higher average quality

FREY's **strategy is to focus on open-air shopping destinations offering the greatest growth prospects;** it accordingly pursued its asset rotation policy in the first half of 2024 by **selling** its retail parks in Torcy (8,800 sqm) and Bessoncourt (10,000 sqm) in line with their appraisal values.

In late April, FREY acquired **the remaining 30% interest it did not already own in the Algarve region's most predominant open-air shopping centre**. The shopping centre is located in Albufeira, Portugal, and has been renovated since it was purchased in 2019 for €179.3 million including transfer tax. It now boasts 7.5 million visitors each year thanks to its attractive range of leisure shopping options covering a surface area of around 60,000 sqm. It hosts a large number of local and international chains, including all those within the Inditex group (Zara, Pull & Bear, Berksha, etc.), Fnac, C&A, H&M, JD Sport, Radio Popular and Worten, a Continente supermarket and some twenty restaurants as well as a cinema and 3,000 parking spaces.
FREY now owns 100% of this asset.

4. New financing raised in the amount of €400 million

This refinancing corresponds to **40% of the Group's debt.** It was signed in July and is repayable via a bullet payment after 5 years (with the option of extending this period by another 2 years). It prolongs FREY's debt maturity to 4.6 years. **The company no longer has any significant debt repayments due until 2027, for which it already has enough liquidity available.**
The cost of this new financing is in line with that of other financing arrangements made within the past 24 months. FREY's **average cost of debt is competitive** thanks to these new funds and the hedges that are in place, and it can therefore continue to roll out its strategy.

OPERATING PERFORMANCES IN THE FIRST HALF OF 2024

1. The open-air retail format remains as relevant as ever for retailers and their customers

Footfall in FREY's shopping centres was 4.4%(1) higher than in the first half of 2023, enabling retailers to increase their revenues by an average of 1.9%(2) while keeping occupancy cost ratios at a comfortable level. All consumer segments performed well thanks to the solid location / price / experience profile of open-air shopping centres.

(1)Change in footfall/ FREY Group scope (France, Spain and Portugal) from January to June 2024, changes versus comparable periods for FREY data /MyTraffic.
(2)Tenant revenue/ FREY Group scope (France, Spain and Portugal) from January to June 2024; changes versus comparable periods for FREY data.

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2. Healthy rental activity

FREY signed 50 leases during the first half of 2024 covering the whole spectrum of operating assets and corresponding to rental income of €3.6 million (Group share of €3.3 million). The **average uplift** on renewals and relettings **came to +4.7%(1)**, penalised by plans to reposition the Polygone Riviera centre acquired in October 2023. Healthy rental activity kept the **EPRA occupancy rate high at 97.7% at 30 June 2024**, which is stable in comparison with 31 December 2023.

3. Economic portfolio of €2.1 billion

FREY's economic portfolio in operation(2) at end-June 2024 totalled **€2,057 million**, which is **+32.8% above** its end-June 2023 level of €1,549 million.

At 30 June 2024, **the total value of the portfolio excluding transfer taxes amounted to €2,147 million** (economic portfolio in operations €2,057 million + projects in progress for €90.0 million), compared with €1,681 million at end-June 2023.

If we include assets managed by ROS, **FREY's portfolio under management now exceeds €3 billion** and is 100% positioned in open-air shopping centres including retail parks and outlets.
From this perspective, where tenant relations, geographical footprint and asset types are concerned, **the unprecedented growth achieved by FREY in the first half of 2024 marks a turning point for the Group and a significant step towards fulfilling its business plan.**

FINANCIAL PERFORMANCES IN THE FIRST HALF OF 2024

1. Rental income: €69.4 million (+28.3%)

Thanks to the full effect of the Polygone Riviera acquisition over the first 6 months of 2024 and FREY's solid operating performances on a constant scope basis, **its rental income increased by 28.3% in the first half of 2024 to €69.4 million, a record level for the Group**.

2. Profit from recurring operations: €55.7 million (+30.8%)

FREY's integrated management platform helped to keep its costs under control, which meant that **profit from recurring operations grew at a faster pace than rental income** during the first half of the year to €55.7 million, which is +30.8% higher than in the first half of 2023.

Net income Group share amounted to €46.5 million (+27.0% compared with the first half of 2023).

3. EPRA NAV NTA(3) at €32.8/share (+0.6% vs. end-2023)

The appraisal campaign carried out in the first half of 2024 resulted in a positive +€12 million change in fair value. The average capitalisation rate determined from independent external appraisals was 6.76% excluding transfer

(1) Calculated on minimum guaranteed rents
(2) The economic portfolio in operation includes assets in which FREY holds a 100% interest plus assets held in partnership in proportion to FREY's ownership of these assets.
(3) Calculated based on the standard developed and published by the EPRA (European Public Real Estate Association).

tax and confirmed the observations made at end-2023 that asset values are stabilising and capitalisation rates appear to have peaked.
EPRA NAV Net Tangible Assets (NTA) came to €1,043.6 million, which is +0.9% higher than at 31 December 2023. EPRA NAV NTA per share came to €32.8 and was +0.6% higher than at 31 December 2023 after factoring in the €97.1 million capital increase carried out in December 2023 at €25 per share.

Financial policy

1. Debt repayment schedule extended and cost of debt kept under control

Net debt at 30 June 2024 stood at €1,066.6 million. The Group's **average debt maturity has been prolonged to 4.6 years** following the latest €400 million refinancing deal, not including the extension options included in the loan agreements.
The average cost of debt at 30 June 2024 was 2.67%, compared with 2.37% at 31 December 2023. Thanks to the interest rate hedges in place (swaps, caps and collars), the interest rate on this Euribor-indexed debt is **94.9% secured.**
So the company's **LTV ratio including transfer tax at end-June 2024 reached 42.6%,** which is consistent with its aim to keep LTV below 45%. The ICR was 3.6x.

- **A stronger liquidity position**

After factoring in its immediately available funds (cash and investments) and undrawn credit facilities, **FREY's liquidity amounted to €300.6 million** at 30 June 2024; this means it is able to grasp any investment opportunities that might arise.

A MISSION-DRIVEN REAL ESTATE COMPANY: EXECUTION OF FREY'S ESG STRATEGY

As a mission-driven and B Corp-certified real estate company, FREY firmly believes that its non-financial performance is just as important as its operational and financial performances when it comes to executing its business plan. Two achievements during the first half of the year helped to underpin the Group's ESG strategy.

- **100% green financing**

The company signed a €400 million refinancing deal in June 2024 in a drive to continue incorporating three ESG performance metrics into its financing arrangements: environmental certifications for its buildings; mobility; and GHG emissions, with one objective for scopes 1 & 2 (direct emissions) and another objective for scope 3 (indirect emissions linked mainly to construction and the energy consumed by tenants, excluding visitor travel). **The Group thus kept its share of bank financing tied to ESG criteria at 100%.**

- **Environmental certifications: objectives revised upwards**

With close to €1 billion of outlet assets under management being incorporated into FREY's platform, it will be able to speed up the process of obtaining new environmental building certifications and gradually apply the Group's best practices (costs, energy, greening of parking areas, etc.) across all the assets it manages.

OUTLOOK: CONSOLIDATING ITS POSITION AS EUROPE'S LEADING OPERATOR OF OPEN-AIR RETAIL ASSETS

On the strength of these robust operating and financial performances, FREY is set to deliver **record results** in full-year 2024 including double-digit growth in the various items of its income statement.
FREY's positions in the finest open-air shopping destinations, its active approach to asset management and the incorporation of ROS into its platform will underpin its medium-term growth prospects in new regions and new projects, with a view to fulfilling its ambition to be **Europe's leading operator of open-air shopping destinations.**

This press release is available on the frey.fr website under the headings Finance / Results and press releases
The half-year financial report is available under the headings Finance / Regulatory information

About FREY

FREY is a real estate developer, investor and manager specialising in developing and operating open-air shopping centres across Europe. It has pioneered eco-friendly retail parks with its Greencenter® concept and invented a new generation of open-air shopping centres with its Shopping Promenade® concept, while also becoming a mission-driven company and obtaining B Corp™ certification; as such, it works daily to build a society that is more responsible, environmentally friendly and socially beneficial to its ecosystem and stakeholders. FREY understands just how essential retailing is to advancing urban diversity, social cohesion, local economic resilience and the ecological transition, and has therefore made it its mission to restore retail as a service for the common good. The Group also carries out large-scale urban and commercial renewal projects.
FREY is listed on compartment B of the Euronext Paris stock exchange. ISIN code: FR0010588079 - Ticker code: FREY.

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APPENDICES

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

€ million	(Excluding transfer tax)	30.06.2024
	Consolidated investment property	**2,034.5**
+	Properties held for sale	6.6
+	Portfolio properties in operation	21.3
-	Projects under development	-
-	Projects in progress measured at cost	(56.0)
=	**CONSOLIDATED PORTFOLIO IN OPERATION**	**2,006.4**
-	Assets in operation in partnerships (non-FREY share)	(29.3)
+	Assets in operation accounted for under the equity method (FREY share)	79.9
=	**ECONOMIC PORTFOLIO IN OPERATION**	**2,057.0**
+	Assets in operation in partnerships (non-FREY share)	29.3
+	Assets in operation accounted for under the equity method (non-FREY share)	198.9
=	**TOTAL PORTFOLIO IN OPERATION**	**2,285.2**

- ***Simplified consolidated income statement under IFRS***

€ million	**30.06.2024**	**30.06.2023**	**Chg.**
Gross rental income	***69.4***	***54.1***	***+28.3%***
Income from third-party development	4.5	0.2	
Income from other real estate management activities	1.3	1.0	
Reinvoiced expenses – IFRS 16	20.5	15.1	
Revenue	**95.7**	**70.4**	**+35.9%**
Cost of goods used	(32.6)	(21.4)	
Payroll expenses	(4.8)	(4.3)	
Other income & expenses	0.9	0.6	
Income tax and other taxes	(1.4)	(0.7)	
Amortisation, depreciation and impairment	(2.2)	(2.0)	
Profit from recurring operations	**55.7**	**42.6**	**+30.7%**
Other operating income and expenses	(1.5)	(0.2)	
Gains/(losses) on disposals of investment properties	(1.0)	-	
Adjustment of investment property values	12.0	9.4	
Operating profit	**65.1**	**51.9**	**+25.4%**
Share of net profit/(loss) of associates	0.1	1.1	
Operating profit/(loss) after share of net profit/(loss) of associates	**65.3**	**53.0**	**+23.2%**
Cost of net debt	(14.7)	(7.9)	
Other financial income and expenses	2.2	(0.7)	
Profit/(loss) before tax	**52.7**	**44.4**	**+18.7%**
Income tax	(5.2)	(3.5)	
Net profit/(loss) attributable to consolidated entities	**47.6**	**40.9**	**+16.4%**
Net profit/(loss) attributable to non-controlling interests	*(1.1)*	*(4.3)*	
Net profit/(loss) Group share	**46.5**	**36.6**	**+27.0%**

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- ***Simplified consolidated balance sheet under IFRS***

ASSETS in €m	30.06.2024	31.12.2023
Non-current assets	**2,121.1**	**2,140.5**
o/w investment properties	2,034.5	2,054.0
o/w equity interests in associates	46.0	45.5
Current assets	**270.4**	**255.6**
o/w cash and cash equivalents	100.6	73.0
Assets held for sale	**6.6**	**1.0**
LIABILITIES in €m		
Equity	**1,103.5**	**1,116.4**
Non-current liabilities	**1,118.9**	**1,087.9**
o/w long-term financial liabilities	1,077.7	1,050.2
Current liabilities	**175.7**	**192.8**
o/w short-term financial liabilities (including bond issues)	20.7	27.4
Liabilities on assets held for sale		
Balance sheet total	**2,398.2**	**2,397.1**

- ***Consolidated cash flow statement under IFRS***

€ million	30.06.2024	30.06.2023
Cash flow from consolidated entities	**55.6**	**45.7**
Dividends received from associates		-
Tax paid	(1.0)	(0.3)
Change in operating WCR	3.3	(4.7)
Net cash flow from operating activities (1)	**57.9**	**40.7**
Acquisitions of fixed assets and investment properties	(13.8)	(25.1)
Changes in loans, advances and other financial assets	2.5	7.0
Disposals of fixed assets	36.1	1.9
Impact of changes in consolidation scope and other	(0.2)	5.0
Net cash flow from investing activities (2)	**24.6**	**(11.3)**
Dividends paid to shareholders of the parent company	(57.2)	(47.7)
Increases and decreases in share capital	-	-
Net sales (purchases) of treasury shares	4.5	(6.4)
Increase in borrowings	349.3	186.1
Loan repayments (including finance leases)	(279.8)	(78.8)
Repayment of lease liabilities	(0.5)	(0.5)
Interest paid (including on lease obligations)	(21.4)	(7.2)
Buyout of minority shareholders	(3.9)	-
Change in other sources of financing	(45.9)	-
Net cash flow from financing activities (3)	**(54.9)**	**45.6**
Impact of currency fluctuations on cash and cash equivalents	-	-
Change in cash position (1+2+3)	**27.6**	**(75.0)**

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- ***Net asset value***

The Group reports EPRA Net Reinstatement Value (NRV), EPRA Net Tangible Assets (NTA) and EPRA Net Disposal Value (NDV) as defined in the EPRA Recommendations for all financial years starting from 1 January 2020.

€ million	30.06.2024	31.12.2023	Chg.	30.06.2023
EPRA NAV Net Disposal Value (NDV)	**1,054.8**	**1,045.7**	**+0.9%**	**972.1**
EPRA NAV Net Disposal Value per share (€)	*33.1*	*33.0*	*+0.3%*	*34.7*
EPRA NAV Net Tangible Assets (NTA)	**1,043.6**	**1,033.8**	**+0.9%**	**919.4**
EPRA NAV Net Tangible Assets per share (€)	*32.8*	*32.6*	*+0.6%*	*32.9*
EPRA NAV Net Reinstatement Value (NRV)	**1,139.1**	**1,120.4**	**+1.7%**	**988.7**
EPRA NAV Net Reinstatement Value per share (€)	*35.8*	*35.4*	*+1.1%*	*35.3*
Number of diluted shares	*32,250,098*	*32,250,098*		*28,366,803*
Number of treasury shares held under the liquidity contract and in respect of the free share allocation plan	*399,869*	*586,392*		*383,079*
Adjusted number of shares	*31,850,229*	*31,663,706*		*27,983,724*

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