



**UNIVERSAL
REGISTRATION
DOCUMENT**
2020

including the annual financial report

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UNIVERSAL REGISTRATION DOCUMENT 2020

including the annual financial report



www.frey.fr



The Universal Registration Document was filed on 9 April 2021 with the French Financial Markets Authority in its capacity as the competent authority pursuant to regulation (EU) No. 2017/1129, without prior approval in accordance with Article 9 of the said regulation.

The Universal Registration Document may be used for the purposes of a public offer of financial securities or for the admission of financial securities to trading on a regulated market if it is supplemented by an offering circular and, where applicable, a summary of all amendments made to the Universal Registration Document. The documents thus combined shall be approved by the French Financial Markets Authority in accordance with regulation (EU) No. 2017/1129.

In application of Article 19 of regulation (EU) No. 2017/1129, the following information is included by reference in the present Universal Registration Document:

- the consolidated financial statements of the Group on 31 December 2018 and the report from FREY's Statutory Auditors on the said consolidated financial statements presented in the chapters "Consolidated Financial Statements" and "Report by the Statutory Auditors on the consolidated financial statements" of the Registration Document filed on 12 April 2019 with the French Financial Markets Authority under reference D.19-0327 (the "2018 Registration Document") on pages 151 and 199;
- the special report prepared by FREY's Statutory Auditors on the related-party agreements and undertakings for the financial year ended 31 December 2018, which are set out in the chapter entitled "Related-party transaction" (page 232) of the 2018 Registration Document;
- a review of FREY Group's financial position and results for the financial year ended 31 December 2018 taken from the chapter entitled "Management Report" of the 2018 Registration Document (pages 16-44);
- the consolidated financial statements of the Group on 31 December 2019 and the report from FREY's Statutory Auditors on the said consolidated financial statements presented in the chapters "Consolidated Financial Statements" and "Report by the Statutory Auditors on the consolidated financial statements" of the Registration Document filed on 22 April 2020 with the French Financial Markets Authority under reference D.20-0336 (the "2019 Registration Document") on pages 105 and 149;
- the special report prepared by FREY's Statutory Auditors on the related-party agreements and undertakings for the financial year ended 31 December 2019, which are set out in the chapter entitled "Related-party transaction" (page 189) of the 2019 Universal Registration Document;
- a review of FREY Group's financial position and results for the financial year ended 31 December 2019 taken from the chapter entitled "Management Report" of the 2019 Universal Registration Document (pages 14-31);
- the non-included parts of these documents are either irrelevant for the investor or covered in another area in this Universal Registration Document.

Copies of the 2018 Registration Document, the 2019 Universal Registration Document and the present Universal Registration Document are available free of charge from FREY, 1 rue René Cassin - 51430 Bezannes, and on its website (www.frey.fr), as well as on the website of the French Financial Markets Authority (www.amf-france.org).

OUR MANIFESTO

WE ARE NOT GOING TO SAVE THE WORLD BUT...

FREY, this name probably means nothing to you!
And yet we may share an essential part
of your daily life with you.
Our company develops, owns and manages
commercial sites frequented by millions of visitors
each year. We have always done our best
to make these places attractive, accessible,
responsible and friendly.

because retail has never been so
essential to our lives,

**WE ARE COMMITTED TO BECOMING
THE FIRST REAL ESTATE COMPANY TO ADOPT
THE STATUS OF "ENTREPRISE À MISSION".***

**WE CHOOSE TO PUT THE PUBLIC RETAIL AT THE
SERVICE OF THE COLLECTIVE INTEREST.**

A store that is essential to urban diversity.
A business that is essential for social bonds.
A business that is essential to the local economy.
A business that is essential to the environmental transition.

Through this mission, we, the men and women
of FREY, are delighted to prove that in addition
to serving its own interests, a company
can also become a catalyst of profound change
for the benefit of all.



FREY
La foncière à mission

* Under the 2019 Pacte Law, the concept of "Entreprise à mission" was introduced, enabling a company to incorporate in its articles of association a remit as well as social and environmental objectives. To find out more about our commitments: [frey.fr](https://www.frey.fr)

MEETING WITH ANTOINE FREY

“

FREY is the first French real estate company to adopt the status of “Entreprise à mission” and this commitment was supported by a unanimous vote of its shareholders.

Because we understand how essential it is to urban diversity, social ties, local economic resilience and the environmental transition, we have made it our mission to put retail at the service of the collective interest.

It is a great source of pride for the men and women of FREY to have this remit, and it is also a great responsibility and a great challenge that we wish to share with all our stakeholders. It is with great enthusiasm that I invite them to learn about our project and get involved.

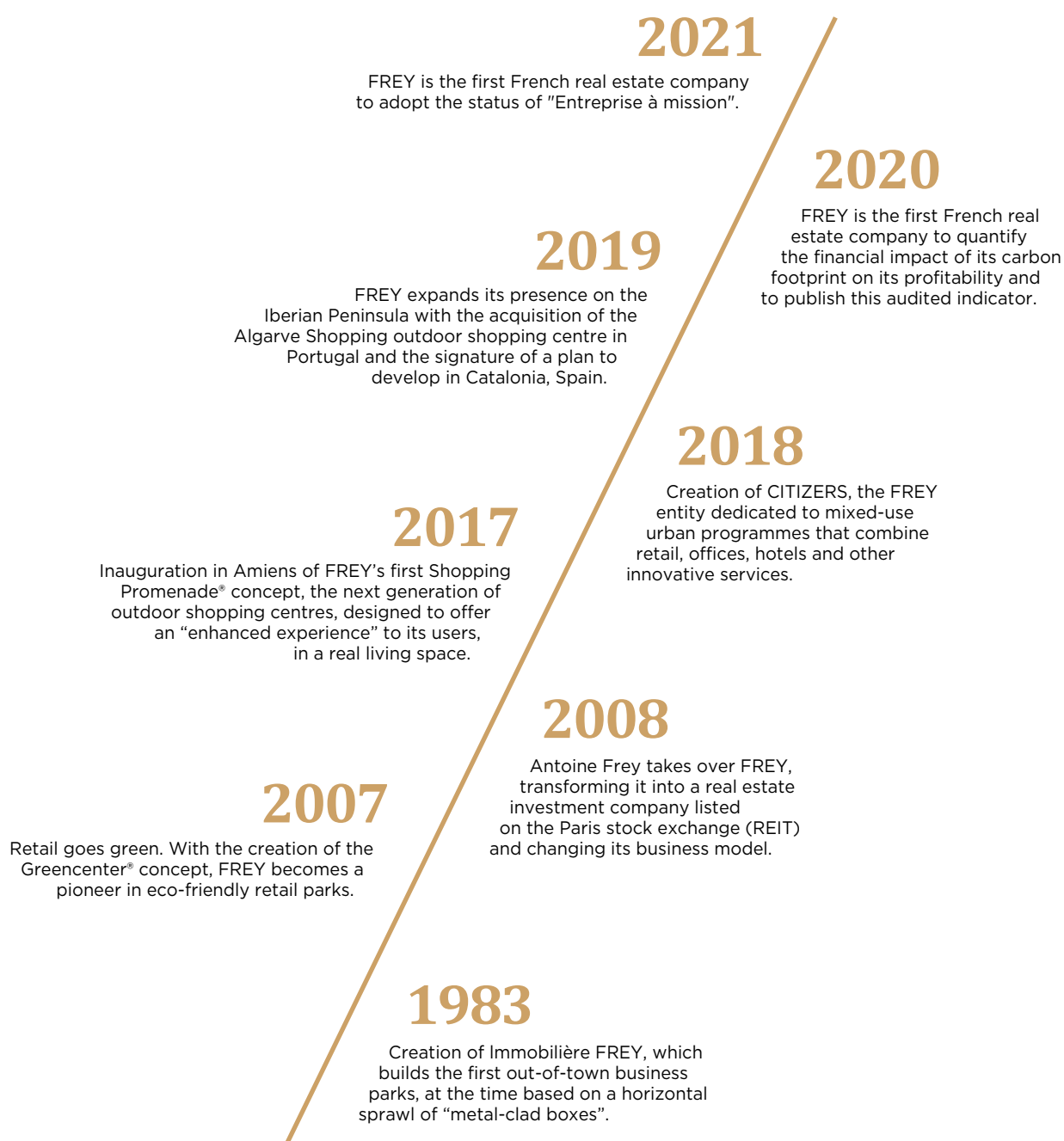
Together we will prove that, in addition to serving its interests, a company can also be the actor of a profound change for the benefit of all.”

ANTOINE FREY,

Chairman and Chief Executive Officer



HISTORY OF THE GROUP



KEY FIGURES

ECONOMIC PORTFOLIO⁽¹⁾

€1,250m / +11%

ANNUALISED RENTAL INCOME⁽¹⁾

€72.6m / +23%

PROFIT FROM RECURRING OPERATIONS⁽²⁾

€42.3m / +46%

NET PROFIT – GROUP SHARE

€2.4m / -95%

GOING CONCERN NAV PER SHARE

€33.8m / -4%

LTV INCLUDING STAMP DUTY

32.40% / +930 bps

PROPOSED DIVIDEND PER SHARE

€1.50 / =

(1) Of which €947.5 million in valuation excluding stamp duty and €59.1 million in annual rental income for the economic portfolio in operation. The economic portfolio and annual rental income are detailed in Section 1.1.5 of the management report.

(2) The operating profit does not take into account the impact of the health crisis, i.e. €6.1 million presented on the line item "Waivers of rent receivables granted" in the Consolidated Income Statement.

HISTORICAL FINANCIAL INFORMATION

The quantified data set out below are expressed in millions of euros and have been extracted from SA FREY's consolidated financial statements at 31 December 2020 and 31 December 2019, prepared in accordance with IFRS and certified by the Statutory Auditors.

CONDENSED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2020 AND 31 DECEMBER 2019

ASSETS (in €m)	Consolidated data – IFRS	
	31/12/2020	31/12/2019
Goodwill	11.1	11.1
Investment property	1,316.2	1,094.1
Equity interests in associates	16.9	57.5
Other non-current assets	23.4	21.8
NON-CURRENT ASSETS	1,367.6	1,184.5
Inventories	40.2	44.7
Cash and cash equivalents	56.2	97.4
Other current assets	75.1	48.9
CURRENT ASSETS	171.5	191.0
Assets held for sale	17.7	0.0
TOTAL ASSETS	1,556.8	1,375.5

LIABILITIES (in €m)	Consolidated data – IFRS	
	31/12/2020	31/12/2019
EQUITY	822.4	789.2
Long-term financial liabilities	549.2	428.0
Other non-current liabilities	24.7	26.9
TOTAL NON-CURRENT LIABILITIES	573.9	454.9
Short-term financial liabilities	27.8	19.4
Other current liabilities	121.6	112.0
TOTAL CURRENT LIABILITIES	149.4	131.4
Liabilities related to a group of assets held for sale	11.1	0.0
TOTAL LIABILITIES	1,556.8	1,375.5

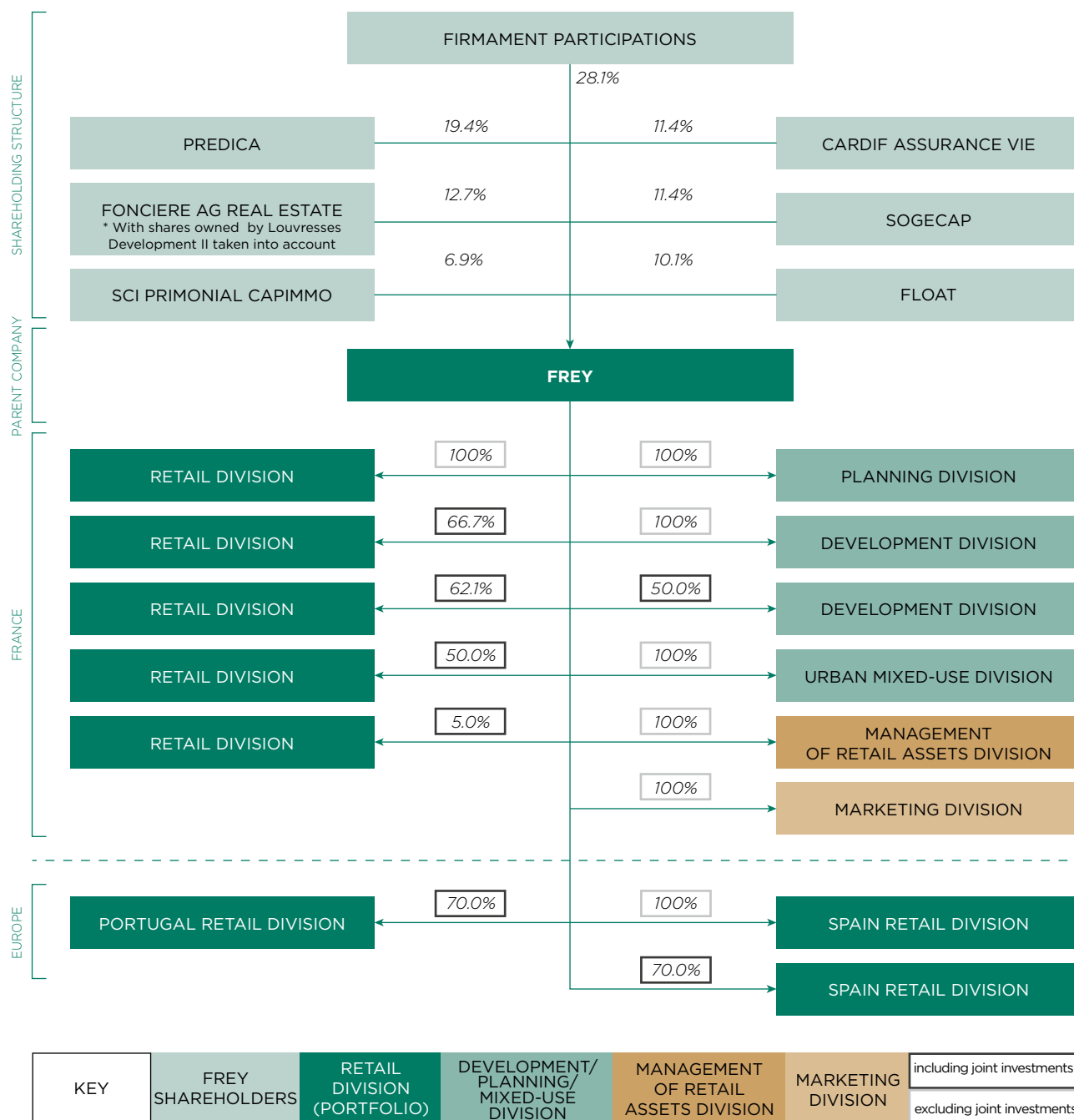
CONDENSED INCOME STATEMENTS AT 31 DECEMBER 2020 AND 31 DECEMBER 2019

(In €m)	Consolidated data - IFRS	
	31/12/2020	31/12/2019
Revenue	107.2	69.3
Purchase cost of goods sold	-25.0	-11.5
Overheads & Non-recoverable expenses	-33.7	-26.6
Other income and expenses	-1.3	0.9
Taxes and duties	-1.5	-1.6
Allocations to and reversals of depreciation, amortisation and provisions	-3.5	-1.4
PROFIT/(LOSS) FROM RECURRING OPERATIONS	42.3	29.0
Other operating income and expenses	-10.0	-2.7
<i>Of which waivers of rent receivables granted</i>	<i>-6.1</i>	<i>-</i>
Fair value adjustments of investment property	-19.3	50.1
OPERATING PROFIT	13.1	76.4
Share of net profit (loss) of associates	-1.8	8.7
OPERATING PROFIT AFTER SHARE OF NET PROFIT FROM ASSOCIATES	11.3	85.2
Cost of net financial debt	-9.8	-10.4
Fair value adjustments of financial assets	0.8	-5.3
Income tax	1.4	-10.4
NET PROFIT/(LOSS)	3.7	59.1
Group Share	2.4	49.7
<i>Net earnings per share (in €) - group share</i>	<i>0.1</i>	<i>2.6</i>
<i>Diluted earnings per share (in €) - group share</i>	<i>0.1</i>	<i>2.6</i>

CASH FLOW STATEMENT AT 31 DECEMBER 2020 AND 31 DECEMBER 2019

(In €m)	Consolidated data - IFRS	
	31/12/2020	31/12/2019
Cash flow from operating activities	37.8	28.7
Cash flow from investing activities	-106.0	-216.7
Cash flow from financing activities	26.8	207.4
CHANGE IN NET CASH AND CASH EQUIVALENTS	-41.4	19.4
Cash and cash equivalents - Opening balance	97.3	77.9
Cash and cash equivalents - Closing balance	55.9	97.3

GROUP OVERVIEW AS OF 31 DECEMBER 2020



A comprehensive list of the Company's subsidiaries is provided in Appendix 3 of the management report for the financial year ended 31 December 2020, which is included in full in this Universal Registration Document.

We would also refer you on this point to Section 2.4 "Consolidation scope" of the consolidated financial statements for the financial year ended 31 December 2020, which is included in full in this Universal Registration Document.



◀ Clos du Chêne,
Montévrain (77)

1

MANAGEMENT REPORT

Management report to the Annual Ordinary General Meeting

Financial year ended 31 December 2020

Ladies, Gentlemen, Shareholders,

In accordance with the law and the Articles of Association, we have convened an Annual Ordinary General Meeting to report on the financial position and operations of the Company and Group entities for the financial year ended 31 December 2020 and to submit for approval the corporate and consolidated financial statements for the said financial year.

At the meeting, the following reports will be presented to you:

- the management report of the Board of Directors relating to the financial statements for the past financial year, including, in a specific section, the report of the Board of Directors on corporate governance;
- the special report of the Board of Directors on allocations of free shares for the 2020 financial year;
- the various Statutory Auditors' reports.

The reports listed above, the corporate and consolidated financial statements for the financial year just ended as well as any other related documents are available for you to read at the registered office under the conditions and within the time limits provided for by law.

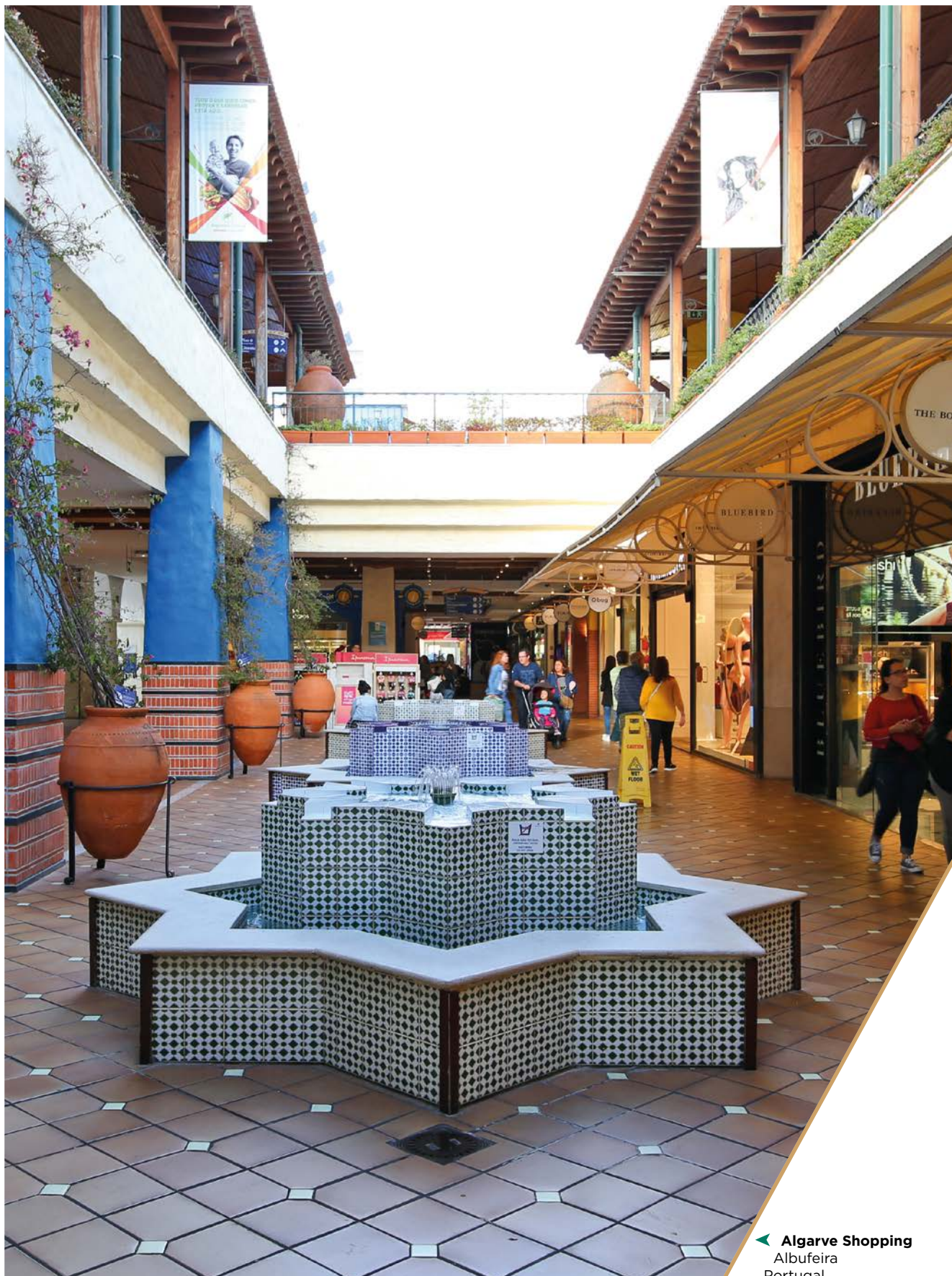
We will provide you with any further details and complementary information in relation to these reports and documents.

You will be able to hear the various reports from the Statutory Auditors in due course.

The annual financial statements have been prepared and submitted in accordance with the relevant general rules in force, in compliance with the principle of prudence and pursuant to applicable regulations.

The accounting principles used to prepare the consolidated annual financial statements comply with IFRS and their interpretations as adopted by the European Union at 31 December 2020.

This framework includes IFRS (International Financial Reporting Standards) 1 to 17 and IAS (International Accounting Standards) 1 to 41, as well as their interpretations as adopted within the European Union.



◀ **Algarve Shopping**
Albufeira
Portugal

MANAGEMENT REPORT TO THE ANNUAL ORDINARY GENERAL MEETING	11	1.5.6	Control of the issuer	59
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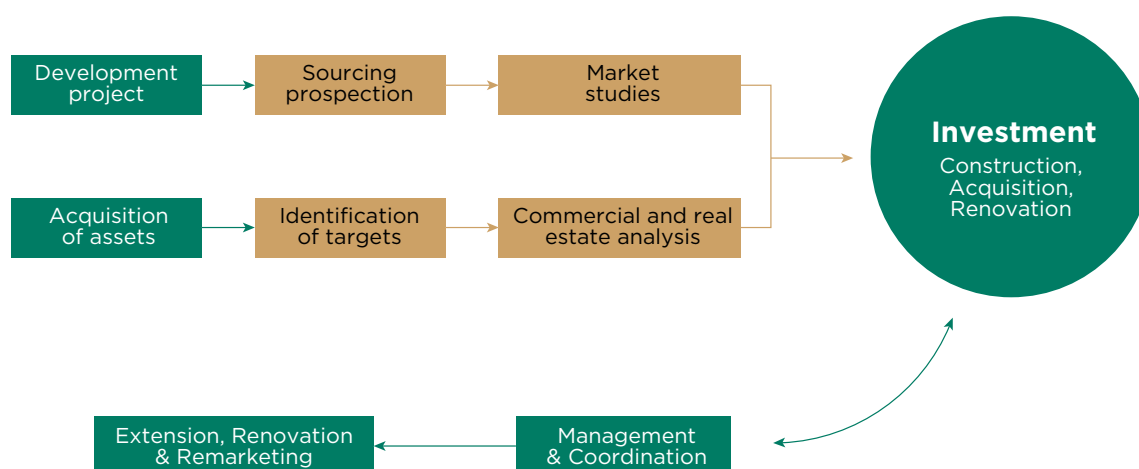
1.1 Company and Group activities

1.1.1 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

FREY is a property investment company specialised in outdoor shopping centres and large mixed-used urban developments through its subsidiary Citizers by Frey.

The Group's business model is based on full control over our value chain:

Full control over our value chain



In financial year 2020, the Group's business was impacted by the Covid-19 epidemic.

Context and measures taken

The Covid-19 epidemic emerged in China at the end of 2019. It spread across the whole of the European continent in the course of 2020. In order to limit the circulation of the virus, on 16 March 2020, the President of the French Republic announced the closure of so-called "non-essential" businesses. The vast majority of the FREY Group's tenants have therefore been forced to close their doors. In light of these events, with its wholly-owned subsidiaries, FREY established the EIG Frey Solidarity to help lessees to maintain the economic activity of the Group's lessee companies over the long term. This measure introduced during the first lockdown, involves the pooling of efforts to support lessees in rent discounts and payment schedules.

Receivables sold by FREY and its subsidiaries to the EIG Frey Solidarity totalled €2.6 million, or €1.85 million in rent discounts and €0.75 million in receivables spread over a 24-month period from 1 January 2021 to 31 December 2022. These recovery prospects are not in question.

For the portfolio located on the Iberian Peninsula and for the co-owned portfolio, the lessor companies granted €2 million in rent waivers as well €2 million in rent deferrals. In addition to this figure, the FREY Group recorded a provision of €2.1 for measures that would be retroactive from the beginning of March 2020, announced by the Portuguese Government and in the process of being approved by the Constitutional Council.

With the announcement of the end of lockdown in May 2020, FREY introduced the most effective protective hygiene and social distancing measures across its sites. On 28 October 2020, another lockdown was announced with new restrictions imposed on retailers. The 2020 financial statements do not take into account the consequences of the second lockdown which will be liable to affect those of the 2021 financial year in light of current discussions (see § Events after the reporting date).

Impact on the 2020 financial statements

The FREY Group has identified three types of impact of the Covid-19 health crisis in its financial statements as at 31 December 2020: an impact on the income statement, an impact on the value of investment properties and an impact on cash and cash equivalents.

These three types of impacts are detailed below:

- Impact on the income statement:

Taking into account the measures set out above, the overall impact on the Group's 2020 consolidated income statement amounts to -€6.1 million. Given the material and non-recurring impacts, the different nature of the measures taken in Spain, Portugal and on the other hand in France, particularly with the establishment of an EIG, we recorded all the costs of this first lockdown under "other operating expenses", and for a better understanding of the cost of this exceptional event, it is indicated on a specific line of the income statement.

- Impact on investment property:

The FREY Group informs readers that, in view of the uncertainty around the future impact of Covid-19, the assessors have included in their reports a "significant uncertainty of the assessment" clause. It is in this context that the FREY Group has recorded a loss of value across its operated portfolio.

- Impact on cash and cash equivalents:

In order to introduce the scheme in support of retailers, the Group has deferred recovery of a portion of rent from the second quarter of 2020 to the second half of the year. Since rent is payable in advance, the first quarter was not affected.

At 31 December 2020, trade receivables amounted to €22.1 million compared to €10.1 million as at 31 December 2019, i.e. an increase of +€12 million (including VAT). The Group considers that €8.3 million (VAT included) is directly linked to the Covid-19 situation.

Moreover, FREY has respected its financial debt repayment schedule and has not taken the banks up on their offers to defer/spread repayments.

Information concerning the impacts of this health and economic crisis has been inserted in paragraph 1.1.4.2 Existence of any known trends, uncertainties or demands or any commitment or event reasonably likely to have a material impact on the Company's outlook as well as in Section 1.4.2.1 Risks related to the Group's environment in this management report.

1.1.1.1 Wholly-owned rental portfolio

The Group's business activities were specifically characterised by the following events during the 2020 financial year:

- disposal of the asset held in Bayonne (64) covering an area of 2,200 m²;
- delivery of two extensions in Clos du Chêne (77) covering an area of 1,200 m².

The Group's wholly-owned leasable area at 31 December 2020 totalled 307,050 m² compared with 309,150 m² at end-2019. They generated €41.4 million in gross rental income in 2020 (compared with €38.0 million in the 2019 financial year).

At 31 December 2020, the appraised value of this asset portfolio, excluding stamp duty, was €909.6 million, including €651.0 million for operated assets.

1.1.1.2 Economic portfolio

The property investment company's economic portfolio consists of wholly-owned assets, plus the assets held by companies in partnership and those held by associates, in proportion to the percentage interest held in those associates.

In 2020, the investments made by the Group (deliveries, acquisitions and works) in the economic portfolio amounted to €69.8 million.

At 31 December 2020, the Group's economic portfolio represented a leasable area of 433,740 m² with annualised rental income of €59.1 million (including variable rental income).

On a like-for-like basis, annualised rental income across the economic portfolio in operation was up 1%.

1.1.1.3 Assets under management

The leasable area of the operated portfolio managed by the Group at 31 December 2020 amounted to 553,950 m² compared with 556,650 m² at end-2019. It represented annualised rental income of €79.5 million compared with €79.1 million at end-2019.

This GLA consists of the following items:

- asset portfolio wholly-owned by the Group;
- asset portfolio owned by the Group *via* partnerships (wholly-owned);
- asset portfolio managed by the Group on behalf of third parties.

1.1.1.4 Change in percentage interest

On 28 July 2020, FREY bought 30,384,251 shares in SCRI FRF2, taking its stake from 24.16% to 62.08%. This transaction was remunerated by the delivery of 650,000 FREY treasury shares and by a cash payment of €20.2 million financed by the property company's own resources. This cash payment was subject to a non-material upward price adjustment after taking into account FREY's half-yearly financial statements at 30 June 2020. On the same day, a new partnership agreement was signed, confirming the takeover of the FRF division (including the FRF1 SAS), and the change in consolidation method to full consolidation in the financial statements of the REIT.

1.1.1.5 Overview of the Group's asset portfolio

The Group's asset portfolio at 31 December 2020 following these transactions is shown in the table below (*in € million, excluding stamp duty*):

Value of wholly-owned asset portfolio			Annualised rental income from wholly-owned assets	
	Investment property	947.4	Rents recognised	41.4
	Projects under development	-258.6	Impact of disposals during the period	-0.4
	Projects under development measured at cost	-37.8	Impact of acquisitions/deliveries during the period	0.4
			Rent-free periods and step rents invoiced	1.5
			Reinvoicing of works and staggering of rent-free periods	-3.6
			Other	-1.2
(A)	VALUE OF WHOLLY-OWNED OPERATED ASSETS	651.0	ANNUALISED RENTAL INCOME FROM WHOLLY-OWNED ASSETS	38.1
	Value of jointly owned assets (FREY share)		Annualised rental income from jointly owned assets (FREY share)	
	Investment property held in partnership	256.0	Annualised rental income from property held in partnership	18.2
	Projects under development at cost held in partnership	-5.8		
	Equity-accounted investment property	46.3	Equity-accounted annualised rental income	2.9
	Equity-accounted projects under development at cost	-		
(B)	VALUE OF JOINTLY OWNED OPERATED ASSETS (FREY SHARE)	296.5	ANNUALIZED RENTAL INCOME (FREY SHARE)	15.9
(C) = (A) + (B)	OPERATED ECONOMIC PORTFOLIO	947.5	ANNUALISED RENTAL INCOME FROM ECONOMIC PORTFOLIO	59.1
(D)	Jointly owned operated assets (non-FREY share)	323.6	Jointly owned operated assets (non-FREY share)	20.4
(C) + (D)	TOTAL OPERATED PORTFOLIO	1,271.1	TOTAL ANNUALISED RENTAL INCOME	79.5

1.1.1.6 Development on behalf of third parties

Revenue from property development sales for the 2020 financial year amounted to €29.7 million (compared with €13.6 million at 31 December 2019) and was primarily generated by the following projects:

- a 7,700 m² asset in Arras (62);
- a 5,100 m² asset in Calais (62);
- a 100 m² catering unit in Bezannes (51);
- a 1,900 m² unit and land in Strasbourg (67);
- a 1,700 m² unit in Saint Quentin (02).

1.1.1.7 Development

In financial year 2020, two projects were delivered:

- a 7,700 m² asset in Arras (62), sold at end-2020;
- units covering a total area of 1,400 m² at an asset in Cesson Woodshop (77), retained in the asset portfolio.

Work is ongoing on two projects, representing a total area of 111,000 m², for openings scheduled for the first quarter of 2021:

- the Shopping Promenade Claye-Souilly® (77) representing 46,500 m², retained in the asset portfolio;
- the Shopping Promenade Cœur Alsace® in Strasbourg-Vendenheim (67) representing an area of 64,900 m², of which 51,200 m² will be retained in the asset portfolio.

Following the unilateral decision of SA3M, Société d'Aménagement de Montpellier Méditerranée Métropole, in June

2020, to stop the development of the "ODE À LA MER" project, the FREY Group challenged this decision and initiated legal proceedings to obtain the repayment of costs incurred prior to this decision by Sa3M and compensation for the losses suffered. As of the reporting date, we are not envisaging an unfavourable outcome of the current legal action taken by the FREY Group and, consequently, we have not recorded an impairment loss for the €14.4 million in costs.

1.1.1.8 Capital increase

The General Meeting of Shareholders on 20 May 2020 approved the payment of a dividend of €1.50 per share as well as the proposal of an option between (i) payment of the dividend at 100% in cash and (ii) a partial payment of the dividend in shares in the amount of 30% (*i.e.* €0.45 per share) accompanied by a payment of 70% in cash (*i.e.* €1.05 per share).

The option of payment in shares of the 2019 dividend was subscribed for 88.69% of the option rights and resulted in the creation of 378,266 new ordinary shares which were delivered on 12 June 2020. From the date of issue they held immediate dividend rights and were entirely fungible with the other shares making up Frey's share capital.

An application was made to trade them on the Euronext Paris stock exchange as soon as they were issued with the same listing as existing shares. Through this transaction, FREY increased its equity by almost €9.67 million.

From 12 June 2020, the issue date of shares derived from the exercise of option rights, FREY's share capital was increased to €61,508,157.50 and comprised 24,603,263 shares with a nominal value of €2.50 each, fully paid up and all in the same category.

1.1.1.9 Financing

In July 2020, FREY signed a one-year extension of the maturity date of the corporate credit line of €100.0 million, *i.e.* until 25 July 2026.

On the same date, FREY also signed a partial one-year extension of the maturity date of the corporate credit line of €70.0 million, *i.e.* until 28 November 2025. This extension relates to an amount of €50.0 million out of the initial €70.0 million.

In November 2020 FREY signed a corporate line for a total of €70.0 million for an initial period of five years, with extension options. This credit line includes a mechanism for waiving a portion of the remuneration from the banking pool and the contribution of an equivalent amount by FREY to a charitable organisation, which may change each year. The total sum financed in equal shares by FREY and the banking pool may reach €140,000 across the whole corporate credit line (5 years excluding options to extend).

These corporate credit lines will provide funding for ongoing development projects or those that may come to fruition over the coming months.

These credit lines make it possible to lock in favourable financial terms, improve FREY's financial flexibility and strengthen the Group's strong relations with its banking partners.

In July 2020, the FREY Group strengthened its interest rate hedge positions by signing four caps with a strike-rate of 0%, with a 4.5 year term.

1.1.1.10 Dividends paid

The General Meeting of Shareholders of 20 May 2020 approved the payment of a dividend of €1.50 per share as well as the proposed option between (i) payment of the dividend at 100% in cash and (ii) a partial payment of the dividend in shares in the amount of 30% (*i.e.* €0.45 per share) accompanied by a payment of 70% in cash (*i.e.* €1.05 per share).

The option of payment in shares of the 2019 dividend was subscribed for 88.7% of the option rights and resulted in the creation of 378,266 new ordinary shares, delivered on 12 June 2020.

The maximum amount of the dividend paid in cash represented €27.5 million. Taking into account the shares held in the liquidity contract and in the buyback program, the amount paid was €25.6 million.

1.1.2 PROGRESS MADE AND DIFFICULTIES ENCOUNTERED DURING THE FINANCIAL YEAR

In the course of 2020, given the health situation, construction on the Shopping Promenade® sites in Strasbourg (67) and Claye-Souilly (77) was delayed by a few months. The openings initially scheduled for October 2020 are now set to take place in the first quarter of 2021.

The Group's rental activity was also impacted by the temporary closures of businesses linked to the Covid-19 epidemic.

Information concerning the impacts of this health and economic crisis has been inserted in Section 1.1.4.2 "Existence of any known trend, uncertainty or request, or any undertaking or event that is reasonably likely to have a significant impact on the Company's outlook" as well as in Section 1.4.2.1 "Risks related to the Group's environment" of this management report.

1.1.3 SIGNIFICANT EVENTS SINCE AFTER THE REPORTING PERIOD

- On 29 January 2021, the shareholders of FREY unanimously approved at an Extraordinary General Meeting, the resolution to enable it to adopt the status of "Entreprise à mission", in accordance with law no. 2019-486 of 22 May 2019, known as the "PACTE" Law.

Through this commitment, FREY is once again making its mark on the commercial real estate sector by becoming the first French real estate company to adopt the status of "Entreprise à mission" by including its *raison d'être* in its Articles of Association - **putting retail at the service of the collective interest** - the related social, environmental and societal commitments.

- The Group is not in a position to accurately assess the total impact of the second lockdown in November 2020, given the ongoing negotiations on this matter since 1 January 2021. No provision related to the second lockdown has been recognized in the financial statements at 31 December 2020. Additional assistance (waivers of future rent receivables net of tax credits) estimated at €2.3 million, may be recognised in 2021.
- None of the Group's French assets is affected by an administrative closure pursuant to decree No. 2021-99 of 30 January 2021 prohibiting the opening of shopping centres of more than 20,000 m².
- Since 15 January 2021, Portugal is under a second national lockdown, resulting in the government-ordered closure of the Portuguese asset on the Algarve.
- No significant events have occurred since the end of the financial year.

1.1.4 INFORMATION ON TRENDS

1.1.4.1 Outlook and strategy

The property investment company FREY has pursued an active development policy since its foundation. The size of the projects developed has increased over the years, while the Group has been able to change its structure and organisation, in order to become a standard-setting property investment company in the outdoor shopping centre sector in France.

FREY designs projects that are environmentally-friendly and efficient and are created in order to be enjoyable shopping areas for the family.

The Group is currently developing 13 large medium-term projects representing 340,000 m² and €802 million in investments⁽¹⁾ (of which 111,000 m² and €232 million for the two projects currently underway). These projects, including projects awarded *via* competitive tender, reflect the trust felt by major contractors and retail brands.

1.1.4.2 Existence of any known trend, uncertainty or request, or any undertaking or event that is reasonably likely to have a significant impact on the Company's outlook

FREY's business activities are sensitive to changes in the economic environment and consumer spending, as well as to changes in interest rates.

Despite a very complicated economic context, due in particular to the health crisis linked to the Covid-19 epidemic and the subsequent economic crisis, FREY is not aware of any factors that are reasonably likely to have a significant impact on its outlook. The Group will pursue its development in 2021 in the manner announced to the market and to shareholders.

Work is under way on two projects scheduled for delivery in 2021. The list of projects is presented in paragraph 1.1.1.7 "Development" above.

The Company sets itself a sustained growth target by relying on its excellent organisational abilities and the quality of its teams.

In line with current market conditions, the Company will continue to use bank financing for its built (completed) properties, for which the leverage compared with the economic value of its asset portfolio (fair value) will amount to a maximum LTV (so-called Loan-to-Value) ratio, including stamp duty, of 50%.

The Company does not rule out raising further funds on the financial markets if favourable opportunities arise.

The materialisation of certain risks described in Chapter 4 "Risk Factors" in this management report could have an impact on

the Company's business activities and on its ability to achieve its growth target.

Under these specific circumstances linked to the Covid-19 coronavirus epidemic, FREY's priority is to protect the health and safety of its employees, customers, suppliers and service providers.

The three countries where the Group operates, France, Spain and Portugal, have been subject to restrictions allowing only essential businesses to be open, and the populations are under lockdown restrictions. A large majority of the Group's tenants have therefore been required to close their doors. However, whether a store is open or closed, there is ongoing communication between the Group's employees and its tenants in order to find a way to deal with this unprecedented situation.

Given the complete lack of certainty surrounding the development of the health situation (particularly the emergence of new Covid-19 variants) and the economic context, at this time it is not possible to assess the operational and financial impact of this crisis for FREY.

Nevertheless, the Group reiterates that it has a robust financial structure, surplus cash and cash equivalents, and undrawn corporate credit lines that will allow it to honour these obligations, even if the crisis is prolonged. At 31 December 2020, the Group had €268 million in available liquidity, of which €56 million in cash and cash equivalents and €212 million in corporate credit lines. On that same date, the net LTV ratio was 32.4%.

FREY is therefore entirely confident in its ability to resume and successfully carry out its active development strategy as soon as the health crisis subsides.

More detailed information on the impact of this situation on the Group is set out in Sections 1.1.1 Significant events during the financial year and 1.4 Risk factors in this management report.

1.1.5 PROFIT FORECAST OR ESTIMATE

The Company does not issue any profit forecasts or estimates.

(1) Of which 272,000 m² and €710 million in investments in assets to be held by the Group in its portfolio and representing a potential rental income of €52.3 million.

1.1.6 PRESENTATION OF THE FINANCIAL STATEMENTS AND ALLOCATION OF INCOME

1.1.6.1 Consolidated financial statements

1.1.6.1.1 Key figures

We present the main aggregates in the consolidated financial statements for the financial year ended 31 December 2020 below:

Income statement (in €m)	31/12/2020	31/12/2019	Change
REVENUE	107.2	69.3	54.7%
Profit from Recurring Operations*	42.4	29.0	46.2%
Economic profit from recurring operations (Including associates)	45.7	39.1	16.9%
Change in fair value of investment property	-19.3	50.1	-138.5%
Change in fair value of investment property of associates	-4.2	0.1	-4,340.0%
Net cost of debt	-9.8	-10.4	-6.2%
Profit before tax	2.3	69.5	-96.7%
Net profit of non-controlling interests	-1.3	-9.4	-
NET PROFIT GROUP SHARE	2.4	49.7	-95.2%

Statement of financial position (in €m)	31/12/2020	31/12/2019	Change
EQUITY GROUP SHARE	768.2	777.9	-1.2%
Equity	822.4	789.2	4.2%
Financial debt	518.4	384.0	35.0%
INVESTMENT PROPERTY	1,316.2	1,094.1	20.3%
Property development inventory	40.2	44.7	-9.9%
Cash and marketable securities	56.2	97.5	-42.4%

The Group posted Profit from recurring operations of €42.4 million at 31 December 2020, up on 2019 and comprising a number of factors:

- international growth in Spain and Portugal;
- steady growth in the rental business (delivery and acquisition of operated assets);
- control of overheads, in line with the property investment Company's growth.

The decrease in Net Income was due to negative change in the fair value of investment property linked to the context of the health crisis.

The -€23.5 million change in the fair value at 31 December 2020 (-€19.3 million for the fully consolidated companies and -€4.2 million for the associates) as compared to €50.2 million at 31 December 2019 (€50.1 million for the fully consolidated companies and €0.1 million for the associates).

This negative change is due to the loss of value on the assets held in the portfolio at 31 December 2019 due to the deterioration in the capitalization rates used by the appraisers, despite the successful marketing of vacant units in 2020, slightly offset by the value creation achieved on the assets included in the consolidation scope (project launches, deliveries, acquisitions).

The change in fair value generated by the Group on the wholly-owned asset portfolio in 2020 breaks down as follows:

1. Acquisitions: €2.5 million;
2. Projects under development: €3.3 million;
3. Like-for-like basis -€25.1 million.

The valuations of land, operated assets and assets under construction in accordance with IAS 40 are performed by independent expert appraisers (Colomer Expertises, Cushman & Wakefield and JLL France), in accordance with the recommendations in the reference documents for property valuation appraisals.

The development business inventory is valued at its construction cost.

An assessment of the debt and of the financial ratios is set out below in the section of this document entitled "FREY Group's financial position and debt".

1.1.6.1.3 EPRA performance indicators

FREY's performance indicators at 31 December 2020 have been prepared in accordance with best practices as defined by EPRA⁽²⁾ in its recommendations, and are presented below.

(1) The operating profit does not take into account the impact of the health crisis, i.e. €6.1 million presented on the line item "Waivers of rent receivables granted" in the Consolidated Income Statement.

(2) European Public Real Estate Association, "Best Practice Recommendations", published in October 2019, on the website www.epra.com

NAV NRV, NAV NTA and NAV NDV

EPRA's Best Practice Recommendations published in October 2019 have changed the definitions of NAV.

From the financial years beginning on 1 January 2020, the EPRA NAV and EPRA triple net are replaced by the NAV NRVA, the NAV NTAS and NAV NDVS.

At 31 December 2020 (in €m)	EPRA NRV	EPRA NTA	EPRA NDV
CONSOLIDATED EQUITY - GROUP SHARE	768,212	768,212	768,212
<i>Including/excluding:</i>			
i) Hybrid instruments	-	-	-
DILUTED NAV	768,212	768,212	768,212
<i>Including:</i>			
ii.a) Investment property valuation (if opting for IAS 40 at cost)	-	-	-
ii.b) Revaluation of property under construction (if opting for IAS 40 at cost)	-	-	-
ii.c) Revaluation of other non-current investments	-	-	-
iii) Revaluation of finance leases	-	-	-
iv) Revaluation of commercial property	-	-	-
DILUTED NAV AT FAIR VALUE	768,212	768,212	768,212
<i>Excluding:</i>			
v) Deferred tax on the fair value of investment property	12,611	12,611	
vi) Fair value of financial instruments	4,011	4,011	
vii) Goodwill resulting from deferred tax	-	-	-
viii) a) Goodwill according to IFRS balance sheet	-	-*	-*
viii) b) Intangible assets according to IFRS balance sheet	-	-778	-778
<i>Including:</i>			
ix) Fair value of fixed-rate debt	-	-	-
x) Revaluation of intangible assets at fair value	-	-	-
xi) Stamp duty	46,218	635	-
NAV	831,051	784,691	767,434
Diluted number of shares	24,603,263	24,603,263	24,603,263
Treasury shares	15,127	15,127	15,127
Corrected number of shares	24,588,136	24,588,136	24,588,136
NAV PER SHARE (in €)	33.8	31.9	31.2

* LLEIDA project (Spain): includes goodwill (corresponding to an earnout payment) of €11.1 million, net of allocated debt of €11.1 million. If this project does not go ahead, the goodwill and its allocated debt will be reversed with no impact on equity.

At 31 December 2019 (in €m)	EPRA NRV	EPRA NTA	EPRA NDV
CONSOLIDATED EQUITY - GROUP SHARE	777,920	777,920	777,920
Including/excluding:			
i) Hybrid instruments	-	-	-
DILUTED NAV	777,920	777,920	777,920
Including:			
ii.a) Revaluation of investment properties (if opting for IAS 40 at cost)	-	-	-
ii.b) Revaluation of property under construction (if opting for IAS 40 at cost)	-	-	-
ii.c) Revaluation of other non-current investments	-	-	-
iii) Revaluation of finance leases	-	-	-
iv) Revaluation of commercial property	-	-	-
DILUTED NAV AT FAIR VALUE	777,920	777,920	777,920
Excluding:			
v) Deferred tax on the fair value of investment property	15,932	15,932	-
vi) Fair value of financial instruments	4,579	4,579	-
vii) Goodwill resulting from deferred tax	-	-	-
viii) a) Goodwill according to IFRS balance sheet	-	-*	-*
viii) b) Intangible assets according to IFRS balance sheet	-	-374	-374
Including:			
ix) Fair value of fixed-rate debt	-	-	-
x) Revaluation of intangible assets at fair value	-	-	-
xi) Stamp duty	40,666	647	
NAV	839,097	798,945	777,546
Diluted number of shares	24,224,997	24,224,997	24,224,997
Treasury shares	430,969	430,969	430,969
Corrected number of shares	23,794,028	23,794,028	23,794,028
NAV PER SHARE (in €)	35.3	33.6	32.7

* LLEIDA project (Spain): includes goodwill (corresponding to an earnout payment) of €11.1 million, net of allocated debt of €11.1 million. If this project does not go ahead, the goodwill and its allocated debt will be reversed with no impact on equity.

EPRA net profit (loss)

The EPRA net profit (loss) corresponds to the profit/loss from operating activities.

The EPRA definition shows a calculation that starts from IFRS net profit (loss) and moves upwards, deleting non-recurring items.

For greater simplicity and understanding, FREY has decided to present its calculation starting from IFRS profit (loss) from recurring operations and moving downwards towards Net Profit (loss).

(In €m)	31/12/2020	31/12/2019
IFRS PROFIT (LOSS) FROM RECURRING OPERATIONS	42.4	29.0
-/+ Developer's profit/(loss)	-4.8	-2.1
-/+ Capital gains or losses on investment property disposals*	0.9	-0.3
-/+ Recurring financial expenses	-9.8	-10.3
-/+ Recurring taxes on non-REIT activities	-1.2	-0.5
EPRA net profit (loss) from associates	2.6	12.8
EPRA NET PROFIT (LOSS)	32.6	28.6
EPRA EARNINGS PER SHARE	€1.33	€1.18

* A positive figure corresponds to the cancellation of a loss, and vice versa.

EPRA earnings per share are determined on the basis of the number of shares at 31 December each year, not adjusted for treasury stock.

EPRA yield

Net initial yield as defined by EPRA corresponds to the ratio of annualised contractual rental income, after non-recoverable expenses, to the gross market value of the assets, stamp duty included.

Topped-up net initial yield as defined by EPRA corresponds to the ratio of annualised contractual rental income, excluding rent-free periods granted and after non-recoverable expenses, to the gross market value of the assets, stamp duty included.

To ensure a better understanding of the changes in these ratios, FREY performs its calculation on the basis of the stabilised economic portfolio⁽¹⁾, i.e. the portfolio that was delivered at least one year ago and is not being restructured.

(In €m)	31/12/2020	31/12/2019
Value of the operated economic portfolio (excl. stamp duty)	947.5	902.2
Value of assets that are not stabilised or being restructured (excl. stamp duty)	-3.1	-101.7
Stamp duty in conveyance for consideration on stabilised assets	46.2	35.4
Market value of property holdings, incl. stamp duty (A)	990.6	835.9
Annualised rental income from the economic portfolio	59.1	54.2
Annualised rental income from the asset portfolio that is non-stabilised or being restructured	-0.3	-5.6
Non-recoverable expenses on stabilised assets	-2.1	-2.1
"Topped-up" annualised net rental income (B)	56.8	46.6
Rent-free periods granted on stabilised assets	-2.5	-1.7
Annualised net rental income (C)	54.2	44.9
EPRA TOPPED-UP NET INITIAL YIELD (B/A)	5.7%	5.6%
EPRA NET INITIAL YIELD (C/A)	5.5%	5.4%

EPRA vacancy rate

The EPRA vacancy rate corresponds to the ratio of market rents for vacant areas to the market rents for the total area (rented areas + vacant areas).

To ensure a better understanding of the changes in this ratio, FREY performs its calculation on the basis of the stabilised economic portfolio⁽¹⁾, i.e. the portfolio that was delivered at least one year ago and is not being restructured.

(In €m)	31/12/2020	31/12/2019
Market rent of stabilised vacant areas	1.4	1.1
Market rent of stabilised economic portfolio	57.0	48.8
EPRA VACANCY RATE	2.4%	2.3%

Table of EPRA CAPEX

	31/12/2020		31/12/2019	
(In €m)	100%	Group share	100%	Group share
Acquisitions incl. stamp duty	0.0	0.0	191.6	137.8
Work on existing asset portfolio excluding development	7.0	5.8	6.1	5.1
Developments	64.0	64.0	122.6	122.6
TOTAL CAPEX	71.0	69.8	320.2	265.5

(1) The economic portfolio corresponds to the total value of the property investments based on percentage ownership of each asset.

1.1.6.1.4 Operating segments

IFRS 8 requires the disclosure of information regarding the Group's operating segments.

This standard determines an operating segment as follows:

"An operating segment is a component of an entity:

- that engages in business activities from which it may earn revenues and incur expenses;
- whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and
- for which discrete financial information is available."

NB: In this context, the term "operating results" does not relate to the IFRS definition, but to the results of the various activities and/or operating segments identified by the chief operating decision maker. The "operating results" monitored separately by FREY are the gross margin.

The standard also specifies: "an entity shall disclose information to enable users of its financial statements to evaluate the nature and financial effects of the business activities in which it engages and the economic environments in which it operates."

FREY Group's growth management process requires it to monitor its business activities in a summary manner in terms of both indicators and profitability.

FREY Group discloses its segment information in such a way as to reflect the guidance tools used by Management and to meet the criteria in the standard:

- the Group's Management identifies three operating segments:
 - property investment (rental income and other income from portfolio assets),
 - property development (development and planning of Retail Parks),
 - other activities (invoicing of services and support activities);
- rental income and expenses that cannot be re-invoiced are the subject of an allocation between stabilised assets (delivered over one year ago) and non-stabilised assets (delivered within less than one year);
- the indicators monitored for each operating segment are as follows:
 - revenue (rental income, sales and fees),
 - expenses that cannot be re-invoiced to tenants,
 - the cost of sales;
- the other items that cannot be allocated on the basis of "discrete financial information" are disclosed on an aggregate basis.

The Group takes the view that each development project and each investment property represents a CGU, and that each CGU can be assigned to one or more operating segments depending on its economic purpose.

At 31 December 2020

The main aggregates of the statement of financial position by operating segment were as follows:

	Property investment activity	Property development	Other	Total
Assets at 31/12/2020 (in €m)				
Investment property	1,316.2	-	-	1,316.2
Investments in associates	16.9	-	-	16.9
Inventories and work-in-progress	-	40.2	-	40.2

	Property investment activity	Property development	Other	Total
Equity & Liabilities at 31/12/2020 (in €m)				
Investments in associates	-	-	-	-
Non-current financial liabilities	504.5	0.1	44.5	549.2
Current financial liabilities	26.2	0.1	1.5	27.8

The main aggregates of the income statement by operating segment were as follows:

At 31 December 2020 (in €m)	Property investment activity	Property development	Other	Total	Of which France	Of which Iberian peninsula
Rental income from stabilised assets	58.4					
Non-recoverable expenses on stabilised assets	-3.3					
NET RENTAL INCOME FROM STABILISED ASSETS	55.1			55.1	37.5	17.5
Rental income from unstabilised assets	1					
Non-recoverable expenses on unstabilised assets	-					
NET RENTAL INCOME FROM UNSTABILISED ASSETS	1			1	1	
Sales		29.7				
Purchase cost of goods sold		-24.9				
DEVELOPER'S PROFIT		4.8		4.8	4.8	
OTHER REVENUE			2.1	2.1	2.1	
GROSS PROFIT				63.1	45.5	17.5
External services				-5.4	-2.8	-2.6
Payroll expenses				-9.1	-9.0	-0.1
Other Income and Expenses				-1.3	-1.2	-0.1
Taxes and duties				-1.5	-0.7	-0.8
Amortisation, depreciation and provisions				-3.5	-3.0	-0.5
PROFIT FROM RECURRING OPERATIONS⁽¹⁾				42.3	28.8	13.5
Other operating income and expenses				-10.0	-5.9	-4.1
Value adjustments of investment property				-19.2	-5.2	-14.0
OPERATING PROFIT				13.1	17.7	-4.6
Share of net profit (loss) of associates				-1.8	-1.8	
OPERATING PROFIT (LOSS) AFTER SHARE OF NET PROFIT (LOSS) OF ASSOCIATES				11.3	15.9	4.6
Net cost of debt				-9.8	-5.6	-4.2
Value adjustments of financial assets				-0.8	-0.8	
PROFIT BEFORE TAX				2.3	11.1	-8.8
Income tax				-1.4		-1.4
NET PROFIT/(LOSS) OF CONSOLIDATED COMPANIES				3.7	11.1	-7.4
Non-controlling interests				-1.3	-2.9	1.6
NET PROFIT GROUP SHARE				2.4	8.2	-5.8

The increase in rental income is due, on the one hand, to the full-year impact of the Portuguese acquisitions and deliveries of the Shopping Promenade Arles-Montmajour® (13) and Woodshop in Cesson (77) in 2019 and, on the other, to the change in consolidation method for FRF companies in 2020.

Property development revenue is mainly related to the Calais (62), Duisans (62), Strasbourg (67) and Bezannes (51) operations.

(1) The operating profit (loss) does not take into account the impact of the health crisis, i.e. €6.1 million, presented on the line item "Waivers of rent receivables granted" of the Consolidated income statement.

At 31 December 2019

The main aggregates of the statement of financial position by operating segment were as follows:

Assets at 31/12/2019 (in €m)	Property investment activity	Property development	Other	Total
Investment property	1,094.1	-	-	1,094.1
Investments in associates	57.5	-	-	57.5
Inventories and work-in-progress	-	44.7	-	44.7

Equity & Liabilities at 31/12/2019 (in €m)	Property investment activity	Property development	Other	Total
Investments in associates	-	-	-	-
Non-current financial liabilities	382.6	0.2	45.2	428.0
Current financial liabilities	18.9	0.1	0.4	19.4

The main aggregates of the income statement by operating segment were as follows:

At 31 December 2019 (in €m)	Property investment activity	Property development	Other	Total	Of which France	Of which Iberian peninsula
Rental income from stabilised assets	39.9					
Non-recoverable expenses on stabilised assets	-1.9					
NET RENTAL INCOME FROM STABILISED ASSETS	38.0			38.0	30.7	7.2
Rental income from unstabilised assets	3.7					
Non-recoverable expenses on unstabilised assets	-0.2					
NET RENTAL INCOME FROM UNSTABILISED ASSETS	3.5			3.5	3.5	
Sales		13.6				
Purchase cost of goods sold		-11.5				
DEVELOPER'S PROFIT		2.1		2.1	2.1	
OTHER REVENUE			2.2	2.2	2.2	
GROSS PROFIT				45.8	38.6	7.2
External services				-5.8	-4.5	-1.3
Payroll expenses				-8.8	-8.8	
Other Income and Expenses				0.9	0.9	
Taxes and duties				-1.6	-0.8	-0.8
Amortisation, depreciation and provisions				-1.4	-1.4	
PROFIT/(LOSS) FROM RECURRING OPERATIONS				29.0	24.0	5.0
Other operating income and expenses				-2.7	-3.1	0.4
Value adjustments of investment property				50.1	11.7	38.4
OPERATING PROFIT				76.5	32.6	43.8
Share of net profit (loss) of associates				8.7	8.7	
OPERATING PROFIT (LOSS) AFTER SHARE OF NET PROFIT (LOSS) OF ASSOCIATES				85.2	41.3	43.8
Net cost of debt				-10.4	-8.8	-1.6
Value adjustments of financial assets				-5.3	-5.3	
PROFIT BEFORE TAX				69.5	27.3	42.2
Income tax				-10.4	-1.5	-8.9
NET PROFIT/(LOSS) OF CONSOLIDATED COMPANIES				59.1	25.8	33.3
Non-controlling interests				-9.4		-9.4
NET PROFIT GROUP SHARE				49.7	25.8	23.9

1.1.6.1.5 Subsidiaries and equity investments

The table summarising the information regarding all of the Company's subsidiaries at 31 December 2020 is provided in Appendix 3 of this report.

In accordance with Article L. 233-6 of the French Commercial Code, we are reporting to you on the companies that have their registered office in France, and in which the Company acquired an interest representing over one twentieth, one tenth, one fifth, one third, or half, or over which it took control during the 2020 financial year:

Company	% ownership
Frey Retail Fund 2	62.08% (direct holding)
FRF2 BREST ST DIE	62.08% (indirect holding)
FRF2 LA FRANCHEVILLE	62.08% (indirect holding)
FRF2 LE PONTET	62.08% (indirect holding)
FRF2 NARBONNE	62.06% (indirect holding)
FRF2 TORCY	62.08% (indirect holding)
FRF2 SECLIN	62.08% (indirect holding)
IF CORMONTREUIL 01	62.08% (indirect holding)
FRF2 TORCY II	62.08% (indirect holding)
FRF2 BELFORT	62.08% (indirect holding)
ZONE A	62.08% (indirect holding)
FRF2 KHEPRI 1	62.08% (indirect holding)
FRF2 CHANTEPIE	62.08% (indirect holding)
FRF2 APOLLO	62.08% (indirect holding)
FOREY	100% (direct holding)
FREY SOLIDARITY	100% (direct holding)

1.1.6.1.6 Activity and results of the main operating subsidiaries during the past financial year

The Company's consolidation scope includes the companies placed under its exclusive control, as well as the companies over which the Company exercises a significant control or has a material influence.

The table summarising the information regarding all of the Company's subsidiaries, as well as the scope used for the consolidation of the Group at 31 December 2020 is provided in Appendix 3 of this management report.

The information provided below concerns the Group's main operating subsidiaries during the financial year just-ended.

Activities and results of Frey Aménagement et Promotion SAS

Frey Aménagement et Promotion, a wholly-owned subsidiary of FREY, does the development and project management work for all projects developed by the Group.

Its own subsidiaries carry out most of the Group's property projects intended for sale, regardless of whether these sales are outside or inside the Group.

The financial position of Frey Aménagement et Promotion at 31 December 2020 is summarised in the following tables:

(In €m)	31/12/2020	31/12/2019
Revenue	1.8	4.4
Operating results	-3.0	-2.5
Net financial income/(loss), incl. share of subsidiaries' profits/(losses)	4.0	3.2
Net non-recurring income/(expense)	-2.4	0
Net profit/(loss)	-0.7	0.7
Equity	-5.8	-5.1
Debt	0.0	0.0

Frey Aménagement et Promotion and its subsidiaries recognise their revenue and profit margin on off-plan transactions *via* the completion method.

Activities and results of SNC IF Gestion & Transactions

IF Gestion & Transactions, a subsidiary in which FREY owns a 99% interest, and in which Frey Aménagement et Promotion owns a 1% interest, performs the following services on behalf of Group companies:

- marketing/remarketing;
- rental management;
- acquisition.

It also provides the following services to companies in the FRF Division and to Frey Retail Villebon:

- acquisition;
- asset management;
- administrative, tax, accounting and legal affairs management.

Finally, it has the following remit:

- property management agent for certain real estate assets managed by the Group;
- centre management for the Shopping Promenade®.

The Company generated revenue of €5.2 million during the 2020 financial year, which consisted exclusively of the fees invoiced for these services.

A net loss of €0.7 million was recorded in the 2020 financial year.

Activities and results of SNC IF PLEIN EST

SNC IF PLEIN EST is a subsidiary in which FREY owns a 99% interest and Frey Aménagement et Promotion owns a 1% interest.

It owns the SuperGreen asset, which has an area of 23,500 m² and is in Thionville – Terville (57).

Revenue for the period amounted to €2.8 million and primarily consisted of rental income.

A €0.9 million profit was recorded in the 2020 financial year.

Activities and results of SNC IF PLEIN SUD

SNC IF PLEIN EST is a subsidiary in which FREY owns a 99% interest and Frey Aménagement et Promotion owns a 1% interest.

Its asset portfolio consists of Greencenter® Green7, which has a GLA of 21,700 m² and is in Salaise-sur-Sanne (38).

In 2020, a new building was built with two units covering a GLA of 1,358 m² and will be delivered in 2021.

Revenue for the period amounted to €2.68 million and consisted exclusively of rental income.

A loss of €0.79 million was recorded in the 2020 financial year.

Activities and results of SAS CHANTELOUP 01

SAS CHANTELOUP 01 is a wholly-owned subsidiary of SAS IF Clos du Chêne, which is in turn a wholly-owned subsidiary of FREY.

As a result, it now owns an asset portfolio of 6,882 m² GLA, all of which is in Marne-la-Vallée-Montévrain (77).

Revenue for the period amounted to €0.9 million and consisted exclusively of rental income.

A €0.06 million profit was recorded in the 2020 financial year.

Activities and results of SAS CHANTELOUP 02

SAS CHANTELOUP 02 is a wholly-owned subsidiary of SAS IF Clos du Chêne, which is in turn a wholly-owned subsidiary of FREY.

As a result, it now owns an asset portfolio of 17,000 m² GLA, all of which is in Marne-la-Vallée-Montévrain (77).

Revenue for the period amounted to €2.0 million and consisted exclusively of rental income.

A €0.15 million profit was recorded in the 2020 financial year.

Activities and results of SNC IF CHÊNE VERT

SNC IF CHÊNE VERT is a subsidiary in which IF Clos du Chêne owns a 99% interest and Frey Aménagement et Promotion owns a 1% interest.

SNC IF CHÊNE VERT's asset portfolio consists of the Greencenter® Clos du Chêne 2 in Marne-la-Vallée-Montévrain (77).

In financial year 2020, the Company acquired additional land covering an area of 890 m².

At 31 December 2020, it therefore held a portfolio of 24,385 m² GLA, entirely located in Marne-la-Vallée-Montévrain (77).

Revenue for the period amounted to €3.3 million and primarily consisted of rental income.

The 2020 financial year showed a deficit of €0.2 million.

Additional Activity POLE CLOS DU CHÊNE

In financial year 2020, the entire Clos du Chêne division, mainly supported by the three subsidiaries above, was embellished with a second phase of Street Art, including 17 new monumental frescoes.

Activities and results of SAS LA PLAINE

SAS LA PLAINE is a subsidiary in which FREY owns a 99% interest and Frey Aménagement et Promotion owns a 1% interest.

Its portfolio is composed of the WOODSHOP outdoor shopping centre (previously known as Maisonément) in Melun-Sénart (77), with a GLA of 33,600 m² and which is being entirely redeveloped.

During financial year 2020, a cluster of four restaurants was built and two additional buildings are under construction for completion scheduled in the first half of 2021.

Revenue for the period amounted to €3.32 million and primarily consisted of rental income.

A €0.17 million profit was recorded in the 2020 financial year.

Activity and results of SCI IF PLEIN OUEST

SCI IF PLEIN OUEST is a subsidiary in which FREY owns a 99% interest, and Frey Aménagement et Promotion owns a 1% interest.

It owns Cap Émeraude, an asset with a GLA of 10,810 m² in Dinard-Pleurtaut (35).

Revenue for the period amounted to €0.8 million and primarily consisted of rental income.

A €0.01 million deficit was recorded in the 2020 financial year.

Activity and results of SCI FRP III

SASU FRP III became a directly wholly-owned subsidiary of FREY following the universal transfer of the assets of SCI LES SABLONS 1, of which it was a wholly-owned subsidiary in 2019.

This company owns a complex with a GLA of 18,200 m² in Claye-Souilly (77).

FRP III's revenue amounted to €3.05 million in 2020 and consisted entirely of rental income.

A €0.85 million profit was recorded in the 2020 financial year.

Activities and results of SCI PAI 02

SCI PAI 02 is a wholly-owned subsidiary of IF SAINT PARRES, which is itself 99% owned by FREY and 1% by Frey Aménagement et Promotion.

SCI PAI 02 owns Be Green, a Greencenter® with a GLA of 20,750 m², located in Troyes-Saint-Parres-Aux-Tertres (10).

SCI PAI 02's revenue amounted to €2.3 million in 2020 and consisted entirely of rental income.

A loss of €0.75 million was recorded in the 2020 financial year.

Activities and results of Parc Vallès (Spain)

Parc Vallès is a wholly-owned subsidiary of Frey Invest, which is in turn a wholly-owned subsidiary of FREY.

Parc Vallès owns a 47,000 m² asset in Terrassa in Spain (near Barcelona).

Parc Vallès's revenue amounted to €5.7 million in 2020 and consisted entirely of rental income.

A €1.0 million profit was recorded in the 2020 financial year.

Activities and results of Albufeira Retail Park (Portugal)

Albufeira Retail Park is a wholly-owned subsidiary of Freyprop, which in turn is 70% owned by FREY.

Albufeira Retail Park owns an 11,300 m² asset in Albufeira, Portugal.

In 2020, Albufeira Retail's revenue amounted to €14 million and consisted entirely of rental income.

A €0.7 million profit was recorded in the 2020 financial year.

Activity and results of Algarve Shopping (Portugal)

Algarve Shopping is a wholly-owned subsidiary of Freyprop, which in turn is 70% owned by FREY.

Algarve Shopping owns a 47,200 m² asset in Albufeira, Portugal.

In 2020, Algarve Shopping's revenue amounted to €7.6 million and consisted entirely of rental income.

During the same period, its net profit amounted to €3.0 million.

1.1.6.1.7 FREY Group's financial position and debt

Information regarding FREY Group's financing

BANK DEBT

In July 2020, FREY signed a one-year extension of the maturity date of the corporate credit line of €100.0 million, *i.e.* until 25 July 2026.

On the same date, FREY also signed a partial one-year extension of the maturity date of the corporate credit line of €70.0 million, *i.e.* until 28 November 2025. This extension relates to an amount of €50.0 million out of the initial €70.0 million.

In November 2020, FREY signed a solidarity corporate loan for a total amount of €70.0 million for an initial term of five years, with extension options. This credit line includes a mechanism for waiving a portion of the remuneration from the banking pool and the contribution of an equivalent amount by FREY to a charitable organisation, which may change each year. The total sum financed in equal shares by FREY and the banking pool may reach €140,000 across the whole corporate credit line (5 years excluding options to extend).

These corporate credit lines will provide funding for ongoing development projects or those that may come to fruition over the coming months.

These credit lines make it possible to lock in favourable financial terms, improve FREY's financial flexibility and strengthen the Group's strong relations with its banking partners.

Following these transactions, the balance of the bank debt (excluding bonds) drawn down by Group companies (excluding associates) at 31 December 2020 was €530.6 million, including €379.3 million under corporate credit lines.

(In €m)	31/12/2020	31/12/2019
IFRS non-current bank loans (incl. corporate credit lines)	480.3	346.4
IFRS non-current finance lease liabilities (CBI)	26.2	29.7
IFRS current bank loans (incl. corporate credit lines)	18.0	1.4
IFRS current finance lease liabilities (CBI)	3.5	3.3
Less accrued interest	-	-
IFRS adjustment of loan issue costs	2.7	3.5
TOTAL BANK DEBT	530.6	384.3

The maturity of the Group's bank debt works out at 4.5 years, compared with 5.5 years at end-2019.

At 31 December 2020, 99.1% of Group debt is variable rate (3-month Euribor). However, as a result of the arrangement of interest rate hedges (SWAPS and CAPs), 97.5% of the Group's debt is no longer exposed to interest rate movements.

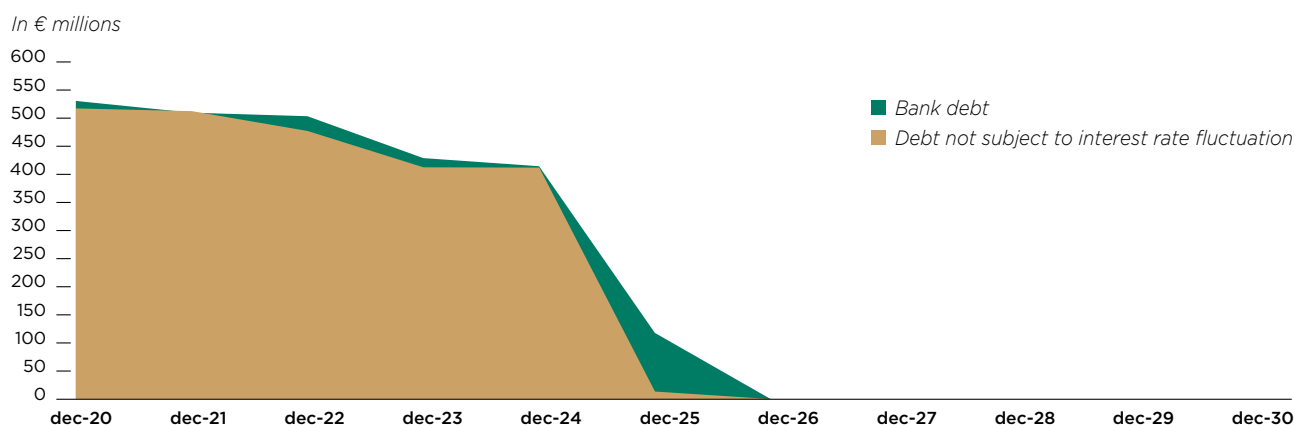
The average spread on the Group's bank debt at 31 December 2020 was 1.49%, versus 1.52% at 31 December 2019.

The average interest rate of the Group's bank debt, including spread, at this date, after including the interest-rate hedges and with a 3-month EURIBOR at 31 December 2020 of (0.545%) worked out at 1.48%, breaking down into an average rate of 2.10% on the mortgage loans and 1.24% on the corporate finance.

The following table sets out the impact of a potential (upward or downward) fluctuation of 100 and 50 basis points in the 3-month Euribor:

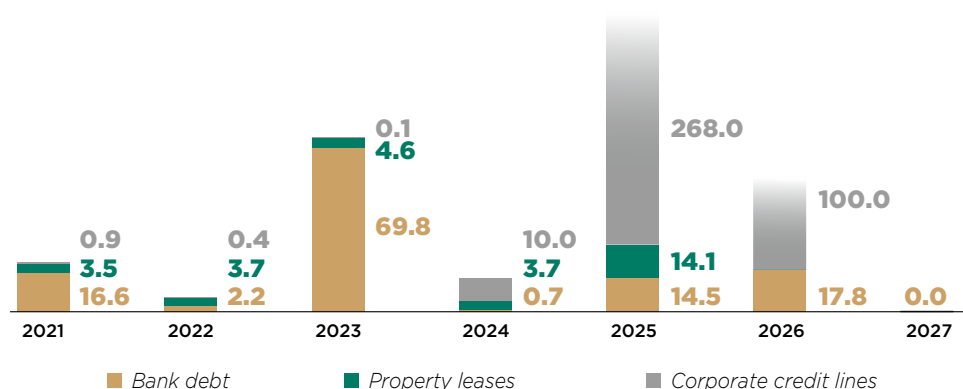
(In €m)	-100 pts	-50 pts	E3M	+50 pts	+100 pts
Net cost of debt	-8.0	-8.7	-9.8	-10.9	-11.5
Impacts	1.7	1.1	-	-1.1	-1.8

The change in the debt not exposed to interest rate movements is presented in the chart below:



DEBT MATURITY SCHEDULE

The chart below sets out the overall repayment schedule for the Group's debt, including the corporate credit lines drawn down.



FINANCIAL INSTRUMENTS

Pursuant to IFRS standards, the Group recognises changes in the fair value of its hedging transactions in its consolidated statement of financial position. These changes in fair value, which are calculated based on the difference between the hedging transaction arranged and the discounted expectations for interest rates at the reporting date, may have a positive or negative impact on consolidated equity.

The financial instruments held at 31 December 2020 had a value of -€5.3 million (excluding accrued interest), compared with -€4.6 million at 31 December 2019.

The impact of the change in fair value was recognised in profit or loss for a negative amount of €0.2 million, excluding deferred tax. This change is exclusively made up of the change in interest rate hedges.

BANK COVENANTS

The Group is subject to covenants, which are usual as part of such financing (LTV, DSCR, ICR, secured debt, unencumbered asset portfolio).

At 31 December 2020, all of the undertakings and covenants entered into with financial partners by FREY and the Group were complied with.

Generally speaking, for project financing, no covenant is intended to apply during the draw-down stage, which corresponds to the period of the works.

The Group has significant room for manoeuvre between the results achieved and the percentages provided for in the covenants for the various forms of financing. The level of the main ratios on the basis of which the main covenants were established is set out in the tables below:

RATIOS RELATING TO SPECIFIC ASSETS

The DSCR is the ratio of rental income to borrowing costs (repayment of capital and payment of interest).

DSCR ratios

Relevant debt	Required ratios	Ratios at 31/12/2020
€47.6 million	> 120%	202% -451%
€1.1 million	> = 110%	365%

The ICR ratio is the ratio of rental income to interest.

ICR ratios

Relevant debt	Required ratios	Ratios at 31/12/2020
€45.2 million	> 2.0	8.2 - 8.5

The LTV ratio is the ratio of outstanding debt to the value of the asset financed excluding stamp duty.

LTV ratios excluding stamp duty

Relevant debt	Required ratios	Ratios at 31/12/2020
€28.6 million	< 60.0%	19.9% -50.6%
€19.0 million	< 65.0%	32.9%

CONSOLIDATED SUB-TIER RATIOS

Consolidated ratios	LTV including stamp duty	ICR	Collateralised debt
Relevant debt	€3.0 million	€3.0 million	€3.0 million
Required ratios	< 50.0%	> 200%	> 125%
Ratios at 31/12/2020	34.1%	761.8%	256.6%

RATIOS RELATING TO THE CONSOLIDATED FINANCIAL STATEMENTS

Consolidated ratios	LTV including stamp duty	ICR	Collateralised debt
Relevant debt	€378.0 million	€378.0 million	€378.0 million
Required ratios	<= 60.0%	> = 2.0	< 20.0%
Ratios at 31/12/2020	32.4%	6.4	10.2%

Cash flow

Consolidated data (in €m)	31/12/2020	31/12/2019
Cash flow from operating activities	37.8	28.7
Cash flow from investing activities	-106.0	-216.7
Cash flow from financing activities	26.8	207.4
Change in net cash and cash equivalents	-41.4	19.4
Cash and cash equivalents - Opening balance	97.3	77.9
Cash and cash equivalents - Closing balance	55.9	97.3

The Group's consolidated cash position showed an investment and cash balance of €55.9 million at 31 December 2020 compared with €97.3 million at 31 December 2019.

Cash flow from operating activities in 2020 resulted from cash flow of €37.7 million, a €8.7 million decrease in working capital requirements and €10.5 million in dividends received from associates. The resulting cash flow generated by the business activities was €37.8 million.

Cash flow from investing activities in 2020 recorded a net outflow of €106.0 million relating to the projects underway and to the acquisitions made over the period.

Cash flows from financing activities were positive at €26.8 million.

Restrictions on the use of capital resources that have materially affected or could directly or indirectly materially affect the issuer's operations

To the best of the Company's knowledge, there are no restrictions on the use of capital resources which have had or may have a significant direct or indirect impact on its operations.

Anticipated sources of financing

The Company will use various financing methods, such as raising funds on the financial markets and resorting to bank debt, in order to be able to make all of its future investments.

The Group also has €212 million in available corporate credit lines.

Group financing plan

The projects under construction at 31 December 2020 have already been financed via corporate credit lines.

1.1.6.2 Corporate financial statements - SA FREY

The financial year just ended, which ran for a period of 12 months, covered the period from 1 January 2020 to 31 December 2020.

1.1.6.2.1 Revenue

Revenue for the financial year ended 31 December 2020 amounted to €17 million, and broke down as follows:

Revenue (in €m)	31/12/2020	31/12/2019
Rental income	9.0	7.4
Provision of intra-group services	3.9	5.5
Off-plan sales - Construction	2.7	0.4
Entry fees	0.1	0.1
Rental management fees	0.1	0.1
Re-invoicing of work	1.2	0.1
TOTAL	17.0	13.6

The intra-group services correspond to all of the strategic, administrative, accounting and legal services provided to its subsidiaries by SA FREY.

1.1.6.2.2 Results for the financial year

The amounts of the most significant items in the corporate financial statements for the financial year ended 31 December 2020 are set out in the following table:

Income statement (in €m)	31/12/2020	31/12/2019
Revenue	17.0	13.6
Operating results	-2.8	-5.9
Net financial income/(expense)	23.0	-9.7
Pre-tax profit (loss)	19.8	-15.6
incl. share of subsidiaries' profits/(losses) and dividends	10.8	4.1
Net non-recurring income	2.3	-5.6
Net profit/(loss)	21.9	-10.0

Statement of financial position (in €m)	31/12/2020	31/12/2019
Equity	468.7	472.5
Bank debt	379.8	305.8
Current accounts (net receivable)	412.4	372.2
Financial investments	226.1	166.3
Gross land + buildings	125.8	138.3
Cash and marketable securities	6.9	51.4

FREY's asset portfolio amounted to 80,842 m² at 31 December 2020, with annualised rental income of €15.5 million.

The negative **operating income** of 2020 is in particular due to:

- the increase in depreciation expenses and allowances related to the delivery of the Shopping Promenade Arles-Montmajour® (13) in 2019;
- fees connected with the Group's financing;
- impairments and bad debts from customers;
- decrease in management fees invoiced to subsidiaries, linked to the decline in their activity;
- the write-off of certain unsuccessful projects.

The **financial profit** is mainly due to:

- the merger surplus realized from the Universal Transfer of Assets between the subsidiary Seclin 01 and FREY;
- the distribution by the Sopic-Frey subsidiary of the capital gain realized in 2019 on the sale of its assets to the two partners, including FREY.

The **non-recurring income** of €2.3 million is mainly due to the purchase of AG Real Estate's stake in the FRF2 investment vehicle. This transaction was remunerated by the delivery of 650,000 FREY treasury shares and by a cash payment of €20.2 million. This cash payment was subject to a non-material upward price adjustment after taking into account FREY's half-yearly financial statements at 30 June 2020. The corresponding outflow of shares generated exceptional income of €2.6 million.

Allocation of net profit (in €)	31/12/2020
2020 earnings	21,866,471.92
Retained earnings of previous financial years	-14,499,485.18
Legal reserve	-1,093,323.60
BALANCE OF RETAINED EARNINGS ACCOUNT FOLLOWING THE APPROPRIATION OF 2020 EARNINGS	6,273,663.14

Distributable reserves (in €)	31/12/2020
2020 earnings	21,866,471.92
Allocation to legal reserves	-1,093,323.60
Issue premium	398,128,465.71
DISTRIBUTABLE RESERVES	418,901,614.03

Distribution of dividends (in €)	31/12/2020
Deduction to be recognised in profit and loss for the financial year	6,273,663.14
Deduction to be made to the issue premium account	30,631,231.36
DIVIDENDS	36,904,894.50

In accordance with the provisions of Article L. 225-210 of the French Commercial Code, the amount corresponding to the treasury shares held by the Company, including as part of the liquidity (market-making) contract, at the date when the dividend is paid, as well as any amount that the shareholders may have waived, will be assigned to the "Retained Earnings" account.

1.1.6.2.3 Corporate income for the year - allocation proposal - dividend distribution

FREY generated a profit of €21.9 million in the financial year.

The General Meeting will be asked to pay a dividend amounting to €36,904,894.50 (i.e. €1.50 per share) payable in cash or in cash and shares, on the understanding that the shares held as treasury shares at the payment date will not be entitled to this dividend.

Option of partial payment of the dividend in shares

On 9 March 2021 the Board of Directors of FREY decided to propose to shareholders an option for the partial payment of the dividend in shares at its General Meeting to be held on 11 May. Thus, shareholders would be able to choose between:

1. either a payment exclusively in cash;
2. or a partial payment in shares for an amount of 30% of the dividend (i.e. €0.45/share and for an amount of 70% in cash (i.e. €1.05/share).

Dividend payment terms

As part of the payment of the dividend in shares, the share issue price will be determined in accordance with current regulations as follows on the day of the General Meeting:

- the average of the first opening share prices of the 20 trading sessions preceding said General Meeting;
- to which the maximum authorised discount of 10% will be applied;
- and restated for the net dividend amount (i.e. €1.50/share).

Given the fact that it has opted for REIT status, FREY has the following payment obligations:

- at least 95% of the profits derived from its property investment business must be paid out before the end of the financial year following their realisation. As the property investment business made a loss, this obligation did not apply in respect of the 2020 financial year;
- at least 70% of the capital gains resulting from the disposal of assets must be distributed before the end of the second financial year following their realisation;
- 100% of the dividends received from a subsidiary that has opted for REIT status.

The total amount of these three obligations is zero for the financial year 2020. In fact, these obligations are limited to REIT taxable income for the financial year net of tax losses carried forward from the previous financial year and was -€4,131,393 for the 2020 financial year.

As there is a net accounting profit for 2020, FREY must distribute the distribution carried forward from previous years, this distribution being itself limited to the amount of the net accounting profit, less retained earnings and legal reserves.

The excess dividend payment will be deducted from the issue premium.

A breakdown of the tax deductions for the dividends distributed in this regard is for all practical purposes:

(In €)	Balance available following payment of the 2019 dividend	2020 taxable income	Tax deduction of the dividends	Balance available following payment of the 2020 dividend
REIT income	22,610,956	-4,131,393	-6,273,663	12,205,900
Other distributable earnings and reserves	253,993	-226,001	0	27,992
TOTALS	22,864,949	-4,357,394	-6,273,663	12,233,892

In the case of shareholders who are private individuals, we would remind you that dividends paid by REITs and deducted from tax-exempt income are not covered by the 40% tax credit.

Lastly, we would remind you that shares in REITs may no longer be registered in French Share Savings Plans as from 21 October 2011. However, the shares registered in a Share Savings Plan at 21 October 2011 may remain in the plan after that date: the income and capital gains generated by these shares will therefore continue to benefit from the income tax exemption arrangements.

From a tax standpoint, the dividends deducted from issue premiums correspond to the redemption of contributions, to the extent that all of the earnings and other reserves (except for the legal reserve) have been distributed beforehand. Accordingly, these amounts are not taxable for shareholders who are either legal entities or private individuals.

1.1.6.2.4 Amount of dividends distributed over the last three financial years

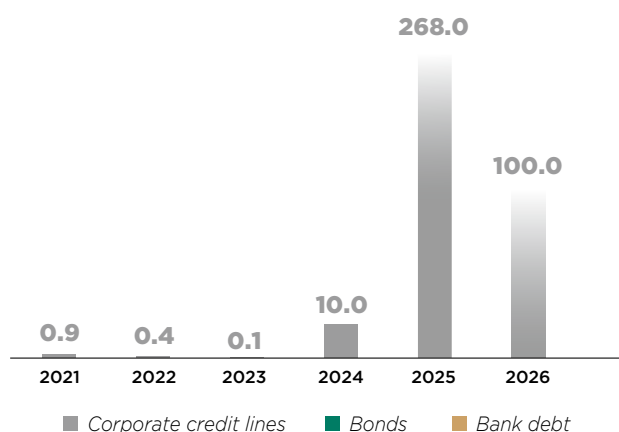
In accordance with the law, we hereby inform you of the amount of the dividends distributed in respect of the last three financial years:

(In €)	Dividends per share	Amount of dividend distributed
Financial year ended 31/12/2017	1.00	12,088,669
Financial year ended 31/12/2018	1.20	22,097,570
Financial year ended 31/12/2019	1.50	35,294,969

1.1.6.2.5 SA FREY's financial position and debt

At 31 December 2020, the Company's debt stood at €379.4 million and was composed solely of corporate credit lines.

The chart below shows the repayment schedule for the bank debt.



The rental yield on the assets held by the Company enables it to guarantee the servicing of the debt that it has taken out.

All of the covenants included in the loan deeds signed by SA FREY were complied with at 31 December 2020.

Consolidated ratios	LTV	ICR	Collateralised debt
Relevant debt	€378.0 million	€378.0 million	€378.0 million
Required ratios	<= 60.0%	>= 2	< 20.0%
Ratios at 31/12/2020	32.4%	6.4	10.3%

1.1.6.2.6 Results over the last five financial years

Pursuant to the provisions of Article R. 225-102 of the French Commercial Code, a table showing the Company's earnings over the last five financial years is appended to this management report (**Appendix no. 1**).




1.2 Asset portfolio at 31 December 2020

1.2.1 INVESTMENT PROPERTIES

The value of the Group's operated investment property, excluding stamp duty, at 31 December 2020, as determined by applying the percentage interest in each asset, amounted to €947.5 million, €112.8 million of which was held *via* finance leases.

Investment property excl. stamp duty (in €m)	31/12/2020	31/12/2019
Wholly-owned assets		
Operated assets	651.0	664.5
Projects under development measured at fair value	258.6	193.0
Land measured at fair value	0.5	0.5
Projects under development measured at cost	37.3	27.0
IFRS INVESTMENT PROEPRTY - WHOLLY-OWNED	947.4	885.0
Partnerships – Percentage interest held		
Operated assets	250.2	140.9
Projects under development measured at fair value	-	-
Projects under development measured at cost	5.8	5.5
IFRS INVESTMENT PROPERTY - 70% OWNED	256.0	146.4
Associates – Percentage interest held		
FRF operated assets	-	49.2
Assets operated by Other associates	46.3	47.6
Projects under development at fair value Other associates	-	-
Projects under development at cost FRF + other associates	-	-
INVESTMENT PROPERTY OF ASSOCIATES	46.3	96.8
TOTAL ECONOMIC INVESTMENT PROPERTY	1,249.7	1,128.1
OF WHICH OPERATED ECONOMIC PORTFOLIO	947.5	902.2

Below is a summary table of the Group's operated economic portfolio⁽¹⁾ at 31 December 2020 with the certifications issued for each asset (the various certificates are described under Section 1.3.2.5 of this management report).

Name of asset		Location	Date opened and/or acquired	% ownership	Area at 100%
PARC VALLÈS		Barcelona (Spain)	2018	100%	47,000 m ²
SHOPPING PROMENADE CŒUR PICARDIE®	  BREEAM®	Amiens (80)	2017	100%	37,400 m ²
WOODSHOP		Melun - Sénart (77)	2016	100%	33,600 m ²
CLOS DU CHÊNE 1		Montévrain (77)	2007	100%	28,100 m ²
CLOS DU CHÊNE 2	 	Montévrain (77)	2013	100%	23,400 m ²
SUPERGREEN	  BREEAM®	Thionville - Terville (57)	2015	100%	23,300 m ²
GREEN7	 	Salaise-sur-Sanne (38)	2012	100%	21,700 m ²
BE GREEN	 	Troyes - Saint-Parres-aux-Tertres (10)	2013	100%	20,750 m ²
SHOPPING PROMENADE ARLES®	BREEAM®	Arles (13)	2019	100%	18,600 m ²
CLAYE FRP III		Claye-Souilly (77)	2016	100%	18,200 m ²
CAP ÉMERAUDE		Dinard - Pleurtuit (35)	2016	100%	10,800 m ²
PARC DES MOULINS	 	Soissons (02)	2010	100%	9,800 m ²
TIMES SQUARE		Reims - Cormontreuil (51)	2016	100%	8,000 m ²
VENDENHEIM		Strasbourg - Vendenheim (67)	2017	100%	3,500 m ²
ESPACE LEMAN		Thonon-les-Bains (74)	2013	100%	2,900 m ²
TOTAL WHOLLY-OWNED ASSETS					307,050 M²
ALGARVE SHOPPING	BREEAM®	Albufeira - Portugal	2019	70%	58,500 m ²
VILLEBON		Villebon-sur-Yvette (91)	2016	5%	46,200 m ²
APPOLO DOUAI DECHY		Douai - Dechy (59)	2016	62%	29,600 m ²
O'GREEN	 	Agen - Boé (47)	2013	50%	20,900 m ²
ZONE A and ZONE DU GOLF		Belfort - Bessancourt (90)	2015	62%	13,600 m ²
TORCY BAY 3		Torcy (77)	2013	62%	8,800 m ²
APPOLO RENNES PACE		Rennes - Pacé (35)	2016	62%	8,300 m ²
BONNEUIL RETAIL PARK		Bonneuil-sur-Marne (94)	2018	50%	8,000 m ²
TORCY BAY I		Torcy (77)	2013	62%	7,000 m ²
TERVILLE GIF		Terville - Thionville (57)	2016	50%	6,000 m ²
LE PONTET		Avignon - Le Pontet (84)	2012	62%	6,000 m ²
SAINT PARRES BACS		Troyes - Saint-Parres-aux-Tertres (10)	2015	50%	5,400 m ²
ILOT GAUCHE		Reims - Cormontreuil (51)	2009	62%	5,200 m ²
APPOLO VILLIERS SUR MARNE		Villiers-sur-Marne (94)	2016	62%	4,200 m ²
APPOLO TOULON GRAND VAR		Toulon (83)	2016	62%	3,800 m ²
ENGLOS		Lille - Englos (59)	2014	62%	2,500 m ²
SEVEN SCATTERED ASSETS		Arras (62), Reims-Cormontreuil (51), Le Mans (72), etc.	-	24.16% to 66.66%	12,900 m ²
TOTAL JOINTLY OWNED ASSETS (FIGURES AT 100%)					246,900 M²
GRAND TOTAL					553,950 M²

(1) The economic portfolio corresponds to the total value of the property investments based on percentage ownership of each asset.

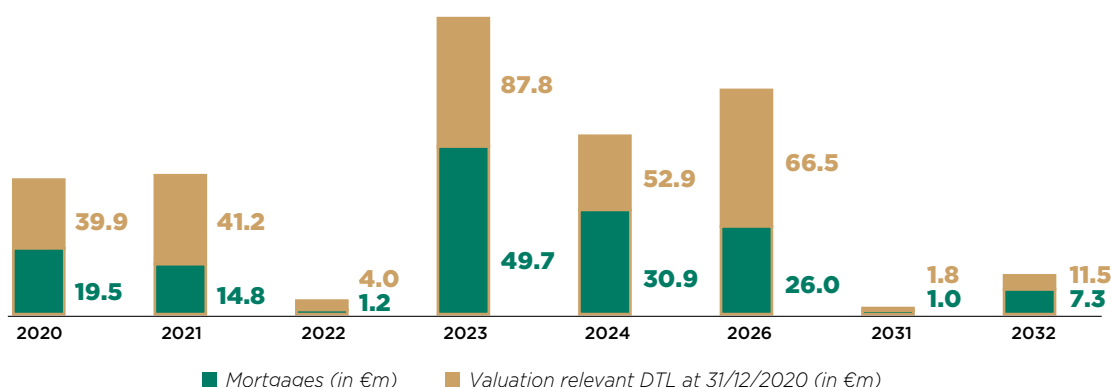
1.2.2 PROPERTY, PLANT AND EQUIPMENT

At 31 December 2020, other property, plant and equipment amounted to €13.5 million and consisted mainly of the Company's registered office acquired through a finance lease, and the Paris offices acquired through a simple lease agreement in accordance with IFRS 16 as well as forests acquired in 2020 by the Groupement Forestier FoREY.

1.2.3 GUARANTEES ON BUILDINGS

At 31 December 2020, the Group had granted mortgages and pledges totalling €150.2 million on assets with a total value excluding stamp duty of €305.6 million, as part of the financing granted to FREY or its subsidiaries by credit institutions.

The chart below sets out the mortgages and pledges encumbering the Company's and Group's assets at 31 December 2020 according to their maturity date, as well as the valuation of the corresponding properties at 31 December 2020.



1.3 Environment and activities

HISTORICAL NOTE

In 1983, the Frey family began a Retail Park property development business and has since become one of the leading French players in this sector.

Such shopping facilities intended to house medium and large stores are usually called Retail Parks or Outdoor Shopping Centres.

FREY was therefore one of the pioneering companies in the field of out-of-town retail parks, developing, along with a core of retailers, the first out-of-town shopping areas.

The growing commercial success of these types of shopping facilities, offering a mainstream customer base huge retail areas and free parking, has led ever greater numbers of retailers to join these parks.

These national and international retailers, which FREY has assisted in their development for the past 40 years, now have stores in most major French metropolitan cities and are now beginning to build greater coverage across the country by opening points of sale in customer catchment areas with populations of less than 150,000.

Mindful of the potential of these openings, FREY is now assisting its historical clients in this area.

It is the particularly enduring quality of these investments that has led FREY to specialise in retail property.

Commercial tenants are particularly loyal since the commercial licences authorising their operations are attached to the retail premises (and therefore to the lessor) and not to the operator; as a result, should it wish to relocate its business, the operator must once again undertake the particularly cumbersome and complex procedure to obtain a new prior CDAC (*Commission Départementale d'Aménagement Commercial* - Departmental Commission for Commercial Development) authorisation (see Section 1.3.3.1 "Legislation relating to Commercial Urban Planning and Construction").

The CDAC's regulatory role therefore prevents any unauthorised development that would disrupt the commercial equilibrium within the area.

As a result, investments in retail premises are only marginally impacted by the vacancy effects that other property sectors (office, logistics, etc.) may experience.

Moreover, it should be noted that FREY does not undertake any project without a minimum level of leasing agreed in advance.

Drawing on close to 40 years' experience, FREY has successfully developed its expertise both in France and at international level with subsidiaries in Spain and Portugal.

The Company's strategy entails retaining the assets it develops. A secondary business involving off-plan sales is however maintained, notably through the sale of certain units within a project to retailers considered attractive in order to secure and sustain the success of a new project.

1.3.1 GROUP ENVIRONMENT

1.3.1.1 The commercial real estate market

JLL – The retail investment market in France in 2020

- a total of €4.3 billion was invested in retail in 2020, up 38% on 2019 but only 10% on the long-term average;
- the number of transactions was also down on 2019 (170 transactions in 2020 compared to 224 in 2019);
- shopping centres and shopping malls are leading the way in terms of investment, with a commitment of almost €1.8 billion, representing a market share of 42%;
- even if they have shown resilience in this unprecedented health context, retail parks represent just 17% of the volumes invested, due to a lack of products available on the market;
- ground floor retail premises and retail parks remain the products most favoured by the market, allowing their prime rates to stabilize at 3% and 5% respectively;
- prime shopping centres saw their rates fall at the end of 2020;
- French investors account for 82% of the volumes invested, compared to 64% in 2019.

1.3.1.2 Competitive environment

In France and its commercial real estate sector, as a “developer” or “investor/developer” FREY faces competition from a large number of both international and national players whose typology may be summarised as follows:

- developers who design, produce and sell their developments to independent investors or those backed by leading construction industry groups. These companies generally operate at national and international level;
- investor developers who operate and invest in France and at international level;
- retailers with their own in-house or third-party development structure.

1.3.2 MAIN ACTIVITIES OF THE GROUP

1.3.2.1 An integrated property investment company

FREY is focusing on an effective value creation model that maximises the profitability of its property investment business based on its ability to construct its own buildings.

FREY manages all the processes involved in its business in-house.

Once the location of potential sites has been identified, FREY entrusts the following tasks to its subsidiary Frey Aménagement et Promotion:

- design of products that satisfy their market;
- property prospecting and acquisitions (signature of acquisition agreement subject to the condition precedent of receipt of the necessary authorisations, thereby avoiding taking a risk on the property);

- preparation of applications, submission and receipt of the administrative authorisations required for the construction and commercial operation of the buildings;
- procurement and coordination of the work;
- delivery of the buildings.

The Investment Committee is consulted and must issue a reasoned opinion concerning the ultimate scope of the investment.

The dedicated subsidiary IF Gestion & Transactions then ensures the marketing for rental to the retailers (prior to the submission of the CDAC) and the management of operated assets (property and facility management).

The usual minimum period for this process is 24 months for a basic transaction and 48 months for a more complex transaction (decontamination, demolition, etc.).

FREY can also partner with other investors on certain assets (e.g. the Agen project with Philippe Ginestet Group and the Lleida project in Spain with Eurofund Group).

FREY develops its assets and retains ownership of them, thereby generating value creation (difference between the value of an asset excluding stamp duty and its cost price).

1.3.2.2 FREY’s commercial strategy: a diversified and balanced offering

Responding to retailers’ needs with the consolidation of our long-standing partnerships: the out-of-town retail complex

For more than 40 years, FREY has been building strong, long-term partnerships with major retailers (such as Boulanger, Decathlon, Kiabi, Intersport, Leroy Merlin etc.).

The commercial strategy applied to its outdoor shopping centres is designed principally to address the absence of certain retailers in a particular catchment area, or their unsuitable locations or formats.

A key aspect of developing these assets is matching the sites developed with the local commercial potential, and always based on market research.

FREY selects prime out-of-town sites to meet the needs of partner retailers and to secure the long-term future of the asset.

Responding to consumers’ needs with Shopping Promenade®

With its unique customer experience, original, attractive architecture, intelligent layout and exciting programme of events, Shopping Promenade® is fast becoming a major lifestyle, cultural and social hub.

Shopping Promenade® takes an innovative approach to merchandising, offering a unique setting for leading international brands (H&M, New Yorker, Superdry, Lacoste, Nike, Adidas, Rituals, Kusmi Tea, etc.). As a result of the increased focus on restaurants and recreational activities, these have become a key pillar of the commercial strategy.

Lastly, these assets have obtained internationally recognised certification (HQE™, BREEAM®) for their committed environmental policies, reflecting the new standards demanded by retailers and customers alike.

Responding to future needs through urban mixed-use developments

With the creation of Citizers, and after winning the tender in Rennes (35) for the Palais du Commerce, the FREY Group has embarked on the diversification of its rental portfolio.

Keeping pace with the changing urban environment and making people central to its thought process, the FREY Group designs original, convivial spaces: spaces of centrality, vehicles of emotions and surprises that radiate and unite around attractive and offbeat uses and events. These places are the real glue of their neighbourhood.

Like its retail partners, FREY is branching out and reimagining its relationship with the customer through hotels, offices, co-working spaces and other service sector activities. The Group is therefore diversifying its asset base and becoming an expert both in the high street and in sectors not currently present in its portfolio.

FREY offers retailers a wide range of legal options, including off-plan leases and sales, construction leases, long-term leases and land sales.

1.3.2.3 A new approach to quality planning: the new-generation outdoor shopping centre

30 years ago, commercial developers paid little attention to major city gateways, merely providing them with stereotypical shopping areas.

Even today, these facilities too often offer an identical mix of retailers, the most basic services for customers, a non-existent architecture, minimal landscaping and basic and poorly organised maintenance, all helping to further undermine the image of these retail premises that are moreover lacking in security.

The shopping experience is relegated in importance behind a rapid response to an urgent need in terms of creating retail facilities.

Conscious of this situation, for several years FREY has been leading ongoing discussions, with well-known architects and landscape designers, in a process aimed at eliminating these failings and making outdoor shopping synonymous with an enjoyable "shopping experience".

In this way, Jean Marie Duthilleul, Jean Michel Wilmotte, Michel Desvignes, L35, Chapman Taylor and a number of other internationally renowned architects have collaborated with FREY in order to create a new generation of shopping facilities.

The aim is simple, without compromising on the principle of free parking and the amount offered, these parking areas are surrounded by green spaces, giving pedestrians wide and safe walkways.

The architecture and landscaping take care to incorporate HQE™ (*Haute Qualité Environnementale* or High Environmental Quality) objectives and high-quality services for users.

The retail offering is also innovative. A very varied mix of merchandising with the presence of leading retailers in personal and household goods, culture, leisure, places to eat, beauty, services and specialist food all help to provide the customer with a comprehensive offering.

Large and mid-range stores mix with smaller shops, which have the chance to take advantage of the low rents and charges offered by outdoor shopping, in comparison with those charged in shopping centres.

This new kind of shopping facility is managed like a shopping centre with maintenance and security services as well as ongoing sales initiatives.

The Greencenter® concept

With the Greencenter® concept, developed in 2007, FREY has created the first HQE™ Bâtiments Tertiaires fully environmentally certifiable outdoor shopping centre. Since then, nine Greencenters® have been designed and completed, representing a total area of almost 200,000 m².

This concept implements techniques and processes such as natural air conditioning, the recycling of rainwater and the park's waste, lighting using photovoltaic panels, green roofing, the use of recycled building materials, a totally green environment, aquatic gardens, etc. Everything is thought out to minimise the impacts on the environment, both in the design of the park and its management.

The Shopping Promenade® concept

In response to profound changes in consumer expectations and to reflect new norms in the retail sector, FREY has created and designed Shopping Promenade®. This is intended to be a multi-purpose space that taps into the powerful trends of creativity

and innovation, combines offerings and uses, an inviting space that is respectful of people and their environment and in tune with today's aspirations. A new model fit for our times.

The three pillars of Shopping Promenade®

An advantageous setting

Shopping Promenade® is an outdoor retail experience on a site that puts people and their environment first. Mindful of the well-being of all visitors, it features urban codes that delight at every turn, such as its multi-purpose and diversified design, which creates the perfect environment for a delightful stroll.



A multi-purpose offering

The Shopping Promenade® is a vital destination with a wide variety of offerings to satisfy every taste: on-trend retailers, creative restaurant offerings, local services and original, appealing recreational activities for the whole family.

An enhanced experience

The Shopping Promenade® is first and foremost a community-oriented hub that brings people together and helps to foster social bonds and community spirit. It features a year-round calendar of events designed to put a smile on peoples' faces. Families flock to its large, free playgrounds.

Shopping Promenade®: a concept built around three dimensions

- **An empowering environment**, offering a retail stroll out in the fresh air in exceptional surroundings.

A diverse design: inspired by town centre architectural codes, Shopping Promenade® offers an experience punctuated by diversity and breaks in its buildings as well as the various materials in its façades (wood, brick, stone or metal).

- **A diverse offering** at the heart of an unbeatable shopping destination, mix-merchandising combining retail and restaurant offerings. New trendy retailers round off the retail offering by adding proximity, services and brand new and attractive leisure offerings.
- **An enhanced experience** that surprises and excites and creates positive emotions and links.

This living space designed by the FREY teams is punctuated by a calendar of events throughout the year, a popular destination for the whole family.

Each site is divided into the following areas:

- an exceptional environment for a responsible project;
 - An unusual level of greenery: three hectares of green areas dotted with plants offering a myriad of aromas and some 800 trees, including a hundred trees ranging up to 12 metres tall in the case of the most impressive specimens;
- water triggering emotions:
 - Two fountains mark the pedestrian entrances to the shopping street, creating an enjoyable and peaceful visual and audible environment for visitors;
- a responsible site:
 - Systematic environmental certification (HQE™ Bâtiment Tertiaire or BREEAM®).

Now rolled out in Amiens (80) and Arles (13), the Shopping Promenade® concept will open two new projects in early 2021 at the Claye-Souilly (77) and Strasbourg (67) sites.

The Valorpark® label

Nine of the retail parks owned by FREY at 31 December 2020, namely 50% of the Group's operated economic portfolio by area, have been awarded the Valorpark® accreditation label by the CNCC (*Centre National des Centres Commerciaux* – French Council of Shopping Centres).

1.3.2.4 Towards a very early inclusion of added value

The potential offered by this new kind of outdoor shopping centre is not limited to under-equipped localities, but also exists in towns seeking to restructure their outskirts by regenerating obsolete property in favour of these pleasant facilities that are in step with their era.

Reclaiming these spaces represents an important source of real estate at a time when efficient land use is essential for the development of cities.

Winning back urban environments: the development and rehabilitation of wasteland

FREY has historically developed a vast majority of its activities in out-of-town areas on unused available land.

A large number of towns are beginning large scale changes to whole swathes of their territory often in order to pull from town centres activities that are no longer suited, or in order to clean up old polluted industrial sites which, formerly on the outskirts of these towns, have been caught up by an urban expansion that is incompatible with such situations.

Mindful of this potential of new operations to win back the urban environment, FREY has successfully acquired specific expertise in the regeneration of heavily polluted industrial wasteland.

Incorporating the role of planner: development of the business and the planning strategy

All major French metropolitan areas are currently faced with the same challenge:

- How should out-of-town areas be redeveloped?
- How should these vast suburban business and retail areas that are caught up in urban expansion be redeveloped?
- How to redevelop a local economy using joint initiatives to transform zones into occupied sites?

Without common awareness, yesterday's urban failures will inevitably become tomorrow's economic failures. So how to respond to these growing expectations? How to deal with the multiple challenges inherent in redeveloping these retail areas?

By developing unique expertise as a planner, developer and investor, FREY is now responding to these challenges and is positioning itself as a true partner of metropolitan areas in their projects to restructure out-of-town retail offerings.

Run-down and dehumanised areas

Created in the 1980s to underpin car use in shopping, these areas are both incredible economic successes, generating jobs and revenue, and dismal urban failures, forcing millions of French people to undergo a wholly dehumanised shopping experience every day.

This addition of unsightly metal boxes, the only positive of which has long been to offer easy access and free parking, no longer meets the expectations of consumers, who feel out of sync with the decrepit surroundings, retailer expectations, who see their image undermined in these retail non-places, but also the expectations of local authorities, who want to see these single-use areas evolve rather than become deserted.

Although enjoying a preferential position, there is a disjointed feel between the various out-of-town areas.

The range of urban functions in these areas (primarily retail areas, sometimes mixing in industrial, craft and logistics areas, the original town centre fabric or housing) are not really interconnected. The functional mix is also underdeveloped, and indeed sometimes difficult to identify.

On top of this tapestry of disjointed functions comes a range of mobility issues: traffic logjams, lack of environmentally-friendly modes of transport, lack of public transport, etc.

The transport infrastructure is thus frequently overloaded, further exacerbating the fragmentation of the area.

Some joined-up thinking is absolutely required to improve everyone's understanding.

Multiple urban & regional challenges

Through its planning service, FREY seeks to help local authorities meet their Urban Renewal and Retail challenges.

The first step is dialogue with users and understanding day-to-day usage, uses in the functioning and dysfunctioning both in public spaces (accessibility, congestion, separation of heavy-vehicle, pedestrian, truck, intermodal modes, etc.) and in private spaces (type, uses, addressing, information, etc.).

FREY looks to rethink all these issues in a holistic manner at different levels: the place of the environment and landscape, mobility within the new uses and new meshing of functions in order to reposition new hubs and new public or common spaces.

The operational and joined-up thinking approach can be seen in the four themes considered by FREY in imagining how to move forward:

Theme 1: URBAN DEVELOPMENT & PLANNING: Reimagining, recycling, (re)creating value and unifying

The need to re-imagine an area's structure and economy means that it is now essential to undertake the following urban actions:

- recycle some land by promoting new functions on previously developed sites;
- repair the urban fabric;
- restructure and better integrate out-of-town retail having regard to changes in consumption patterns and the digitalisation of retail;
- identify sectors that have potential for economic development (creation and extension) or changes in use;
- identify the installations and public spaces to be recreated and/or redeveloped.

Theme 2: MOBILITY & TRAVEL: Reducing congestion & responding to current and future uses

Reducing the congestion of transport infrastructure, and in particular car traffic, inevitably requires the development of an ambitious mobility policy.

The major challenge is to bring together the mobility expertise within an area. Reflecting and taking steps to resolve travel flow issues requires particular focus on better sharing of the public areas between all modes of transport.

Theme 3: ECONOMIC DEVELOPMENT: Boosting the various strands, increasing attractiveness

Making a success of the economic development of an out-of-town area requires a twin strategy: boost what is already there while encouraging innovations.

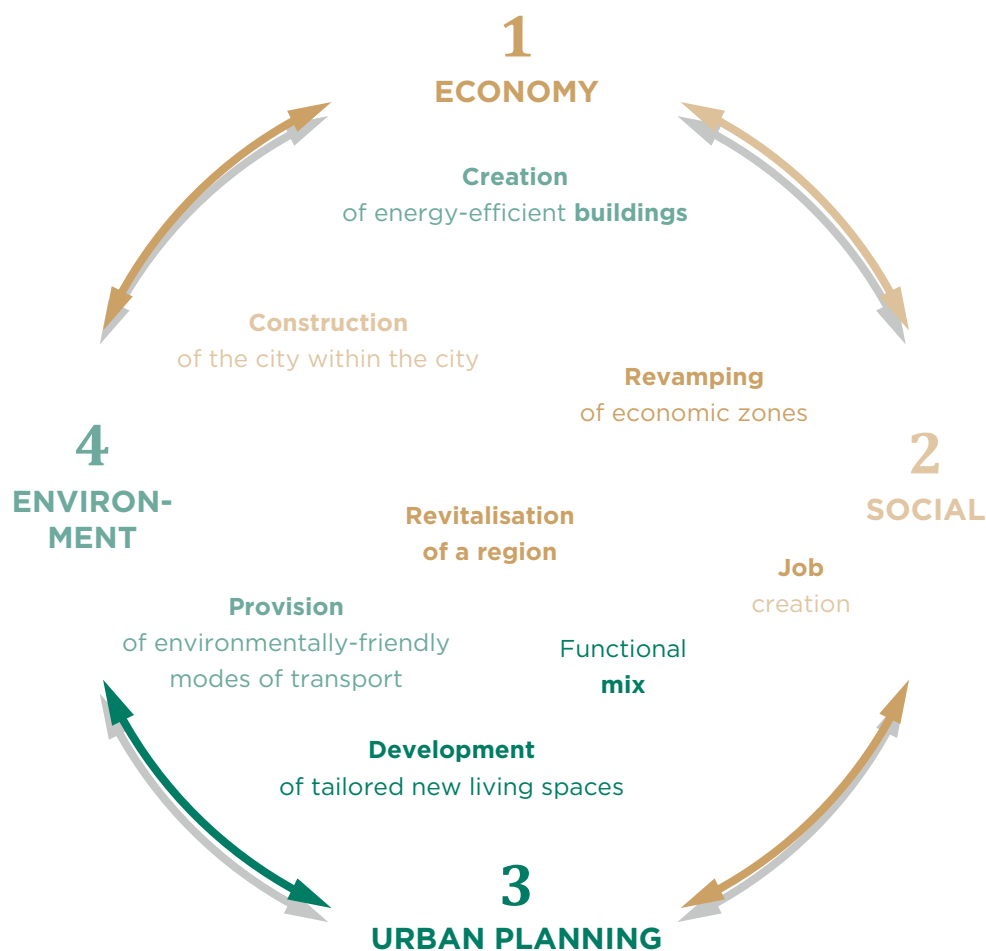
Urban and Retail Renewal projects must thus focus on:

- job creation;
- commercial reach, for example guiding the development of an ecosystem linked to this commercial sector;
- the hosting of logistics sites: urban and/or local logistics.

Theme 4: SUSTAINABILITY & INNOVATION

All the challenges detailed meet a twin vision: operational and sustainable. This sustainable performance automatically incorporates a sustainable planning approach.

These themes, and the responses offered by FREY in these planning activities, are based on the four cornerstones of an Urban and Retail Renewal project:

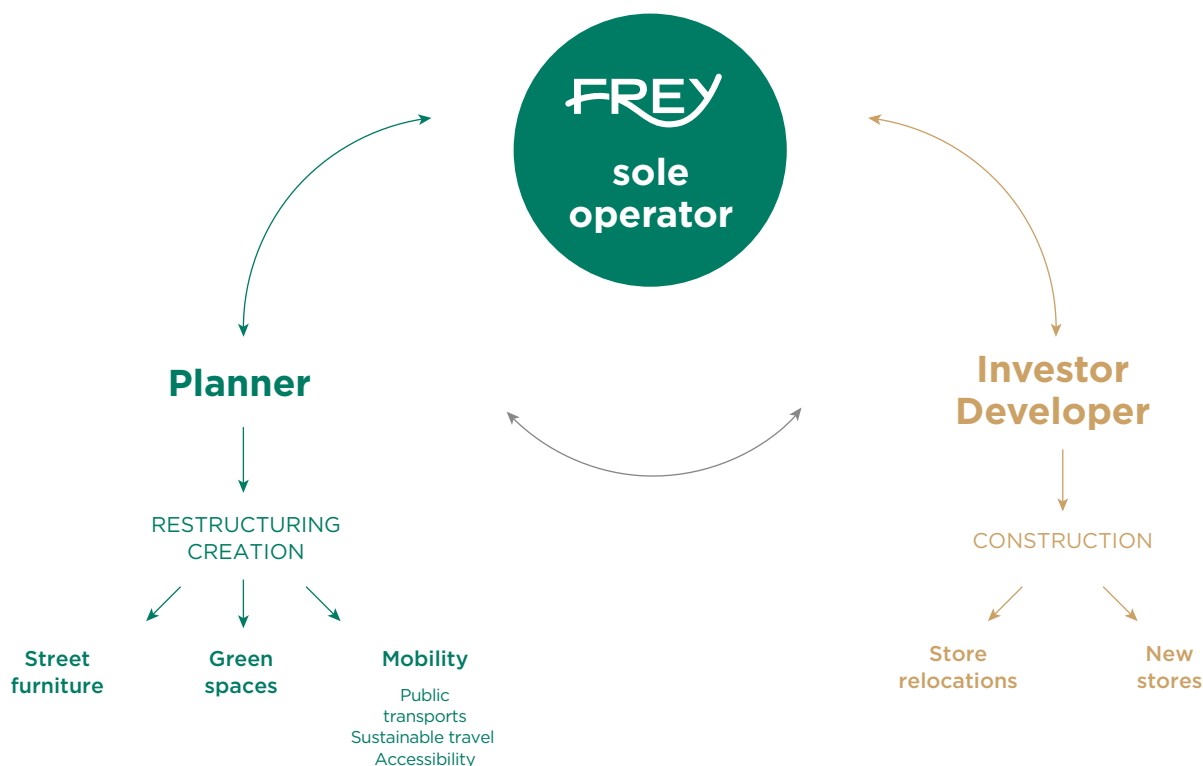


Specific and tailored methodology

The success of an Urban and Retail Renewal project lies in the partnership between public and private players.

The implementation may require the local authority to use a planning process that reflects the issues faced by out-of-town areas: the planning concession.

The special nature of Urban and Retail Renewal projects means that the local authority needs to appoint an operator with the twin role of planner and investor in order to fully restructure the zone and develop new living spaces.



This structure allows a strategy to be drawn up that meets the needs of an area, to develop special financial arrangements and transfer land management support tools.

FREY is now recognised as the sole French operator specialised in these Urban and Retail Renewal projects on the back of the following two projects:

- L'Aire des Moissons - TROYES - SAINT-PARRES-AUX-TERTRES (10)

Following a call for tenders, the Troyes Métropole Metropolitan Area appointed FREY planner and investor for the L'Aire des Moissons ZAC (joint development zone) in 2009.

Covering 30 hectares, this ZAC consisted of an existing 20-hectare retail area plus a 10-hectare expansion.

The project involved:

- redesigning traffic flow through the creation of new access routes involving the knocking down of certain commercial buildings, the creation of protected environmentally-friendly mobility areas and the refurbishment of existing routes;
- boosting existing stores by creating green areas in the public zones, creating architectural and landscaping requirements for existing buildings (offering of tailored façade kits);

- creating additional retail offering by building an extension that is tailored to the area and is environmentally friendly.

Thanks to this project, FREY has become the first French operator to be tasked with the planning and redevelopment of a major out-of-town retail area.

- Zone Commerciale Nord - STRASBOURG - VENDENHEIM (67)

Following a call for tenders in 2013, Eurométropole de Strasbourg appointed FREY to do the planning.

The project is not based on merely refurbishing the stores in ZCN, but rather successfully delivering an Urban and Retail Renewal project built around careful choreographing of a series of operational steps designed to transfer stores to allow for a building programme and an upgraded public infrastructure programme:

- the creation of a new access route from a motorway interchange;
- the creation of a shopping boulevard making it possible to split out transit and service flows;
- the upgrading of existing routes, adding non-existent environmentally-friendly modes of transport;
- the creation of new retail hubs to the North and South and in the heart of the zone;

- the dismantling of low-quality retail and craft units to the North of the ZCN to build a mixed collective housing zone eventually comprising 40,000 m² of housing;
- the development of an Agroparc combining areas for selling locally-grown agricultural produce, restaurant zones using local produce and a market garden open to the public, comprising a teaching recourse on local agriculture;
- the creation of P+R to connect with TER train stations.

The planning component is intended to improve the quality of life in this area by means of green spaces, pedestrian links, chill-out areas and leisure zones, in order to offer a top-quality point of access to the Strasbourg metropolitan area. To this end, Architectural, Landscaping and Environmental Specifications were drawn up to ensure a coherent approach and maximum integration of the project into its surroundings.

This project means that FREY is operating the largest Urban and Retail Renewal project in France.

An operator serving a local project

A successful Urban and Retail Renewal project requires the design to take account of its surroundings and all interplays. But this is also dependent on its successful implementation, which is the upshot of the earlier design work.

The operational phase is tricky, regardless of the site, because it involves the reconversion of an occupied site.

FREY thus brings all its urban retail expertise and its experience in such projects to all areas looking to deal with the challenges of another out-of-town area.

1.3.2.5 An environmental approach: Sustainable Development

Environmental approach reaffirmed

In order to ensure its planning is sustainable, FREY uses an environmental approach that embodies Sustainable Development principles that makes it possible to apply smart forward-looking practices at all project stages (planning and construction).

In addition to HQE™ Commercial Buildings or BREEAM® certified commercial development projects, development projects are aimed at HQE™ Aménagement.

HQE™ Aménagement approach

The following FREY developments have been awarded HQE™ Aménagement certification:

- **L'Aire des Moissons** in Troyes-Saint-Parres-aux-Tertres (10);
- **Zone Commerciale Nord** in Strasbourg-Vendenheim (67).

HQE™ Aménagement is an approach developed by Association HQE and its partners to ensure sustainable planning processes. It asks local authorities and planners to take a holistic cross-disciplinary approach designed to combine environmental, labour, economic and urban issues within a planning project.

Issued by Certivéa, the approach does not define the requirement level or priority theme, but calls for the project managers to, in the course of the process, do an in-depth analysis, separate

site- and operating-related issues, set ambitious goals that meet these challenges and ensure throughout the programme that these objectives are satisfied. HQE™ Aménagement is an operational planning and project management tool comprising:

- a non-prescriptive thematic approach with 17 sustainable planning themes. They comprise a check-list of sustainable operational planning concerns that may help inform the general discussions of project managers:
 - ensure the integration and consistency of the area with the urban fabric and the other political levels: Local considerations - Density - Mobility and accessibility - Heritage, landscape and identity - Adaptability and scalability,
 - preserve natural resources and promote the environmental and health performance of the planning: Water - Energy and climate - Materials and equipment - Waste - Biodiversity - Natural and technological risks - Health,
 - promote a local social life and underpin economic dynamics: Economics of the project - Functions and mix - Atmosphere and public spaces - Integration and training - Attractiveness, economic dynamics and local channels;
 - an Operations Management System (OMS): real backbone of a quality approach, the OMS defines the requirements pertaining to the key steps of a planning project in terms of oversight, participation and ongoing assessment.

Application of Sustainable Development over the six key phases of the development project life cycle

- **Phase 1:** Launch including managerial requirements and project management (Expectations and motivation of local authorities, commitment of the planner and the local authorities to the HQE™ Aménagement approach, stakeholder participation, etc.).
- **Phase 2:** Initial analysis (Diagnostic of the site in terms of Sustainable Development, review of regulations and regional initiatives, sharing of this diagnostic with stakeholders, appropriateness of the project from a Sustainable Development perspective).
- **Phase 3:** Selecting and contracting objectives (Thematic analysis of initial studies, ranking of the sustainable planning challenges of the project and breaking them down into targets, involvement in and raising awareness of stakeholders regarding the process, charter of sustainable planning objectives).
- **Phase 4:** Design of project to incorporate Sustainable Development (Project planning, sustainable planning component).
- **Phase 5:** Implementation (Oversight and monitoring during implementation, site management, raising awareness and informing buyers and future users, notification of local authorities and managers).
- **Phase 6:** Review and capitalisation (Review of the project and certification, capitalisation and post-operating monitoring).

Each of the above phases includes specific requirements and recurring requirements, which need be achieved, maintained and above all updated during each project phase (oversight, assessment and participation).

THE EXAMPLE OF THE NORTHERN SHOPPING AREA OF STRASBOURG - VENDENHEIM (67)

The borders of the ZAC and of the ZCN are within the bounds of the municipalities of Lampertheim, Mundolsheim, Vendenheim and Reichstett, in the Bas-Rhin department, 10 km North of Strasbourg. The development of the ZAC and of the ZCN is a major goal of Eurométropole, involving a major redevelopment of the existing area, which is strategic for the Strasbourg Metropolitan area. That is why FREY offered to have the project to restructure the ZCN HQE™ Aménagement certified, which is a guarantee of quality in terms of management, covering environmental, economic and social themes.

The goal was to design a top-quality project, reflecting the goals of the EMS and the four partner municipalities, but also a pilot in terms of Sustainable Development. To this end, FREY partnered with INGEROP, L35 Architects and Acte2paysage for the design and Polyexpert Environnement for its support managing HQE™ Aménagement.

The project, which had three components, involves a mostly residential quarter (Northern component), a restructured retail quarter (centre component) and a retail expansion (Southern component).

Sustainable Development targets were set based on the 17 themes of the HQE™ Aménagement certification. Various issues were addressed and actions implemented (non-exhaustive list):

- **the development of mobility for everyone:** implementation of separate access for heavy vehicles, pedestrian routes and dedicated lanes for bikes, creation of a bus stop;
- **the implementation of a low environmental impact site:** application of a clean site charter that includes recommendations regarding waste sorting and recovery, limiting noise and visual pollution as well as monitoring of potential pollution;
- **the implementation of an urban heating network** for the residential quarter;
- **the preservation of ecosystems and biodiversity:** management of rainwater *via* landscaped ponds, consideration of wetlands and landscape continuity created with a portion of the green and blue tram located near the site. The two Wetlands in the area are compensated and wholly recreated to allow the species living there to flourish. The same applies for the habitat of the *Podarcis muralis*, a protected species, that will be wholly rebuilt;
- **promotion of inclusion and attractiveness of local channels:** inclusion clauses were included in the various tender documents.

A perfect example of FREY's environmental ambitions, the Company is working with a local collective of around 40 farmers to provide them with an Agroparc covering more than five hectares in the new zone, where they can grow organic produce.

The collective will have a shop and restaurant selling organically-farmed produce with virtually zero food miles.



As a result of the various actions taken during the design phase, phases 1 to 4 received HQE™ Aménagement certification. Work is continuing on the following phases of site implementation and capitalisation.

A perfect example of commitment and specific illustration of the models to be developed now to ensure a more sustainable future for everyone.

HQE™ Tertiary buildings approach

The following FREY assets have received HQE™ tertiary building certification:

- **Be Green** in Troyes – Saint-Parres-aux-Tertres (10);
- **Cap Émeraude** in Dinard – Pleurtuit (35);
- **Clos du Chêne** in Montévrain (77);
- **Espace Leman** in Thonon-les-Bains (74);
- **Green 7** in Salaise-sur-Sanne (38);
- **O'Green** in Agen-Boé (47);
- **Parc des Moulins** in Soissons (02);
- **Shopping Promenade Cœur Picardie*** in Amiens (80);
- **SuperGreen** in Thionville – Terville (57).

BREEAM® approach

The following FREY assets have received BREEAM® certification:

- **Algarve Shopping** in Albufeira (Portugal);
- **Shopping Promenade Arles-Montmajour*** in Arles (13);
- **Shopping Promenade Cœur Picardie*** in Amiens (80);
- **SuperGreen** in Thionville – Terville (57).

1.3.2.6 Creation of two investment vehicles with top-tier partners

Created in November 2011 in partnership with Prédica and AG Real Estate, the two investment vehicles (Frey Retail Fund 1 and Frey Retail Fund 2) closed their investment period in December 2017.

A management policy has since been agreed by the partners, including potential disposals depending on market opportunities.

At the end of 2020, the vehicles held 101,900 m² for an appraisal value excluding transfer taxes of €185.9 million compared with 102,500 m² and €196.0 million as of 31 December 2019.

In July 2020, FREY acquired the shares held by AG Real Estate in the FRF 2 vehicle.

Following this acquisition, the consolidation method of the two entities in FREY's financial statements was changed from equity method to full consolidation.

Prédica – Crédit Agricole Assurances

The leading banking life insurer in France and a subsidiary of Crédit Agricole Assurances, which brings together insurance activities both in France and at international level and includes Prédica for personal insurance, Pacifica for non-life insurance, Caci for credit insurance, international subsidiaries, Caagis for IT management and services and Spirica and LifeSide Patrimoine for life insurance.

In summary, at 31/12/2019, the key figures for Crédit Agricole Assurances Group were:

- €37 billion in revenue;
- €304 billion in assets under management;
- 4,700 employees.

AG Real Estate

The leading Belgian property group and a subsidiary of AG Insurance. AG Real Estate, a wholly-owned subsidiary of AG Insurance, is active in various property sectors: Asset & Property Management and Development & Construction Management as well as Car Park Management via its subsidiary, Interparking. AG Real Estate has a portfolio under management, both for its own account and on behalf of third parties, of approximately €6.8 billion.

It has more than 250 employees with multiple profiles and skills.

In addition to its past achievements and references, all these skills represent AG Real Estate's greatest assets as it approaches the future.

1.3.2.7 Internationally

In 2019, FREY has stepped up its operations on the Iberian Peninsula by completing two acquisitions and becoming a partner in a major project under development.

Spain

Spain was the first foreign country in which FREY established itself, via its subsidiary Frey Invest.

In 15 years, Frey Invest has delivered almost 85,000 m², all of which has been sold off.

In 2018, FREY acquired a 42,000 m² asset located in Terrassa-Barcelona in Spain. In 2019, FREY acquired another asset at the site, taking its total holding to 47,000 m².

It has also put the full weight of its expertise behind a development launched in partnership with Eurofund. The project is in Lleida, Catalonia, and will eventually cover an area of 56,000 m².

Portugal

In 2019, FREY acquired an outdoor shopping centre in southern Portugal: Algarve Shopping. This complex, comprising an outdoor shopping centre and retail park, covers around 60,000 m² and is located in Albufeira, in the Algarve. The site also has buildable land reserves.

The project enables FREY to leverage its management and development know-how, which are sources of value creation for the shareholder.

At end-2019, FREY sold 30% of the shares of the companies holding this asset to a real estate investment fund (OPCI) while retaining control, allowing the full consolidation of this asset in FREY's consolidated financial statements.

Opening into new countries

FREY is currently conducting studies to identify countries in Europe that could lend themselves to its international development, with particular interest in Italy and Belgium.

However, caution remains the byword: the selection of any new country will be motivated by the same fundamentals that led to FREY's success in France and, in particular, the appetite of its partner retailers for the country targeted, its growth outlook and lastly, the existence of a sufficiently developed system of commercial licences to offer the investments the same guarantees of sustainability as the French system by limiting the uncontrolled development of shopping facilities.

As part of this diversification process, FREY intends to pursue a policy of acquisitions or project development for up to 40% of the total value of its economic portfolio.

1.3.3 APPLICABLE REGULATIONS

1.3.3.1 Commercial Urban Planning and Construction Law

1.3.3.1.1 Commercial operating permit

Under Articles L. 752-1, L. 752-2 and L. 752-3 of the French Commercial Code, certain transactions involving retail space are subject to prior permission, and specifically over 1,000 m² of retail space.

French Law no. 2018-1021 of 23 November 2018 on housing, land management and the digital economy, referred to as the "ELAN Law", and its implementing legislation, supplemented the existing arrangements with various measures designed to facilitate planning, urban development and construction, including commercial development.

The commercial operating permit is issued by the Departmental Commercial Development Commission (CDAC) or, where appropriate, by the National Commission for Commercial Development (CNAC), after analysis of the foreseeable effects of the project in terms of regional planning, Sustainable Development, consumer protection and a balance of retail in urban centres; all in accordance with the criteria set out in Article L. 752-6 of the French Commercial Code.

1.3.3.1.2 Planning permission

Construction projects require prior receipt of one or more building permits covered by Articles L. 421-1 *et seq.* of the French Urban Planning Code, encompassing three types of permission (building permit, conversion permission and demolition permission) and one prior declaration.

The land use permits cover construction, planning and demolition activities on land.

Decree no. 2015-165 of 12 February 2015 relating to commercial planning implementing Law no. 2014-626 of 18 June 2014 on craft industries, trade and micro-businesses, known as the "Pinel Law", introduced a single procedure combining, when a project requires construction, the building permit and the commercial operating permit.

This building permit which can serve as a commercial operating permit is intended to simplify the process of applying for previously separate permits by introducing a local one-stop shop for applications and shortening appeal time-scales by allowing cases to be referred directly to administrative courts of appeal that have sole jurisdiction in relation to planning permission.

French Law no. 2018-1021 of 23 November 2018 on housing, land management and the digital economy, referred to as the "ELAN Law", introduced changes to planning permission (see above).

1.3.3.1.3 Environmental assessment

Depending on its nature, size and location, the project may have an impact on the environment or human health and shall, prior to being undertaken, be subject to the environmental assessment covered in Articles L. 122-1 *et seq.* of the French Environmental Code.

In this instance, the project owner must prepare an environmental impact study, assessing the impact of the project primarily on the local population and human health, the ground, water, air, weather or indeed the cultural heritage and landscape.

The permission granted by the competent environmental authority will differ depending on whether the project is subject to a prior permission regime or a reporting regime.

Law No. 2020-1525 on the acceleration and streamlining of public services, known as the ASAP Law of 7 December 2020, has just introduced considerable reforms to the environmental permit regime by providing more legal certainty to project owners in the face of any changes in standards during the procedure. Under certain conditions, it also allows them to undertake certain construction work before environmental permits have been issued, which was not the case previously.

1.3.3.2 Mandatory insurance

As part of its property investment business, the Company requires the lessee to provide evidence to the lessor both of its insurance covering the operation of its business as well as payment of the related premiums.

As part of its Project Ownership activities, the Company has taken out the mandatory insurance pursuant to Law no. 78-12 of 4 January 1978 covering firstly the work executed (Structural Damage insurance) and secondly the liability of the Project Owner (called Contractor Non-Developer insurance). Construction Defects ("CD") and Contractor Non-Developer ("CND") insurance policies are the subject of an annual agreement with the insurance company.

1.3.3.3 Regulations governing commercial leases

As part of the activity managing the property assets it holds, the Company has concluded commercial leases with each of its tenants.

The regulations relating to commercial leases are stipulated in Articles L. 145-1 *et seq.* of the French Commercial Code and supplemented by the uncodified rules of the Decree of 30 September 1953 and the French Civil Code relating to building leases, the main elements of which are summarised below.

In general terms, these regulations ensure extensive protection for the tenant, who fulfils its application conditions, for which renting premises is a prerequisite for exercising its activity and must enable it to ensure the stability of its commercial operations.

The French Commercial Code accordingly lays down certain public policy rules covered by Articles L. 145-15 and L. 145-16, such as the minimum commercial lease period of nine years, the capping of lease payments or the tenant's right to renew the lease.

Law no. 2014-626 of 18 June 2014 relating to craft industries, trade and micro-businesses, known as the "Pinel Law", created new rules aimed at improving relations between commercial lessors and tenants.

Implementation Decree no. 2014-1317 of 3 November 2014 notably defines the taxes and repair works that must remain the responsibility of lessors, specifies the disclosure requirements imposed on tenants regarding the estimates of expenditure to be made in the building and establishes a departmental conciliation committee in relation to charges and works.

Commercial leases are also subject to the provisions of Article L. 125-9 of the French Environmental Code, which requires that an environmental appendix be added to all commercial leases involving over 2,000 m².

This environmental appendix defines the steps that need to be taken to monitor and improve the energy consumption of the leased premises.

The French PACTE Law (Law no. 2019-486 of 22 May 2019) on business growth and transformation amended Article L. 642-7 of the French Commercial Code to ensure that any clause imposing on the assignee of a commercial lease joint and several provisions with the assignor cannot prevent the takeover of companies undergoing insolvency or compulsory liquidation proceedings.

The system resulting from the ELAN Law of 23 November 2018, its decree of 23 July 2019, as well as its implementing decree of 10 April 2020, create two new obligations for the owners of commercial buildings and tenants:

- an obligation to reduce the building's energy consumption by carrying out work and optimizing the use of premises, and
- an obligation for the parties to the commercial lease to disclose energy consumption data and, from 2021, submit them on the digital platform "OPERAT" set up by ADEME; any data relating to 2020 must be submitted by 30 September 2021 for data relating to the year 2020.

1.3.3.4 Regulations applicable to real estate assets

As part of its ownership of property assets, the Company is subject to various regulations and must therefore meet requirements concerning the prevention of risks related to health, respect for personal safety and the protection of the environment. The key features of these regulations are detailed below, it being specified that this presentation is not intended to provide an exhaustive analysis of the regulations to which the Group is subject, merely to give an overview.

1.3.3.4.1 Asbestos regulations

The regulations relating to the prevention of risks to health concerning the presence of asbestos are set out in Articles R. 1334-14 to R. 1334-29 of the French Public Health Code.

Under the regulations, the owner of a building with a building permit granted before 1 July 1997 is required to look for the presence of asbestos in the building it owns and to prepare and update the asbestos technical report.

In the event of sale, an asbestos assessment must be attached to the provisional sale agreement if the owner wants to be exempt from the warranty on hidden defects.

1.3.3.4.2 Regulations governing establishments that are open to the public

The properties and shopping centres that the Company owns and that are open to the public must be developed and operated under the conditions set out in Articles R.111-19 *et seq.* of the French Construction and Housing Code on accessibility for people with disabilities and Articles R.123-1 *et seq.* of said Code, which prevent risks related to fire and panic.

With respect to the latter point, an establishment being open to the public is subject to mayoral permission, with permission to open being issued following verification by the relevant safety committee of the measures taken.

These establishments are then subject to regular inspections and unannounced visits by the relevant safety committee in order to check their compliance with safety standards.

1.3.3.4.3 Regulations relating to safeguarding the environment

Risks related to classified facilities

Certain activities of the Company's tenants, such as large food retailers, may be subject to legislation governing classified facilities. They accordingly constitute facilities classified for environmental protection ("ICPE").

The ICPEs are placed under the control of the Prefect and the Regional Agency for Industry, Research and the Environment (DRIRE) specifically responsible for organising the inspection of these installations.

Moreover, when the classified installation is shut down, its operator must first notify the Prefect who may require it to carry out monitoring or return the site to its original condition.

Water regulations

Large-scale assets must comply with regulations on water usage and the waste they generate, and in particular the obligation regarding the treatment of waste water pursuant to the provisions of the French Public Health Code and French General

Local Authorities Code, as well as the qualitative and quantitative management of rainwater, in accordance with Articles L. 210-1 *et seq.* of the French Environmental Code.

Consideration for the management of this natural resource is also built into the design of construction projects, which are subject to permission or prior reporting by the competent environmental authority depending on their scale, in accordance with Articles L. 214-1 *et seq.* of the French Environmental Code.

Given its strong environmental commitments, the Company pays particular attention to finding alternative solutions for managing rainwater discharged from both roofs and car parks.

Natural and technological risks

Purchasers or tenants of property located in areas covered by a plan for the prevention of natural, technological or mining risks shall be notified of the existence of such risks by the seller or lessor.

Said notification is provided by means of attachment to any provisional sale or purchase agreement, and to any contract concluding or registering the sale.

A statement of risks, called "Statement of hazards and pollution" is prepared using a template defined by ministerial decree, and attached to the lease or any provisional sale or purchase agreement, and to any contract concluding or registering the sale.

Regulations applicable to the method of ownership of certain property assets

Some of the Company's property assets are, due to their distinctive characteristics, subject to specific rules regarding co-ownership and/or division by volume.

The co-ownership system is defined by Law no. 65-557 of 10 July 1965 and Decree no. 67-223 of 17 March 1967.

Under this system, each co-owner is the holder of a block comprising the exclusive ownership of a private area and a fixed share of the common areas (main walls, stairwells, halls, common parking areas, common green areas, etc.).

In this way, each co-owner may freely enjoy the common areas, subject to not violating the rights of the other co-owners.

The area and location of the block allow the shares held in the common areas to be determined, which serve as a basis for fixing the voting rights at meetings of co-owners and the charges related to the maintenance of the common areas.

The co-owners' association is formed of all co-owners of a building.

The co-ownership trustee is the natural or legal person responsible for representing the co-owners' association. The trustee is also responsible for administration of the common areas and efficient management of the building, with the assistance and under the supervision of the association's Board. The trustee is appointed for a fixed term of up to three years and may be reappointed indefinitely.

The Board is composed of a small team of (at least three) co-owners appointed by the Annual General Meeting of co-owners, which is a statutory requirement. Its role is to assist the co-ownership trustee and to oversee management. The Board elects its own Chairman and holds periodic Board meetings.

Order no. 2019-1101 of 30 October 2019 recasts the provisions of the co-Ownership Law. This text clarifies, among other things, the contractual relations between the trustee and the co-owners' association and strengthens the powers of the association's

Board. Most of the provisions entered into force on 1 June 2020. A bill to ratify the order was tabled in the French Senate on 15 January 2020 but had yet to be discussed as of the date of publication of this document.

1.3.3.5 Regulations relating to listed real estate investment trust status

1.3.3.5.1 Opting in

It is noted that as of 1 January 2009 the Company opted for the REIT (French SIC) tax scheme covering listed real estate investment trusts provided for in Articles 208 C, C (a) and C (b) of the French General Tax Code, a scheme reserved for companies whose main purpose is to acquire or construct buildings with the aim of the leasing, or the direct or indirect ownership of companies with an identical corporate purpose.

This system grants exemption from the payment of corporate tax, subject to the distribution, in relation to the rental income from the properties and capital gains realised on the transfer to unrelated persons, of buildings, property rights, securities in the Company belonging to individuals and subsidiaries who have themselves opted into this scheme as well as the dividends paid by these subsidiaries.

The conditions for opting for this scheme, as well as the REIT reporting requirements, have been set out by Decree no. 2003-645 of 11 July 2003 (codified in Article 46 (b) A of Appendix III to the French General Tax Code). An order included in Bulletin Officiel des Impôts (official tax bulletin) 4 H-5-03 no. 158 (a) of 25 September 2003, revised in BOFIP BOI-IS-CHAMP-30-20 on 27 March 2019, provided guidance on this system.

This option concerns FREY and its eligible subsidiaries.

The REITs are not subject to a rule of exclusivity in relation to their corporate purpose. Carrying out, on an ancillary basis, activities other than those fulfilling their main purpose is not therefore likely to result in them losing the benefit of the scheme. However, the revenues derived from these other activities are taxable under the conditions laid down by ordinary law, including financial revenues, without a distribution requirement.

Subsidiaries 95% of whose capital is held either directly or indirectly, jointly with other REITs or variable capital companies that invest mainly in property (SPICAVs), subject to corporate tax, and with an identical purpose, may opt into this scheme.

For information purposes, the FREY subsidiaries having opted for REIT status are:

- SAS Frey Retail Fund 1, a subsidiary jointly-owned with SPICAVs, opted in upon its formation in December 2011;
- SAS IF Clos du Chêne, a wholly-owned subsidiary of SA FREY, opted in as of 1 January 2012;
- SCI Chanteloup 01, a wholly-owned subsidiary of SAS IF Clos du Chêne, opted in as of 1 January 2012;
- SCI Chanteloup 02, a wholly-owned subsidiary of SAS IF Clos du Chêne, opted in as of 1 January 2012;
- SAS La Plaine, a subsidiary 99% owned by SA FREY, opted in upon its formation in October 2016;
- SAS FRP III, a wholly-owned subsidiary of SA FREY, opted in as of 1 January 2017.

The earnings of partnerships covered by Article 8 of the French General Tax Code whose corporate purpose is identical to that of their REIT partners or subsidiaries that have opted for the REIT scheme qualify for exemption subject to the pro rata distribution of the rights of the REIT partners. There is no minimum condition

regarding the amount of share capital held in these companies by the REITs, or by their subsidiaries subject to corporate tax that have opted for this REIT scheme.

1.3.3.5.2 Consequences of opting in

Opting in, which is definitive and all-encompassing, entails discontinuance of the business inasmuch as the businesses concerned totally or partially cease being subject to the payment of corporate tax. Exercising this option specifically entails the application of unrealised capital gains on buildings, property rights and transparent property company securities, taxation generally referred to as an exit tax.

Since Finance Law no. 2008-1425 published on 28 December 2008, the rate of this exit tax has been 19%. It is payable in four equal instalments beginning on 15 December of the year of the opt-in and for the three following years.

The remaining tax losses carried forward that were not used at the time of the opt-in to the REIT scheme (should any exist) may be offset against the proceeds from the sale including it in the base used to calculate the exit tax. The balance not offset is definitively lost.

Eligible companies controlled by FREY, previously subject to corporate tax, will also be liable to pay the exit tax if they opt for the REIT scheme under the same conditions. Similarly, when buildings, property rights and shareholdings in companies covered by the partnership tax system become eligible for exemption from corporate tax following selection of this scheme, the unrealised capital gains recognised on these assets must also be subject to the exit tax payable at the rate of 19% over four years.

1.3.3.5.3 Tax regime

REITs are exempt from corporate tax subject to compliance with the following distribution conditions:

- 95% of profits from leasing buildings under the activity covered by this scheme must be distributed before the end of the financial year following the financial year in which they were generated;
- 70% of the capital gains on the sale of buildings, property rights or shareholdings in the companies covered by Article 8 with an identical corporate purpose to the REITs or in respect of subsidiaries liable for tax on companies that opted for the REIT system, must be distributed before the end of the second financial year following the financial year in which they were generated;
- dividends received from subsidiaries that opted for the REIT scheme (or of another REIT that it controls) must be redistributed in full during the financial year following the financial year in which they were received.

If the REITs or subsidiaries that have opted in do not to make the necessary distributions, within the time limit and proportion required, they risk losing the exemption for all revenues (profits, capital gains, dividends) for the financial year concerned (except under exceptional circumstances).

Companies are taxed on revenues derived from the exercise of ancillary activities under the conditions set out by ordinary law. The result of the taxable segment has no influence on the result of the exempt segment and does not influence the distribution obligations related to the exempt transactions. The REITs and their subsidiaries must allocate the corresponding income and expenses to the exempt and taxable segments and during distribution they must distinguish between the portion of the profits resulting from exempt activities and those from taxable activities.

Furthermore, a 20% levy is due on the dividends relating to tax-exempt profits and paid to shareholder entities which hold, either directly or indirectly, at least 10% of the Company's share capital and which are not subject to a rate at least equal to one third of the French tax rate.

1.3.3.5.4 Opting out of the scheme

Non-compliance with the conditions of access to the scheme during the financial years following entry into the scheme will result in the REIT, and consequently the subsidiaries that opted in, exiting the scheme.

In the event that the Company opts out of the REIT scheme in the ten years following its opting in, it would be required to pay supplementary corporate tax at the standard rate on the amount of the capital gains that were taxed at the reduced rate of 19% as a result of its opting in to the REIT scheme.

It would also be liable for a 25% levy on the amount of any unrealised capital gains made during the exemption period, decreasing by one tenth for each year spent in the exemption scheme.

Lastly, the Company would also be liable to add back to taxable profit for the year when it loses REIT status any exempt profits from prior years not paid out.

1.4 Risk factors

In addition to the information contained in this Universal Registration Document, investors are encouraged, among other things, to carefully consider the risks set out below before deciding whether to invest in the Company's securities.

In accordance with the "Prospectus 3" regulation, only material risks specific to the Company and its Group are presented in this chapter.

The Company has identified the main categories and the most material risks in each category. The risks are presented in decreasing order of importance, as determined by the Company at the time of writing.

The three categories identified are as follows:

- risks related to the Group's environment;
- risks related to the regulations applicable to the Group;
- risks related to the Group's operating activities.

Within these categories, the Group identified 14 major risks. It assessed how critical these risks were for its business, assets and financial position, image and outlook, and then allocated a score to each one:

- 1: low risk;
- 2: medium risk;
- 3: high risk.

The score reflects the Group's current perception of the materiality of these risk factors, based on the perceived probability that the risks will materialise and the estimated scale of their adverse impact, after taking into account the controls put in place by the Company to mitigate the occurrence and/or impact of the risks identified.

The time horizon defined for the risk scoring process is five years.

The scale of both the impact and probability is scored on a level from 1 to 4:

Scale	Probability	Impact
Level 1	Rare	Limited
Level 2	Possible	Significant
Level 3	Probable	Major
Level 4	Highly probable	Critical

However, investors should be aware that other risks – which are either completely unknown or only partially known and considered unlikely to occur at the date of filing this Universal Registration Document – may exist and could have an adverse impact on the Group's business.

The risk analysis is summarised in the table below.

1.4.1 SUMMARY

Risk factors	Score		
	Probability	Impact	Criticality
Group environment			
• Economic environment	Probable	Major	3
• Competitive environment	Possible	Major	2
• Commercial real estate market	Possible	Major	2
• Rent indexation	Probable	Limited	1
Regulations applicable to the Group			
• Administrative permits	Highly probable	Major	3
• Regulation of leases and non-renewal	Possible	Major	2
• REIT status	Rare	Major	2
Group's operating activities			
• Failure to comply with a financial covenant	Rare	Critical	3
• Failure to obtain financing or financing obtained on less favourable terms	Possible	Major	2
• Solvency of tenants	Highly probable	Limited	2
• Retailers	Probable	Significant	2
• Development of new assets	Possible	Major	2
• Acquisition of new assets	Possible	Significant	2
• Interest rate	Possible	Limited	1

1.4.2 DETAILED PRESENTATION OF EACH RISK

1.4.2.1 Risks related to the Group's environment

Risks related to the economic environment

The Group's property portfolio consists of retail assets located in retail parks in France and on the Iberian Peninsula. The Group's business is sensitive to changes in consumption and the economic environment. During the financial year 2020, the Covid-19 health crisis led to an economic crisis in the three countries where the Group operates, the impact and duration of which remain uncertain.

Indeed, according to figures published by the International Monetary Fund in January 2021, the GDP of the Euro zone fell by 7.2% in 2020, and is expected to recover in 2021 (+4.2% forecast). Spanish GDP fell by 11.1% in 2020 and is expected to recover to +5.1% the following year. As for French GDP, it is said to have fallen by 9.0% in 2020, and is expected to rise again by 5.5% next year. The impact for the Portuguese economy would also be significant, with a decline of 8.5% in 2020 and a recovery of 5.41% in 2021.

This deteriorating economic environment is likely to affect the rental income generated by the Group in the medium and long term. In effect, a decline in consumption and the revenue of retail tenants may have a material adverse effect on the ability of some tenants to pay their rent, on the renewal of leases on terms at least identical to the current terms, on the occupancy rate and on the overall yield of the assets in question, or their valuation, which could significantly impact the Group's business, assets, financial position and outlook.

Moreover, a sustained economic slowdown could result in an unfavourable market environment for lessors. This could have a material impact on the Group's investment policy and on

its policy for developing new assets, and thus on its growth prospects.

To deal with this health crisis, the Group has further intensified its policy of ongoing discussions with partner retailers, based on the collection of revenue from the main tenants and the analysis of changes in footfall in these assets, using a vehicle counting system. Taken as a whole, this information enables the Group to anticipate risks of termination and/or non-renewal of leases and to re-let units before they become vacant.

As soon as the government measures were announced, in order to help its tenants as quickly as possible, FREY implemented the following protective measures:

- monthly rather than quarterly receipts of rents and charges;
- the suspension of rent collection during the lockdown period;
- reducing the operating expenses of its assets in order to optimize their cost for tenants.

In addition, in April 2020, FREY announced the creation of an exceptional support fund of a maximum of €15 million for its partner brands present in the retail parks, wholly owned and in France, by the FREY Group.

FREY wanted to support its tenants throughout the duration of the crisis, which includes both the period of government-ordered closure of the points of sale and the period of a return of retail operations.

The support plan therefore includes a gradual return of tenants' performance to their pre-crisis level, and aims to neutralize the rent burden of these brands in proportion to the impact of this crisis. The neutralization of rent was therefore determined as follows:

- at 100% during the closed period;
- at 50% for the first month following reopening;

- at 25% for the second month;
- at 10% for the third month.

For example, a business that is authorised to reopen on 11 May 2020 would have all of its rent covered by the fund in an amount equal to 2.6 months of rent.

Half of this expense is covered by financial contributions (paid by the fund or in the form of rent waivers) to FREY tenants, and the other half by the setting up of interest-free loans for a period of 24 months from 1 January 2021.

Depending on the nature of its activity and/or its geographical sector, each retailer has seen this mechanism adapt to the date of reopening decided by the Member States. To this end, the FREY teams approached tenants in order to offer them appropriate support in implementing the terms and conditions related to these exceptional measures.

Lastly, for retailers in retail parks, (i) located in the Iberian Peninsula, (ii) jointly owned with external investors, (iii) located in France and wholly owned by the FREY Group in terms of impacts related to the second lockdown in November 2020, rent waivers and rent payment schedules were granted or are being negotiated with retailers.

In Portugal, the law imposed a fully variable rent indexed to the revenue of the retailers from 25 July 2020.

For the full year of 2020, within its economic scope⁽¹⁾ FREY granted a total of €9.8 million in assistance, broken down as follows:

- €6.9 million in write-offs of rent receivables recognized in 2020;
- and €2.9 million in rent to be spread over two years (2021 and 2022).

In view of negotiations with tenants since 1 January 2021, additional assistance (waivers of rent receivables net of tax credits to be received) estimated at €2.3 million could be recognised in 2021.

Risks related to the competitive environment

In carrying on its various businesses, the Group competes with different stakeholders, property companies and developers that are managing or developing projects in the same architectural category (outdoor shopping centres) and operating in the same regions as the Group (*i.e.* France and the Iberian Peninsula).

In its development business, the Group competes with other players in the property development sector who could limit the Group's ability to purchase real estate or develop projects efficiently and on attractive financial terms, particularly if those competitors are better funded.

The Company also faces significant competition in its rental business. The development, near to the Group's commercial sites, of competing retail space with a similar offering could affect both the Group's ability to let its retail premises and the amount of rent charged, and thus have a negative impact on earnings.

For the past few years, the Group has also had to cope with the growth of e-commerce, which has led to changes in consumer habits (ease of comparison, access to a wider range, removal of geographical constraints, etc.). This competition could be detrimental to the property management business if sales of the Group's tenants are affected.

Tougher competition within these business segments and/or inadequate measures taken by the Group to differentiate itself would be likely to affect the Group's business, assets and financial position, as well as its image and outlook.

The Group takes these various parameters into account in its strategic development and retailer selection decisions.

The Group starts marketing its sites even before the land has been purchased. It is intent on creating a unique shopping experience, notably through its Shopping Promenade® concept which offers an attractive landscaped setting that customers can wander around, huge free outdoor playgrounds, a mix of on-trend brands covering a wide range of products, and an enticing and imaginative selection of restaurants, while prioritising affordable levels of rent and charges.

In 2020, the health context and the two lockdowns were favourable to e-commerce at the expense of physical retail. Although the Group's asset type allows it to be less impacted than the large indoor shopping centres, the probability of this risk materializing has been increased by one level to take account of this change. This change had no impact on the criticality of the risk, which remains at level 2.

Risks related to the commercial property market

The Group's business, rent levels and commercial property valuations are heavily influenced by supply and demand for commercial property space, which in turn is affected by changing consumer trends and preferences.

A fall in demand relative to supply and/or the Group's inability to cater for new demand could affect the Group's business, assets, financial position, image and outlook.

An unfavourable trend in the commercial property market could force the Company to delay completion of certain commercial developments and/or undertake certain unplanned disposals, and/or undertake certain necessary and/or planned disposals at less favourable terms.

The Group takes all these parameters into account in its strategic decision-making and constantly strives to maintain a distinctive, resilient model for the development and management of its assets, notably through the Shopping Promenade® and Citizers® concepts.

Risks related to rent indexing

All leases signed by the Group are linked to two public-sector indices (the Commercial Rent Index and the Construction Cost Index) for the indexation of rents. This limits the ability of lessors to increase rents and optimise their rental income.

In view of the growing importance of the Group's property investment business, the Group is increasingly sensitive to changes in the two indices used for rent indexation. A fall in these indices or an increase which is too small relative to market rents could have an adverse impact on the Group's property rents and consequently on its earnings and the valuation of its assets.

In order to take into account the economic crisis caused by the health crisis linked to the Covid-19 epidemic, the likelihood of this risk occurring has been increased by one level, with no change in the criticality which remains level 2.

⁽¹⁾ The economic portfolio includes wholly-owned investment properties as well as the portion of the portfolio held in partnership or in associates.

1.4.2.2 Risks related to the applicable regulations

Risks related to administrative permissions

The property development and outdoor shopping centre market is subject to major constraints, mainly of an administrative nature, due to the need to obtain planning permission and/or retail permits.

The risks are mainly due to the delays in the processing of applications by the relevant administrative departments (from two to five months, provided the file is complete) and the filing of administrative or legal appeals against the permits granted. This could lead to relatively long delays in implementation and result in additional costs or even the shelving of projects, and thus have unfavourable consequences for the Group's business and earnings.

To minimise this risk, the Company routinely audits the applications due to be filed to ensure compliance with the applicable regulations.

Moreover, there is clearly a desire to reduce the number of permits issued for certain zones, reflecting a more restrictive planning policy for retail developments on the outskirts of urban areas, something that might over time have an adverse impact on the Group's development and growth prospects.

Risks related to regulations governing leases and non-renewal of leases

In France, legislation on commercial leases is very strict with regard to lessors. In particular, contractual provisions required by the regulations relating to the term, termination, renewal and rent indexation of such leases limit the possibility of increasing rental amounts to ensure they are correlated with market rents.

Furthermore, upon expiry of the lease and every three years, the lessee has the option of vacating the premises or tacitly renewing the lease.

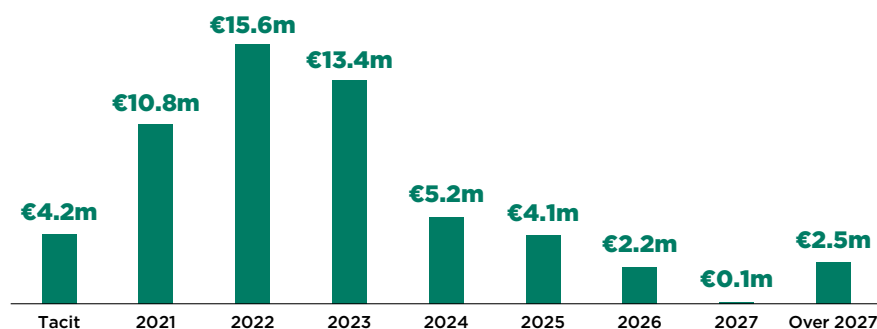
Upon expiry of the lease, if the lessor decides not to renew it, the lessee is entitled to eviction compensation. This is based on the value of the lessee's business, and could therefore have a material adverse impact on the Group's financial position.

Furthermore, upon renewing leases or letting new assets, the Company may be faced with changes in legislation, regulations or case-law imposing new or tighter restrictions on rent reviews, the term of the lease, the indexation and capping of rents and the calculation of eviction compensation payable to tenants. These changes to the rules applicable to commercial leases could have a negative impact on the Group's business, assets and financial position.

The Group cannot guarantee that it will be able to re-let its vacant units quickly and at the equivalent rental value. The absence of rental income generated by these vacant premises and the related fixed costs are likely to affect the Group's financial position.

To take into account changes arising from the introduction of new legislation and regulations that could adversely affect the Group's position and the development of its business, the Group's Legal Department works with the Group's network of external consultants to collect, process and disseminate within the Group appropriate information on legislation in the various countries in which the Group has interests, namely France, Spain and Portugal.

At 31 December 2020, the timing of the risk of non-renewal of the Group's leases was as follows:



Risks related to constraints arising from the tax regime applicable to real estate investment trusts (REIT, or SIIC in French), loss of REIT status or potential change in the terms of this status

Eligibility for REIT status, which applies to FREY, all its fiscally transparent subsidiaries and its six subsidiaries that opted for this status, is contingent upon redistribution of a significant proportion of the profits made (95% of the profits generated by the property investment business, 70% of the capital gains on disposal of property assets and 100% of dividends received

from subsidiaries that have opted for REIT status). Compliance with this redistribution obligation could constitute a constraint that could limit the Group's ability to finance its own operations from cash flows and to implement a strategy of developing its asset base, and could thus have an unfavourable effect on the Group's assets and financial position and its outlook in the medium term.

It should also be noted that eligibility for REIT status can be temporarily or permanently forfeited in certain circumstances.

One of the conditions for the application of the REIT regime is that the Company opting for this must not be owned, directly or indirectly, by one or more shareholders acting in concert as defined in Article L. 233-10 of the French Commercial Code (other than companies that have REIT status themselves), representing 60% or more of its capital or voting rights (subject to a limited number of temporary exemptions related to certain restructuring operations or the acquisition of at least 95% by another REIT).

However, if this event occurs for the first time within 10 years of opting for REIT status or in the ensuing 10 years, and provided that it is still below the ownership threshold at year-end, the Company does not leave the REIT regime but simply forfeits the corporate income tax exemption in respect of the year in which it exceeded the threshold. This could then have a detrimental impact on the Company's earnings.

Upon rejoining the REIT regime, the Company must pay corporate income tax at the rate of 19% on unrealised capital gains made while it was temporarily outside the regime.

Therefore, the loss of REIT status would be liable to have a material impact on the Group's assets and financial position.

Furthermore, the loss of REIT status would mean forgoing the corresponding tax savings, which could also affect the Group's business, earnings and image.

In addition, any substantial changes to the regulatory provisions applicable to REITs could equally affect the Group's business and financial position.

The Company works with a renowned tax consultancy to monitor legislation and ensure that it remains fully compliant with its obligations as a French real estate investment trust.

1.4.2.3 Operational risks

Risk of failure to comply with a financial covenant

The Group's financing agreements, and in particular its corporate credit lines, representing 72% of the Group's total debt at 31 December 2020, establish requirements for the debt service coverage ratio (DSCR) and interest coverage ratio (ICR) and/or a minimum loan to value (LTV) ratio.

The ratios on the basis of which the main covenants were established are set out in the tables below.

- The **DSCR ratio** is the ratio of rental income to borrowing costs (repayment of capital and payment of interest).
- The **ICR ratio** is the ratio of rental income to interest.
- The **LTV ratio** is the ratio of outstanding debt to the value of the asset including stamp duty.

Individual ratios	LTV excluding stamp duty			DSCR	ICR
Relevant debt	€28.6 million	€19.0 million	€1.1 million	€47.6 million	€45.2 million
Required ratios	< 60.0%	< 65.0%	≥ 110%	> 120%	> 2.0
Ratios at 31/12/2020	19.9% -50.6%	32.9%	365%	202% -451%	8.2 - 8.5

Consolidated sub-tier ratios	LTV including stamp duty		ICR	Collateralised debt
Relevant debt	€3.0 million		€3.0 million	€3.0 million
Required ratios	< 50.0%		> 200%	> 125%
Ratios at 31/12/2020	34.1%		762%	257%

The Group is also subject to ratios calculated on the basis of the consolidated financial statements:

Consolidated ratios	LTV including stamp duty		ICR	Collateralised debt
Relevant debt	€378.0 million		€378.0 million	€378.0 million
Required ratios	≤ 60.0%		≥ 2.0	< 20.0%
Ratios at 31/12/2020	32.4%		6.4	10.3%

Failure to comply with these ratios would mean early repayment of the financing concerned, which would have significant adverse consequences on the Group's financial position, business, image and outlook.

The Company monitors these covenants on a six-monthly basis and maintains sufficient headroom between the contractually required ratios and the ratios calculated on the basis of the interim financial statements.

At 31 December 2020, all of the undertakings and covenants entered into with financial partners by the FREY Group were complied with.

Risks related to the failure to obtain finance or obtaining finance on less favourable terms

Implementing the Group's growth strategy means investing substantial amounts in developing new assets. Part of the cost of these developments is financed through debt, though the Group does not rule out the possibility of seeking capital market funding or using its own equity to finance its growth strategy.

Depending on the economic environment, changes in the regulatory environment and the assessment of the risk that the Group poses to individual lenders, access to these resources may be blocked, in whole or in part, or granted on less favourable terms than existing terms.

Failure to obtain financing, obtaining financing on less favourable terms or delays in obtaining financing required for the medium-term projects under development by the Group could adversely affect the Group's financial position and growth prospects.

Risks related to tenants' solvency

The relationship between a lessor and a lessee is determined by the terms of the lease. The lessee must pay the lessor all the amounts contractually defined in the lease (rent, charges, marketing fund, etc.), irrespective of the economic environment or any exceptional events (industrial action, extreme weather event, health crisis etc.).

Given the share of the Group's income generated by renting its property assets to third parties, which currently account for nearly all its revenue, any default on or delay in rental payments is liable to have a significant effect on the Group's results.

This risk is assessed in light of the Group's diversification policy, which seeks to limit the proportion of total revenue accounted for by any one tenant. At 31 December 2020, the top ten customers accounted for 23.7% of the rental income from the Group's economic portfolio, and none of these groups accounted for more than 3.0% of that economic rental income.

Furthermore, for each of its tenants, the Group has a security deposit or bank guarantee in the amount of three months' rent.

Risks related to retailers

The Group's assets are leased to national and international retailers, as well as small groups, franchisees and sole traders. These retailers may run into difficulties or become less attractive due to strategic errors in their choice of products and services or market positioning, an economic downturn or even the closure of their business.

The materialisation of these risks could reduce the variable proportion of sales-based rent (which at 31 December 2020 accounted for 2.0% of the total annual amount of economic rent received by the Group) and lead to non-payment of rents and/or the termination or non-renewal of their commercial leases.

A reduction in rent, or difficulties encountered by the Group in re-letting vacant units on favourable terms, could have a material adverse effect on the total rental yield from the assets in question or their valuation. Such an eventuality could be detrimental to the Group's business, assets, financial position and outlook.

To limit this risk, before signing any lease, the Group undertakes a financial appraisal of the retailer (based on its budget, statement of financial position and income statement).

After close to 40 years of operation, the Group has the perspective and experience needed to assess a retailer's quality.

Risks related to the development of new assets

The material risks associated with the Group's property development business are as follows:

- the construction cost of assets could prove higher than initially estimated: the construction phase could take longer than planned, technical difficulties or implementation delays could arise as a result of the complexity of certain projects and the price of construction materials could rise;
- the Group's investments (for new projects, renovations and extensions) are contingent upon securing administrative permits which could be granted late or even refused to the Group or its partners;
- the Group's projects require consent from third parties such as flagship retailers, creditors and partners for developments delivered on a partnership basis; such consent could be refused or granted on terms less favourable than expected;
- the Company could fail to secure financing for its projects on satisfactory terms;
- it is not generally possible to defer or cancel costs incurred at the outset (e.g. design costs) if a project is delayed or cancelled.

Consequently, such risks could lead to projects being delayed or cancelled, or completed at a higher cost than initially estimated, which could affect the Group's assets, financial position and outlook.

The development of new properties and retail parks also depends on the availability of land reserves as a raw material. The availability of this raw material depends on being successfully able to search for land and negotiate a price.

The Group has highly skilled staff dedicated to developing new projects, with the aim of finding available land suitable for outdoor shopping centres. However, competition from other players and/or changes in the economic environment could drive up the price of land to a degree not compatible with the Group's objectives. This could adversely affect the Group's business, financial position and development prospects.

Risks related to the acquisition of new assets

The Group's strategy requires it to acquire and dispose of assets.

However, a hidden defect not noticed prior to purchase, a dispute with a lessee not disclosed by the seller, or an incorrect valuation of the asset or company could lead to it being purchased for more than it is actually worth. This would entail the recognition of an impairment loss on this asset in the Group's financial statements and thus would have a detrimental impact on its financial position.

To protect against such risks, exhaustive due diligence is carried out before all acquisitions and independent appraisals are always obtained.

Seller's warranties and/or warranties against hidden defects are also required as part of negotiations.

Moreover, as this is a competitive market and the assets to be sold are limited in number, the objectives of this strategy could be difficult to achieve, which could have an impact on the Group's growth prospects.

Interest rate risk

As part of its development, the Group uses bank and/or bond financing.

At 31 December 2020, the Group's financial debt to credit institutions amounted to €530.6 million.

Most of the financing taken out by the Group is based on a variable interest rate (3-month Euribor). A significant rise in this rate could therefore have a negative impact on earnings due to the resulting increase in financial expenses.

To counter the adverse effect of a rise in interest rates on its earnings, the Group has entered into several hedging contracts in the form of swaps and caps, thus reducing its exposure to interest rate risk. The percentage of the Group's total debt (bank and bonds) not subject to interest-rate fluctuations was 97.5% at 31 December 2020.

(In €m)	-100 pts	-50 pts	E3M	+50 pts	+100 pts
Net cost of debt	-8.0	-8.7	-9.8	-10.9	-11.5
Impacts	1.7	1.1	-	-1.1	-1.8

A sharp rise in interest rates could also have an adverse impact on the valuation of the Group's assets, since the yields applied by

real estate experts to value commercial property are determined in part by the level of interest rates.

1.5 Information about the share capital

1.5.1 AMOUNT OF SHARE CAPITAL

At 31 December 2020, the share capital totalled €61,508,157.50. It was divided into 24,603,263 shares with a par value of €2.50 each, all of the same class and fully paid-up.

As of the date of this report, no securities exist that are convertible to future equity in the Company.

The option of payment in shares of the 2019 dividend⁽¹⁾ was subscribed for 88.69% of the option rights and resulted in the creation of 378,266 new ordinary shares which were delivered on 12 June 2020. From the date of issue they held immediate dividend rights and were entirely fungible with the other shares making up Frey's share capital.

An application was made to trade them on the Euronext Paris stock exchange as soon as they were issued with the same listing as existing shares. Through this transaction, FREY increased its equity by almost €9.67 million.

From 12 June 2020, the issue date of shares derived from the exercise of option rights, FREY's share capital was increased to €61,508,157.50 and comprised 24,603,263 shares with a nominal value of €2.50 each, fully paid up and all in the same category.

There were no other changes to the share capital in 2020.

1.5.2 CHANGES IN SHARE CAPITAL

Capital increase of June 2020

The General Meeting of Shareholders on 20 May 2020 approved the payment of a dividend of €1.50 per share as well as the proposal of an option between (i) payment of the dividend at 100% in cash and (ii) a partial payment of the dividend in shares in the amount of 30% (i.e. €0.45 per share) accompanied by a payment of 70% in cash (i.e. €1.05 per share).

(1) Based on an issue price of new shares of €25.56 per share, equal to 90% of the average opening price on 20 trading days preceding the Shareholders' Meeting of 20 May 2020, restated for the net amount of the dividend (i.e. €1.50 per share) and rounded up to the nearest euro cent.

1.5.3 MAJOR SHAREHOLDERS

Percentage voting rights and shareholdings set out in the following table have been calculated based on information on the total number of voting rights and shares making up FREY's share capital as stated in the press release issued on 23 December 2020, in accordance with Article L. 233-8 II of the French Commercial Code and Article 223-16 of the AMF General

Regulation (it being specified that the total number of shares and voting rights have not changed since that date, with the exception of the number of exercisable voting rights, which may have changed non-materially due to the number of treasury shares held by the Company), namely:

Date	Number of shares in the share capital	Number of voting rights
8 January 2021	24,603,263	Theoretical: 24,603,263 Exercisable*: 24,588,341

* The number of exercisable voting rights is the number of theoretical voting rights (or the total number of voting rights attached to the shares) after deducting shares without voting rights (i.e. shares held by the Group under the buyback programme as defined in Section 1.5.9.1 of this management report).

The following table shows a breakdown of the Company's share capital and voting rights over the past three years.

Shareholding structure	31/12/2020			31/12/2019			31/12/2018		
	Number of shares	% of the Share capital	% voting rights(1)	Number of shares	% share capital	% voting rights(1)	Number of shares	% of the Share capital	% voting rights(1)
Major shareholders:									
Firmament Participations ⁽²⁾	6,916,208	28.11%	28.13%	6,787,143	28.02%	28.52%	5,964,179	31.65%	31.70%
Prédica	4,768,661	19.38%	19.39%	4,686,160	19.34%	19.69%	3,620,411	19.21%	19.24%
FONCIÈRE AG Real Estate ⁽³⁾	3,121,891	12.69%	12.69%	2,429,125	10.03%	10.21%	2,395,793	12.72%	12.73%
EFFI-INVEST II	1,130,460	4.59%	4.60%	1,130,460	4.67%	4.75%	1,130,460	6.0%	6.01%
CARDIF	2,808,030	11.41%	11.42%	2,759,449	11.39%	11.60%	2,121,857	11.26%	11.28%
Sogecap	2,808,030	11.41%	11.42%	2,759,449	11.39%	11.60%	2,121,857	11.26%	11.28%
SCI Primonial Capimmo	1,696,009	6.89%	6.90%	1,666,666	6.88%	7.00%			Nil
IDPE ⁽⁵⁾	101,756	0.41%	0.41%	99,995	0.41%	0.42%	99,995	0.53%	0.53%
CARUSO ⁽⁶⁾	17,808	0.07%	0.07%	17,500	0.07%	0.07%	17,500	0.09%	0.09%
Corporate officers ⁽⁴⁾	42,532	0.17%	0.17%	22,888	0.09%	0.10%	8,608	0.05%	0.05%
Treasury shares	15,127	0.06%	N/A	430,969	1.78%	N/A	24,354	0.13%	N/A
Own shares		NIL			NIL			NIL	
Free float:									
• bearer shares	1,133,964	4.61%	4.61%	1,406,663	5.81%	5.91%	1,326,454	7.04%	7.05%
• registered shares	42,787	0.17%	0.17%	28,530	0.12%	0.12%	10,197	0.05%	0.05%
TOTAL	24,603,262	100.00%	100.00%	24,224,997	100.00%	100.00%	18,841,665	100.00%	100.00%

(1) Percentage voting rights shown in this table are calculated taking into account treasury shares held by the Company, which carry no voting rights, in accordance with the provisions of Article L. 225-210 of the French Commercial Code.

(2) Firmament Participations is 50.66% owned by Antoine Frey and his wife Aude Frey, 35.32% by Crédit Mutuel Equity and 14.02% by others. The statutory manager of Firmament Participations is its general partner, Firmament Gestion SAS, registered in the Reims Trade and Companies Register under number 800 554 982, and which is wholly owned by Antoine Frey. Firmament Participations operates as the lead holding company.

(3) The Foncière AG Real Estate sub-total includes the shares held by FONCIÈRE AG Real Estate and LOUVRESSES DEVELOPMENT II, entities of the AG INSURANCE group.

(4) The Corporate Officers sub-total includes the shares held by the Deputy Chief Operating Officers: François-Xavier Anglade, Pascal Barboni, Sébastien Eymard and François Vuillet-Petite. These are direct holdings by officers.

(5) The limited company IDPE (Importation and Distribution of Exotic Products) is controlled by the Lemarchand family.

(6) The simplified joint stock company Caruso is the holding company of the company's managers (including François-Xavier Anglade, Pascal Barboni, Sébastien Eymard and François Vuillet-Petite, Deputy Chief Executive Officers).

1.5.4 CROSSING OF THRESHOLDS

The crossing of statutory thresholds prior to 1 January 2020 is referenced on the website of the AMF (*Autorité des Marchés Financiers*).

At the date of preparation of this report, and in accordance with the provisions of Article L. 233-7 of the French Commercial Code, there has been no disclosure of the crossing of thresholds for the financial year ended 31 December 2020.

Shareholders' agreement – Agreement referred to in Article L. 233-11 of the French Commercial Code

On 15 May 2019, Prédica, Foncière AG Real Estate, Firmament Participations and Antoine Frey signed a new shareholders' agreement governing their shareholder relations within the Company (the "**shareholders' agreement**"). This agreement cancels and replaces, as of its date of signature, the original shareholders' agreement of 30 April 2013 between the same parties in relation to the Company, as amended by its Amendments 1, 2 and 3 (the "**Original Agreement**").

The purpose of the shareholders' agreement is (i) to reflect the resignation of Re-Invest as director of FREY on 17 December 2018 and the waiver by Foncière AG Real Estate of its right to nominate a member to FREY's Board of Directors, (ii) to establish the rules of representation on FREY's Board of Directors and on its various committees, reflecting the breakdown of FREY's shareholding structure and in accordance with industry best practice in terms of governance, and (iii) to extend the term of the original shareholders' agreement.

The parties to the shareholders' agreement declare that they do not intend to act in concert in relation to the Company and do not envisage exercising their voting rights in the Company for the purposes of implementing a common policy.

With the aforementioned agreement, the parties sought to govern their shareholder relations with the Company and agreed on the following clauses in particular:

Governance

Board of Directors composition: FREY's Board of Directors is composed of 10 members, including:

- five directors appointed from among the candidates nominated by Firmament Participations (including Antoine Frey) (the "**Firmament directors**");
- one director appointed from among the candidates nominated by Prédica (the "**Prédica director**");
- two directors nominated by the Board of Directors from among FREY's minority shareholders holding more than 10% of the share capital and voting rights (the "**minority shareholder directors**"); and
- two independent directors as defined in the Middlednext Code (the "**independent directors**").

The Board of Directors may also include up to five observers, including one observer appointed from among the candidates nominated by Foncière AG Real Estate and one observer appointed from among the candidates nominated by Prédica. The observers will be bound by the rules of procedure of the Board of Directors.

Were Firmament Participations to hold less than 20% of the Company's share capital and a shareholder were to, directly or indirectly, hold more Company shares than Firmament Participations, Firmament Participations undertakes to reduce the number of Firmament Participations directors by one.

If Prédica were to hold less than 10% of the Company's share capital, Prédica would lose the right to appoint an observer, and:

- should the crossing under the 10% threshold be the result of the dilution of its holding as a result of a capital increase, Prédica shall retain the right to be represented by one director on the Board of Directors;
- should the crossing under the 10% threshold be the result of the sale of a share block representing 10% of the Company's share capital to a third party, the latter would at the same time also obtain the right to representation on the Company's Board of Directors and Prédica would lose the right to be represented on the Board of Directors. It should be added that if Prédica were to retain an equity interest of at least 5% following said sale, the parties undertake to negotiate in good faith in order to determine the best way for Prédica to retain representation on the Board of Directors, having regard to shareholder representation on it as of the date of crossing under the threshold, and in such a way that Prédica's rights to representation on the Board of Directors shall be compatible with those granted on the same date to other institutional investors with a comparable equity interest.

In the event that Foncière AG Real Estate were to hold less than 5% of the Company's share capital, Foncière AG Real Estate would lose the right to appoint an observer.

The parties have agreed to propose the reappointment of Mr. Antoine Frey as Chairman and Chief Executive Officer of the Company. Should Antoine Frey be temporarily incapable of serving as Chairman and Chief Executive Officer for a period of up to six months, he would be replaced by one of the Deputy Chief Executive Officer throughout the period of this temporary incapacity.

Throughout the shareholders' agreement, the Parties undertake to take all necessary or advisable measures to ensure that the composition of the Board of Directors is as set out above. In addition, in the event of a transfer of FREY securities, the parties have undertaken to conduct negotiations in good faith so that the transferee's rights of representation on FREY's Board of Directors are consistent with those enjoyed by other institutional shareholders with a comparable equity interest at the same date.

Investment Committee: The Company shall have a six-strong Investment Committee appointed by FREY's Board of Directors from among the directors and observers for the period of their term of office, including two Firmament directors, one Foncière AG Real Estate observer, one Prédica director or Prédica observer and two members appointed from among minority shareholders and/or independent directors.

Audit Committee: The Audit Committee shall have five members appointed by the Board of Directors from among the directors for the period of their term of office, including one Firmament director, one Prédica director and three members appointed from among minority shareholders and/or independent directors. The Chairman of the Audit Committee will be selected in accordance with the recommendations of the Middlednext Code.

Appointments and Remuneration Committee: The Appointments and Remuneration Committee shall have five members appointed by the Board of Directors from among the directors and observers for the period of their term of office, including one Firmament director, one Foncière AG Real Estate observer, one Prédica director or Prédica observer and two members appointed from among minority shareholders and/or independent directors. The Chairman of the Appointments and Remuneration Committee will be selected in accordance with the recommendations of the Middledex Code.

Transfer of shares

Free transfer: each party may freely transfer its FREY shares at any time:

- (i) to any affiliate (i.e. any entity that controls this party, that is controlled by this party or that is controlled by an entity controlling this party, it being specified that the term "control" has the meaning given to it in Article L. 233-3 I of the French Commercial Code);
- (ii) to any third party within the limit of a number of shares representing a maximum of 2% of the Company's share capital over a period of 12 consecutive months (i.e. 2% of the Company's share capital plus the shares acquired by the relevant party over the twelve-month reference period); or
- (iii) to any third party whose purchase offer covers a number of shares representing at least 10% of the Company's share capital.

subject to i) having given prior notice to the other parties by registered letter with acknowledgement of receipt sent eight business days prior to the sale, and ii) except in the scenario covered above, demonstrating the irrevocable and unqualified adherence by the affiliate or, as the case may be, by the acquiring third party, to the shareholders' agreement.

Right of first refusal except in the case of free transfer and a tender offer for the FREY shares, if a party (the transferor) plans to transfer a portion of its FREY shares, it must, prior to taking any other steps, notify the other parties (the beneficiaries) of the number of shares it plans to transfer and indicate that the other parties can exercise their right of first refusal. The beneficiaries shall thus have a right of first refusal to purchase all the shares on offer, it being noted that the beneficiaries shall have 40 business days from the date of notification of the transfer in which to submit a non-binding offer to the transferor for the shares on offer.

Regardless of who the transferor is, each party shall enjoy the right of first refusal *pari passu*. If the number of shares that the parties offer to purchase under the right of first refusal exceeds the total number of shares on offer, the number of shares on offer that each party may purchase shall, unless they agree to split them otherwise, be equal to the number of shares on offer multiplied by the ratio of the number of shares they hold to the number of shares held by the other parties, up to a maximum of the number of shares on offer that each wanted to purchase.

Should the transferor accept the non-binding offer(s), the beneficiaries shall have 20 business days from the date of said acceptance in which to send the transferor a registered letter with acknowledgement of receipt containing a binding offer copying the other beneficiary at the same time and, as the case may be, allowing any reputable institutional investor (not acting in concert with the beneficiaries) to purchase the shares on offer at the price indicated in the non-binding offer(s). The

forementioned period of 20 business days shall be extended to 60 business days where the shares on offer represent over 4% of the Company's share capital. The purchase of the shares on offer referred to in the binding offer shall be done within 10 business days of notification to the transferor.

Options to purchase in the event of a change of control: in one of the following cases where (i) Mr. Antoine FREY (and/or, where applicable, his spouse, heirs or beneficiaries) no longer directly or indirectly hold at least 33.33% of the share capital and voting rights of Firmament Participations, or at least 50.01% of the share capital and voting rights of Firmament Gestion, and (ii) Firmament Gestion would lose its status as manager and general partner of Firmament Participations; Firmament Participations consents *pari passu* to each of Prédica and Foncière AG Real Estate, an option to purchase all of the shares held by Firmament Participations, up to a total number of shares (for each of them) equal to the difference between a number of FREY shares representing 29.5% of the Company's share capital and the number of shares held by Prédica and Foncière AG Real Estate respectively. The price per share purchased shall be equal to the lower of (i) the latest net asset value (EPRA Net Asset Value) per share published by the Company before the date of exercise of the purchase option and (ii) the average of the share price at the date of exercise of the purchase option and the latest NAV per share published by the Company before the date of exercise of the purchase option.

Should the beneficiaries not exercise the purchase option within 40 business days of the aforementioned notification or the discovery of a change in control, as the case may be, the parties have agreed that, unless Prédica and Foncière AG Real Estate jointly agree in writing that FREY's shareholders' agreement is maintained, it shall terminate early.

All entitlements pertaining to the shares purchased, including the provisions pertaining to governance, shall also be automatically transferred to the assignees (Prédica and/or AG Real Estate and/or the substituting third party purchasers) on the date of execution of the option.

Duration of the shareholders' agreement

The shareholders' agreement is entered into for a period running from its date of signature to midnight on 15 May 2024. On the date of expiry, it shall be tacitly renewed for successive three-year periods, unless one party notifies the other parties and the Company of its decision not to renew it upon expiry. Notification of termination must be sent at least six months before its date of expiry.

To the Company's knowledge, there are no other shareholders' agreements relating to the Company's shares.

1.5.5 VOTING RIGHTS OF THE MAIN SHAREHOLDERS OF SA FREY

Pursuant to the provisions of Article 11 of the Articles of Association of SA FREY (as amended at the General Meeting of 27 June 2014), each share entitles its holder to one vote; double voting rights may no longer be attached to shares.

The principal shareholders of SA FREY shown in the table set out in Section 5.3 above do not have different voting rights.

1.5.6 CONTROL OF THE ISSUER

At 31 December 2020, based on the information set out in Section 1.5.3 "Major shareholders" above (*i.e.* share capital consisting of 24,603,263 shares and 24,588,136 exercisable voting rights), Antoine Frey holds, either directly or indirectly *via* Firmament Participations, 28.11% of the Company's share capital and 28.13% of its voting rights.

Consequently, no shareholder controls the Company within the meaning of Article L. 233-3 of the French Commercial Code.

To the Company's knowledge, there are no other actions in concert within the Company.

1.5.7 AGREEMENTS THAT MAY RESULT IN A CHANGE IN CONTROL OF THE ISSUER

To the Company's knowledge, there are no agreements whose implementation could, at a later date, have an impact on control of the Company.

1.5.8 OWN SHARES

No Company shares are held by other Group entities.

1.5.9 TREASURY SHARES

At 31 December 2020, the Company had 15,127 treasury shares valued at €453,810.

1.5.9.1 Share buybacks

The General Meeting of 20 May 2020 authorised the Board of Directors, with the option to sub-delegate under the conditions provided for by law, to purchase or have purchased shares in the Company, under the conditions provided for by Article L. 20-10-67 of the French Commercial Code, in order to:

- provide liquidity and make a market in the Company's shares *via* an investment services provider, acting independently for and on behalf of the Company under the terms of a liquidity (market-making) agreement that complies with a Code of Ethics as recognised by the AMF;
- deliver shares upon the exercise of rights attached to financial securities and/or marketable securities giving the right to the allocation of shares in the Company through reimbursement, conversion, exchange, presentation of a warrant or in any other manner;
- retain or subsequently transfer shares (in exchange, consideration or other) as part of financial transactions or potential acquisitions, mergers, demergers or asset contribution transactions of the Company;
- reduce the share capital by cancelling the shares bought back;
- allocate shares to employees or corporate officers of the Company or related companies, notably by way of profit-sharing, under an employee savings plan or for free share allocation plans under the terms laid down in Articles L. 225-197-1 *et seq.* of the French Commercial Code; and/or

- implement any Company stock option plan under the provisions of Articles L. 225-177 *et seq.* of the French Commercial Code.

This programme would also be intended to enable the Company to operate for any other purpose currently permitted or permitted in future under applicable law or regulations, and in particular to implement any market practice that may be accepted by the AMF.

Accordingly, the shares may be purchased, held and, where applicable, exchanged or transferred, via any means, on- or off-market, and in accordance with the applicable stock market regulations, using, where appropriate, any derivatives or options traded on regulated markets or over the counter.

The terms and conditions determined by the General Meeting are as follows:

- maximum share of capital limited to 10%;
- maximum purchase price set at €55 per unit;
- the funds earmarked to implement this programme have been capped at €133.2 million;
- implementation for a period of 18 months from the date of the General Meeting.

At 31 December 2020, the Company held 15,127 own shares, or 0.06% of its share capital at that date, divided between the following two contracts:

- 4,737 shares held under the liquidity agreement signed on 3 March 2017 for market-making purposes;
- 10,390 shares held under the buyback agreement to achieve the other objectives authorised by the Board of Directors.

1.5.9.1.1 Liquidity (market-making) agreement

The Company's liquidity (market-making) agreement is managed by Kepler Cheuvreux under the agreement signed on 3 March 2017. This liquidity (market-making) agreement, which complies with the AMAFI charter approved by the AMF, is designed to ensure a market in the Company's stock.

At 31 December 2020, the following were held in the liquidity (market-making) account:

- 4,737 shares representing €142,110 in stock;
- €606,549.01 in cash.

In financial year 2020, 8,718 shares were purchased and 6,471 shares sold under the liquidity (market-making) agreement.

1.5.9.1.2 Other buybacks

In financial year 2020, the Company purchased 269,242 shares for the reasons given in Section 1.5.9.1, and specifically to allocate them to shareholders under the free share allocation plans in place for certain employees and corporate officers.

1.5.10 POTENTIAL SHARE CAPITAL

1.5.10.1 Potential share capital

As of the date of this Universal Registration Document, there are no rights or securities giving future access to the Company's share capital.

1.5.10.2 Authorized capital not issued

The summary table of delegations of authority and financial authorisations granted to the Board of Directors in **Appendix 2** to this management report shows a summary of the various delegations of authority and financial authorisations currently in force and granted to the Board of Directors at the General Meetings of 20 June 2018, 21 May 2019 and 20 May 2020 to allow the Board of Directors as much flexibility as possible to call on the financial markets or raise funds through a public offering or private placement within shorter time frames, thus providing the Company, as and when the Board sees fit, with the financial resources needed to develop its business.

At the date of this document, the Board of Directors made use of the delegation granted by the 14th resolution of the Combined Shareholders' Meeting of 20 June 2018 to set up a new free share allocation plan, the characteristics of which are given in more detail in Paragraph 1.5.11.2 "Options and free shares granted to employees" of this management report.

1.5.11 EMPLOYEE SHAREHOLDING

1.5.11.1 Incentive contract

During the year ended 31 December 2020 and under the free share allocation plans, the Company allocated 36,197 shares to employees corresponding to plan no. 12.

The free share allocation plans were put in place in accordance with the procedures set out in Section 1.5.11.2 "Options and free shares granted to employees" below.

As of the date of this management report, the Company has not put in place any employee savings plan enabling employees to purchase, directly or indirectly, shares in the Company or related companies.

However, in April 2007 the Company put in place a profit-sharing agreement covering all employees with at least three months' service. This agreement, entered into for a term of three years with effect from 1 January 2007, was renewed in April 2018 for a further period of three years.

Under this agreement, the individual profit-sharing bonus for each employee is determined on 31 December each year.

1.5.11.2 Options and free shares granted to employees

1.5.11.2.1 Free shares granted to employees

Twelve free share allocation plans have been put in place by the Board of Directors on the dates and terms indicated below.

INFORMATION ON FREE SHARE ALLOCATIONS

Plan No.	Plan No. 1	Plan No. 2	Plan No. 3	Plan No. 4
Date of Board meeting	21/02/2014	25/03/2015	22/09/2015	06/07/2016
Number of shares allocated	9,625	6,005	1,486	3,348
Of which awarded to corporate officers	5,500	1,623	0	1,182
Date shares vested	21/02/2016	25/03/2017	22/09/2017	06/07/2018
Retention period ends	21/02/2018	25/03/2019	22/09/2019	06/07/2020
Number of shares cancelled or lapsed At 31 December 2020	0	1,675	1,486	0
Number of shares vested at 31 December 2020	9,625	4,330	0	3,348
Number of shares that can be awarded at 31 December 2020	0	0	0	0

Plan No.	Plan No. 5	Plan No. 6	Plan No. 7	Plan No. 8
Date of Board meeting	22/09/2016	10/05/2017	10/05/2017	20/06/2018
Number of shares allocated	2,635	4,101	31,020	41,826
Of which awarded to corporate officers	2,635	4,101	14,097	17,487
Date shares vested	22/09/2018	10/05/2019	10/05/2019	20/06/2020
Retention period ends	22/09/2020	10/05/2021	10/05/2021	20/06/2022
Number of shares cancelled or lapsed At 31 December 2020	0	0	833	5,544
Number of shares vested at 31 December 2020	2,635	4,101	30,187	36,282
Number of shares that can be awarded at 31 December 2020	0	0	0	0

Plan No.	Plan No. 9	Plan No. 10	Plan No. 11	Plan No. 12
Date of Board meeting	20/06/2018	07/03/2019	10/07/2019	02/04/2020
Number of shares allocated	1,301	35,502	4,567	36,197
Of which awarded to corporate officers	337	17,392	0	17,392
Date shares vested	20/06/2020	07/03/2021	10/07/2021	02/04/2022
Retention period ends	20/06/2022	07/03/2023	10/07/2023	02/04/2024
Number of shares cancelled or lapsed At 31 December 2020	252	3,007	0	0
Number of shares vested at 31 December 2020	1,049	0	0	0
Number of shares that can be awarded at 31 December 2020	0	32,495	4,567	36,197

1.5.11.2.2 Capital held by employees

The shares held by employees within the framework defined by Articles L. 225-102 and L. 225-197-1 of the French Commercial Code represent 0.37% of FREY's share capital.

1.5.11.2.3 Options to purchase or subscribe for shares granted to employees

There are no share subscription and/or purchase option plans in force within the Company.

1.5.12 PLACE OF LISTING AND CHANGES IN SHARE PRICE

The Company's shares have been listed on NYSE Euronext (ISIN: FR0010588079; Ticker: FREY) since 2 April 2008, the date of its IPO. The Company's shares are not listed on any other market.

Based on the Company's share price of €30.00 at 31 December 2020, the Company's market capitalisation was €738 million.

From 1 February 2020 to 31 January 2021, FREY's share price was as follows:



1.5.13 REPORT ON TRADING UNDER AUTHORISED SHARE BUYBACK PROGRAMMES

The report on share purchases and sales between 1 January 2020 to 31 January 2021 is as follows:

Position at 31 December 2020

Percentage of share capital directly or indirectly held as treasury shares	0.06%
Number of shares cancelled over the past 24 months	Nil
Number of treasury shares ⁽¹⁾	15,127
Carrying amount of the portfolio at 31 December 2020 (in €)	431,059
Market value of the portfolio at 31 December 2020 ⁽²⁾ (in €)	453,810

(1) Of which 4,737 shares were allocated to the liquidity (market-making) agreement and 10,390 shares purchased under the buyback programme.

(2) On the basis of the closing price of €30.00 at 31 December 2020.

Aggregate gross flows at 31 December 2020	Purchases	Sales	Transfers
Number of shares	277,960	6,471	687,331*
Average transaction price (in €)	27.37	31.82	26.85
Amounts (in €)	7,608,331.90	205,932.54	18,457,754.50

* Including 650,000 shares delivered as part of the acquisition of an additional stake in the Frey Retail Fund 2 vehicle (see Section 1.1.1.4 of this management report).

1.6 Corporate governance

This section presents the Board of Directors' report on corporate governance as provided for in Article L. 225-37 of the French Commercial Code.

1.6.1 STATEMENT OF CORPORATE GOVERNANCE COMPLIANCE

FREY adopted the December 2009 MiddleNext Corporate Governance Code for small and mid-cap companies on 18 April 2011. This Code was revised in September 2016 and can be found on the MiddleNext website (www.middlenext.com).

The Board of Directors has, in particular, familiarised itself with the aspects of the "Watch-points and recommendations" sections of the MiddleNext Code.

The Company's application of the recommendations of the MiddleNext Code as detailed in the table below:

Recommendations	Compliance by FREY
R1: Code of Ethics for Board members	YES
R2: Conflict of interests	YES
R3: Membership of the Board of Directors - Inclusion of independent members	YES
R4: Notification of Board members	YES
R5: Holding of Board and Committees Meetings	YES
R6: Establishment of committees	YES
R7: Establishment of Board rules of procedure	YES
R8: Selection of each director	YES
R9: Length of terms of office of Board members	YES
R10: Remuneration of directors	YES
R11: Evaluation of the work of the Board	YES
R12: Investor relations	YES
R13: Definition and transparency of remuneration of executive corporate officers	YES
R14: Preparation of executive succession	Not applicable - General Management is formed of the Chairman and Chief Executive Officer and the four Executive Vice-Presidents
R15: Aggregate employment contract and corporate office	YES
R16: Retirement benefits	Not applicable - No retirement benefits have been granted
R17: Supplementary pension plans	Not applicable - No supplementary pension plan has been put in place
R18: Stock options and allocations of free shares	YES
R19: Review of watch-points	YES

1.6.2 ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND SENIOR MANAGEMENT

1.6.2.1 Board of Directors

1.6.2.1.1 Membership of the Board of Directors and positions held by directors

The main qualities expected of a member of the Board of Directors are experience of the Company, personal commitment to the Board's work, an understanding of the economic and financial world, the ability to work as part of a team while respecting others' opinions, freedom to express what may be minority positions, a sense of responsibility toward shareholders and other stakeholders and integrity.

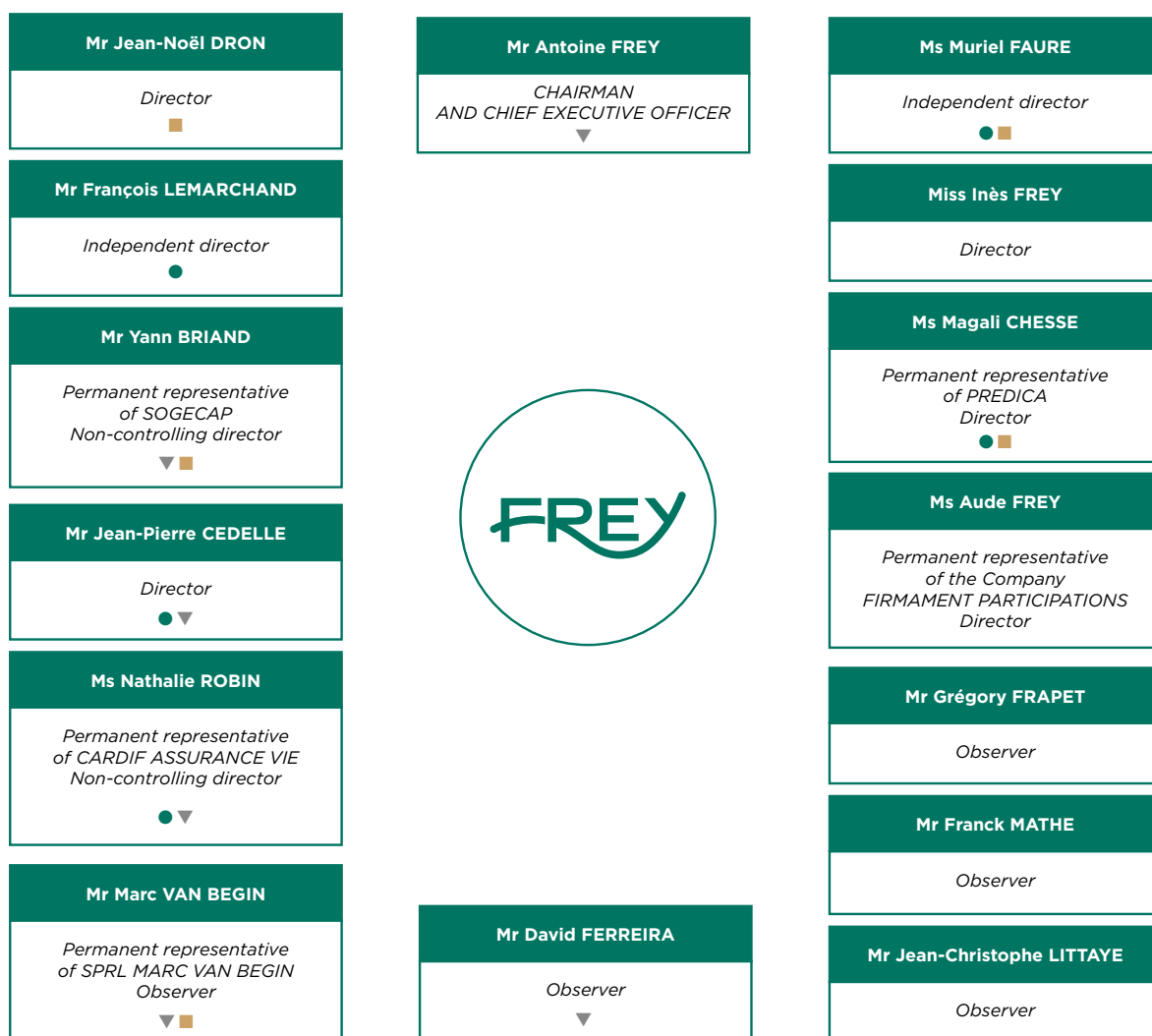
In addition to these main qualities, it is expected that members of the Board of Directors will make their decisions with an awareness of the environmental and social issues related to the Company's business.

FREY's Board of Directors currently has fifteen (15) members: ten (10) directors and five (5) observers.

Following the resignation of Thomas RIEGERT from his term of office as Director of the Company with effect from 1 September 2020, the Board of Directors of the Company, at its meeting of 23 September 2020, co-opted Inès FREY, replacing Thomas RIEGERT, for the remainder of her predecessor's term of office, i.e. until the General Meeting called to approve the financial statements for the financial year ended 31 December 2022. This co-optation will be ratified by the nearest Annual General Meeting of the Company.

The composition of the Company's Board of Directors currently complies with the recommendations of the MiddleNext Code on the inclusion of two independent directors on the Board.

Recommendation R9 of the Middenext Code stipulates that the renewal of directors' terms of office shall be staggered, yet all of the Group's directors' terms of office expire on the same date. While considering that this lack of staggered reappointment does not hinder the proper functioning of the Board of Directors, the Company expects that the Board will review the term of office of future block reappointments, possibly providing for shorter terms for certain directors.



● Audit Committee

▼ Investment Committee

■ Nomination and Remuneration Committee

Current directors and permanent representatives

ANTOINE FREY

CHAIRMAN OF THE BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

PERSONAL DETAILS:

A French national,
born in Reims in 1974

DATE FIRST APPOINTED:

24 June 2013

CURRENT TERM OF OFFICE EXPIRES:

Annual Ordinary General
Meeting to approve the
financial statements for
the financial year ended
31 December 2022

Legal background: Schuman University in Strasbourg

While pursuing his university studies, Antoine Frey entered the free print media business, and then specialist retailing.

From the late 1990s to 2005, he completed his first suburban commercial property developments in entities owned by him. He collaborated with the Company periodically on large-scale projects.

The decision to forge closer ties with the Company was made in 2005.

Since 2006, Antoine Frey has been Chairman of the Company and has transformed the FREY Group into a dynamic and successful property company in the commercial property market.

MAIN POSITIONS AND ROLES HELD AT 31/12/2020 OR AT THE TIME OF RESIGNATION, WHERE APPLICABLE

Within the Group:

French company:

Manager:

- SARL Ven-Sud

Foreign company:

Chairman of the Board of Directors:

- Frey Invest SLU (Spain)

Outside the Group:

Chairman:

- SAS Fideltasun

Chairman of the Supervisory Board:

- SCA Firmament Participations

Manager:

- SCI Kefren
- SCI Keops 02
- SCI Keops
- SCCV Baydev (legal representative: Kefren)
- SC NP Le Nid
- SCI Le Nid d'Aigle
- SC Groupement Forestier des Roches

POSITIONS HELD OUTSIDE THE GROUP DURING THE LAST FIVE YEARS

Chairman:

- SASU Firmament Gestion
- SAS Valdev (legal representative: Firmament Gestion)

Manager:

- SCCV l'Orgeval 02 (legal representative: Firmament Gestion)
- SARL Horus

AUDE FREY

REPRESENTATIVE OF FIRMAMENT PARTICIPATIONS

PERSONAL DETAILS:

A French national,
born in Reims in 1975

Aude Frey is a Doctor of Pharmacy.

She is married to Antoine Frey, Chairman of the Board of Directors and Chief Executive Officer.

MAIN POSITIONS AND ROLES HELD AT 31/12/2020 OR AT THE TIME OF RESIGNATION, WHERE APPLICABLE

Manager:

- SELARL Pharmacie Saint Maurice

Member of the Supervisory Board:

- SCA Firmament Participations

POSITIONS HELD OUTSIDE THE GROUP DURING THE LAST FIVE YEARS

Nil

SOCIÉTÉ FIRMAMENT PARTICIPATIONS

DIRECTOR WHOSE PERMANENT REPRESENTATIVE IS AUDE FREY

DETAILS:

Partnership limited by shares registered with the Reims Trade and Companies register under number 801 282 476

Registered office:
14 rue Cliquot Blervache -
51100 Reims

DATE FIRST APPOINTED:

Co-opted by the Board on
10 May 2017, ratified by the
General Meeting
of 23 June 2017

CURRENT TERM OF OFFICE

EXPIRES:

Annual Ordinary General
Meeting to approve the
financial statements for the
financial year ended
31 December 2022

Private company limited by shares registered in the Reims Trade and Companies Register under number 801 282 476.

MAIN POSITIONS AND ROLES HELD
AT 31/12/2020 OR AT THE TIME
OF RESIGNATION, WHERE APPLICABLE

Nil

POSITIONS HELD OUTSIDE THE GROUP DURING
THE LAST FIVE YEARS

Nil

INES FREY

DIRECTOR

PERSONAL DETAILS:

A French national,
born in Reims in 2002

DATE FIRST APPOINTED:

Cooptation by Board decision
on 23 September 2020,
pending ratification by the next
Ordinary General Meeting

CURRENT TERM OF OFFICE

EXPIRES:

Annual Ordinary General
Meeting to approve the
financial statements for the
financial year ended
31 December 2022

Inès Frey is a student at King's College in London on the "international management" course.

She is the daughter of Antoine Frey, Chairman of the Board of Directors and Chief Executive Officer, and Aude Frey, permanent representative of Firmament Participations.

MAIN POSITIONS AND ROLES HELD AT
31/12/2020 OR AT THE TIME OF RESIGNATION,
WHERE APPLICABLE

Member of the Supervisory Board:

- SCA Firmament Participations

POSITIONS HELD OUTSIDE THE GROUP DURING
THE LAST FIVE YEARS

Nil

JEAN-PIERRE CEDELLE

DIRECTOR

PERSONAL DETAILS:

A French national,
born in 1953 in Soissons

DATE FIRST APPOINTED:

24 June 2013

CURRENT TERM OF OFFICE

EXPIRES:

Annual Ordinary General
Meeting to approve the
financial statements for the
financial year ended
31 December 2022

Graduate studies/Diplomas: École du Bâtiment et des Travaux Publics (EBTP)

Professional experience: Methods engineer at several international locations (Saudi Arabia, Iraq, Nigeria); Chief Technical Officer, Immobilière FREY; Chairman, Immobilière FREY

MAIN POSITIONS AND ROLES HELD
AT 31/12/2020 OR AT THE TIME
OF RESIGNATION, WHERE APPLICABLE

Chairman:

- SASU F. EVENTS
- SASU JPC CONSULTING
- SASU Firmament Gestion

Member of the Supervisory Board:

- SCA Firmament Participations

POSITIONS HELD OUTSIDE THE GROUP DURING
THE LAST FIVE YEARS

Member of the Board of Directors:

- Stade de Reims
- Aviron Bayonnais

THOMAS RIEGERT DIRECTOR

PERSONAL DETAILS:

A French national,
born in Strasbourg in 1970

DATE FIRST APPOINTED:

23 June 2017

CURRENT TERM OF OFFICE EXPIRES:

Following resignation effective
as of 1 September 2020

Since 2001, Mr Riegert has been manager of Cafés Reck SARL, a family-owned coffee roasting business in Alsace. Board and elected member of the Chamber of Commerce and Industry of Strasbourg and of Bas Rhin. Prior to 2001, Thomas Riegert held a number of positions within Cafés Reck.

MAIN POSITIONS AND ROLES HELD AT 31/12/2020 OR AT THE TIME OF RESIGNATION, WHERE APPLICABLE

Manager:

- Société Civile TR AND CO
- SCI JOMALITO
- SCI TR OROVERDE

Member of the Supervisory Board:

- SCA Firmament Participations

POSITIONS HELD OUTSIDE THE GROUP DURING THE LAST FIVE YEARS

Manager:

- SARL Compagnie des Vosges
- Sarl TR PARTICIPATIONS

JEAN-NOËL DRON DIRECTOR

PERSONAL DETAILS:

A French national,
born in 1972 in Laxou

DATE FIRST APPOINTED:

24 June 2013

CURRENT TERM OF OFFICE EXPIRES:

Annual Ordinary General
Meeting to approve the
financial statements for the
financial year ended
31 December 2022

Qualifications: Law degree.

Company founder and manager.

At the same time as his studies, Jean-Noël Dron began working in free print media alongside Antoine Frey, before moving into the restaurant sector. He has since expanded his operations in this sector, acquiring a number of gastro pubs in Alsace. He heads the largest independent restaurant group in Alsace.

MAIN POSITIONS AND ROLES HELD AT 31/12/2020 OR AT THE TIME OF RESIGNATION, WHERE APPLICABLE

Chairman of the Management Board:

- SAS SORERES

Chairman:

- SAS SEM
- SA BROGLIE
- SAS Trasco HP
- SAS Société d'exploitation de débit de vins au Clou
- SAS Café Max
- SAS EXCELSIOR
- SAS FLO REIMS
- SAS GRANDES BRASSERIES DE L'EST
- SAS SOREREP
- SAS FLO - PARIS
- SAS JULIEN

Manager:

- SARL Trasco
- SARL TRASCO-SAR
- SARL Trasco - Belle Époque
- SARL Trasco - Embassy
- SARL Trasco - Lyes
- SARL Trasco - Société Messine de Restauration
- SARL Groupement des Viticulteurs
- SARL Werner-Brucker
- SARL Chez André
- SARL JNC INVEST
- SARL TRASCO - CK
- SCI Chaîne d'Or
- SCI DRON
- SCI DRON 01
- SCI Kammerzell
- SCI Kleber 1
- SCI Kleber 2

Managing Director:

- SAS ALSACE À TABLE

POSITIONS HELD OUTSIDE THE GROUP DURING THE LAST FIVE YEARS

Chairman of the Management Board:

- SAS ALSACE À TABLE

MURIEL FAURE**INDEPENDENT DIRECTOR****PERSONAL DETAILS:**

A French national,
born in 1959 in Le Raincy

DATE FIRST APPOINTED:

Co-opted by the Board on
18 April 2019, ratified by the
General Meeting of 21 May 2019

**CURRENT TERM OF OFFICE
EXPIRES:**

Annual Ordinary General
Meeting to approve the
financial statements for the
financial year ended
31 December 2022

Muriel Faure is a graduate of the ESSEC Business School and the Société Française des Analystes Financiers. She began her career as a financial analyst, before becoming a fund manager for various international equity funds within the ABN-AMRO, Fortis, BNP-Paribas and Crédit Lyonnais groups. In 1994, Ms Faure co-founded IT Asset Management (now FOURPOINTS Investment Managers, following a merger), a fund management company specialising in investments in listed technology companies, where she held the position of Chief Executive Officer until July 2016. In January 2017, she founded strategy consultancy firm LUMHIO, and was appointed Senior Advisor at investment management company J.de Demandolx Gestion in the same year. Ms Faure is also in charge of innovation at the Association Française de la Gestion Financière. She has served on the Board of the Autorité des Marchés Financiers (French Financial Markets Authority) since end-2016.

**MAIN POSITIONS AND ROLES HELD
AT 31/12/2020 OR AT THE TIME
OF RESIGNATION, WHERE APPLICABLE****Chairman:**

- Lumhio

Director:

- Groupama Asset Management
- Iznes
- Autorité des marchés financiers, independent administrative authority. Board member appointed by the French Minister for the Economy and Finance

**POSITIONS HELD OUTSIDE THE GROUP DURING
THE LAST FIVE YEARS****Director:**

- Fourpoints IM

Senior Management:

- Fourpoints IM

FRANÇOIS LEMARCHAND**INDEPENDENT DIRECTOR****PERSONAL DETAILS:**

A French national,
born in Rouen in 1948

DATE FIRST APPOINTED:

Co-opted by the Board on
10 July 2020, ratified by the
General Meeting of 20 May
2020

**CURRENT TERM OF OFFICE
EXPIRES:**

Annual Ordinary General
Meeting to approve the
financial statements for the
financial year ended
31 December 2022

François Lemarchand is a graduate of the École supérieure de commerce de Paris and holds an MBA from Harvard Business School.

In 1976, he founded the family-owned holding company Mercator SA, which he still chairs. He began his entrepreneurial career in the 1970s with the creation of Pier Import France, serving as its Chairman until 1988. In 1990, he established the retail chain Nature et Découvertes, with a commitment to promote biodiversity and raise public awareness of environmental issues. He served as Chairman of Nature et Découvertes until 2011.

Drawing on his commitment to sustainability and the environment, Mr Lemarchand set up the "François Lemarchand" foundation at the same time. He is also involved in other foundations linked to the environment and corporate philanthropy.

**MAIN POSITIONS AND ROLES HELD
AT 31/12/2020 OR AT THE TIME
OF RESIGNATION, WHERE APPLICABLE****Chairman of the Board of Directors:**

- Mercator SA
- Importation et Distribution de Produit Exotiques SA

Director:

- Société Anonyme Immobilière de Villemiland-Wissous
- Nature & Découvertes SA

**POSITIONS HELD OUTSIDE THE GROUP DURING
THE LAST FIVE YEARS**

Nil

SOGECAP

DIRECTOR WHOSE PERMANENT REPRESENTATIVE IS YANN BRIAND

DETAILS:

Life insurance and endowment limited company registered in the Nanterre Trade and Companies Register under number 086 380 730. Registered office: Tour D2 -17 bis place des reflets - 92919 Paris-La Défense 2

DATE FIRST APPOINTED:

Co-opted by the Board on 10 May 2017, ratified by the General Meeting from 23 June 2017

CURRENT TERM OF OFFICE EXPIRES:

Annual Ordinary General Meeting to approve the financial statements for the financial year ended 31 December 2022

Life insurance and endowment limited company registered in the Nanterre Trade and Companies Register under number 086 380 730

MAIN POSITIONS AND ROLES HELD AT 31/12/2020 OR AT THE TIME OF RESIGNATION, WHERE APPLICABLE

French companies:

Director:

- SA Oradea Vie
- SA Carmila
- SA FREY
- SPPICAV Otel
- SA Covivio Hôtels
- SAS Orientex Holdings
- SA Fonds Stratégique de Participations

Chairman:

- SAS SGI Holding SIS

Manager:

- Sogevimmo
- Pierre Patrimoine
- Sogepierre
- SGI Immo 1
- SGI Healthcare
- SGI Immo 3
- SGA 48-56 Desmoulins
- SGI Immo 5
- SGI Kosmo
- SGI 1-5 Astorg
- SGI 10-16 Ville l'Evêque
- SGI Caen
- SGI Villette
- SGI Visitation
- 89-89 Grande Armée
- 83-85 Grande Armée
- Massy 30 avenue Carnot

Foreign companies:

Director:

- SA BG1 (Luxembourg)
- SA Sogelife (Luxembourg)
- SA La Marocaine Vie (Morocco)
- UIB Insurance

POSITIONS HELD OUTSIDE THE GROUP DURING THE LAST FIVE YEARS

Foreign company:

Director:

- SA Sogecap Liban

French company:

Director:

- Camila SAS

Manager:

- Château Mazeyres Pomerol

YANN BRIAND

REPRESENTATIVE OF SOGECAP

PERSONAL DETAILS:

A French national, born in Carhaix Plouguer in 1974

Head of Real Estate - Sogecap

MAIN POSITIONS AND ROLES HELD AT 31/12/2020 OR AT THE TIME OF RESIGNATION, WHERE APPLICABLE

French companies:

Director (as permanent representative of Sogecap):

- SA CARMILA
- SA COVIVIO HÔTELS
- SPPICAV OTEL France

Other appointments held (in his own name):

- SAS Sogecap REAL ESTATE

Foreign companies:

Director (as permanent representative of Sogecap):

- BG1 SA (Luxembourg)

POSITIONS HELD OUTSIDE THE GROUP DURING THE LAST FIVE YEARS

Nil

CARDIF ASSURANCE VIE

DIRECTOR WHOSE PERMANENT REPRESENTATIVE IS NATHALIE ROBIN

1

DETAILS:

Limited company registered in the Paris Trade and Companies Register under number 732 028 154
 Registered office
 1 Boulevard Haussmann - 75009 Paris

DATE FIRST APPOINTED:

Co-opted by the Board on 10 May 2017, ratified by the General Meeting of 23 June 2017

CURRENT TERM OF OFFICE EXPIRES:

Annual Ordinary General Meeting to approve the financial statements for the financial year ended 31 December 2022

Limited company registered in the Paris Trade and Companies Register under number 732 028 154.

MAIN POSITIONS AND ROLES HELD AT 31/12/2020 OR AT THE TIME OF RESIGNATION, WHERE APPLICABLE**French companies:****Director:**

- SA Assu-Vie Société Française d'Assurances sur la Vie
- SPPICAV SA Health Property Fund 1
- SPPICAV SA Shopping Property Fund 1

Manager:

- SCI 68/70 rue de Lagny-Montreuil
- SCI BNP Paribas Pierre 1
- SCI BNP Paribas Pierre 2
- SCI Bobigny Jean Rostand
- SC Cardimmo
- SCI Citylight Boulogne
- SC Corosa
- SCI Défense Étoile
- SCI Défense Vendôme
- SCI Étoile du Nord
- SCI Fontenay Plaisance
- SCI Le Mans Gare
- SCI Nanterre Guillaumes
- SCI Nantes Carnot
- SCI Odyssee
- SCI Pantin Les Moulins
- SCI Paris Batignolles
- SCI Cardif Logements
- SCI Paris Cours de Vincennes
- SCI Saint-Denis Jade
- SCI Rue Moussorgski
- SCI Rueil Ariane
- SCI Rueil-Caudron
- SNC Les Résidences
- SCI Saint-Denis Landy
- SCI Saint-Denis Mitterrand
- SCI Valeur Pierre Epargne
- SCI Villeurbanne Stalingrad
- SCI Paris Turenne
- SCI Bouléragny
- SCI Vendôme Athènes
- SCI Paris Grande Armée
- Société Civile pour l'Étude et l'Aménagement du Centre d'Affaires Régional de Rungis (SECAR)

Chairman:

- SAS FDI Poncelet

Foreign company:**Director:**

- SAS Cardif El Djazair

POSITIONS HELD OUTSIDE THE GROUP DURING THE LAST FIVE YEARS**French companies:****Director:**

- SA Office Français de Prévoyance Funéraire

Manager:

- SCI Clichy Nuovo (resigned 12/04/2018)

Foreign companies:**Director:**

- PLC Cardif Pinnacle Management Services
- PLC Pinnacle Insurance

NATHALIE ROBIN

REPRESENTATIVE OF CARDIF ASSURANCE VIE

PERSONAL DETAILS:

A French national,
born in Paris in 1962

Head of Real Estate, Cardif Assurance Vie

MAIN POSITIONS AND ROLES HELD AT 31/12/2020 OR AT THE TIME OF RESIGNATION, WHERE APPLICABLE

French companies:

Director:

- SPPICAV SA AEW immocommercial
- SA Carmila
- SPPICAV SA BNP PARIBAS Diversipierre
- SAS Powerhouse Habitat
- SPPICAV SAS ICADE HEALTHCARE EUROPE

Member of the Supervisory Board:

- SCA Covivio Hôtels (formerly Foncière des Murs)
- SE Covivio Immobilier (formerly Immeo)
- SA BNP PARIBAS REIM France
- SCPI Opera Rendement
- SCI Primonial Capimmo
- SA Dauchez
- SA CFH
- SCPI Placement Ciloger 3
- SCI FLI
- SCPI Accès Valeur Pierre
- SCI Korian & Partners Real Estate 1
- SAS Korian & Partners Real Estate 2

Member of the Supervisory Board:

- SCI Hémisphère
- SAS Preim Healthcare
- SPPICAV SAS Plein Air Property Fund
- SPPICAV SAS PWH
- SICAV CERTIVIA 2

POSITIONS HELD OUTSIDE THE GROUP DURING THE LAST FIVE YEARS

French company:

- SA Foncière Développement Logements
- SCPI France Investipierre

PRÉDICA

DIRECTOR WHOSE PERMANENT REPRESENTATIVE IS MAGALI CHESSE

1

DETAILS:

Limited company registered in the Paris Trade and Companies Register under number 334 028 123
 Registered office
 50-56 rue de la Procession - 75015 Paris

DATE FIRST APPOINTED:
 24 June 2013

CURRENT TERM OF OFFICE EXPIRES:

Annual Ordinary General Meeting to approve the financial statements for the financial year ended 31 December 2022

Limited company registered in the Paris Trade and Companies Register under number 334 028 123

MAIN POSITIONS AND ROLES HELD AT 31/12/2020 OR AT THE TIME OF RESIGNATION, WHERE APPLICABLE**French companies:****Member of the Supervisory Board (within CAA Group):**

- CA GRANDS CRUS
- PREIM HEALTHCARE
- SOPRESA

Director (within CAA Group):

- LA MÉDICALE DE FRANCE
- PREVISEO OBSEQUES
- LESICA

Member of the Supervisory Board (outside CAA Group):

- EFFI-INVEST II
- COVIVIO HÔTELS
- (formerly Foncière des Murs, listed company)
- INTERFIMMO
- ALTAREA (listed company)

Director (outside CAA Group):

- KORIAN
- Fonds Nouvel Investissement 1
- Fonds Nouvel Investissement 2
- Fonds Stratégique de Participations
- COVIVIO (formerly FONCIÈRE DES RÉGIONS - listed company)
- AÉROPORT DE PARIS (listed company)
- ARGAN
- CAA Commerces 2
- CAAM Mone Cash
- GECINA (listed company)
- OPCI Messidor
- Patrimoine & Commerce
- CARMILA
- SEMMARIS
- AEW IMMOCOMMERCIAL

Observer (outside CAA Group):

- SIPAREX Associés
- TIVANA France Holding

Chairman (outside CAA Group):

- PREDI RUNGIS

Foreign companies:**Co-manager (within CAA Group):**

- PREDICARE

POSITIONS HELD OUTSIDE THE GROUP DURING THE LAST FIVE YEARS**French companies:****Member of the Supervisory Board:**

- EFFI-INVEST I
- Immeo Wohnen GmbH

Director:

- EUROSIC (listed company)
- SANEF (listed company)
- LOUVRESSES DEVELOPMENT I
- URBIS PARK
- CA LIFE GREECE
- RAMSAY GENERALE DE SANTE (listed company)
- Foncière Développement Logement (listed company)
- RIVER OUEST

Chairman:

- CITADEL
- CITADEL HOLDING

MAGALI CHESSE

REPRESENTATIVE OF PRÉDICA

PERSONAL DETAILS:

A French national,
born in 1977 in Strasbourg

Head of Equity Investment Strategies – Crédit Agricole Assurances.

MAIN POSITIONS AND ROLES HELD AT 31/12/2020 OR AT THE TIME OF RESIGNATION, WHERE APPLICABLE

French companies:

Member of the Supervisory Board/Board of Directors:

- SA Indigo Infra, SAS Arcapark (Indigo Group)
- ELIS SA (listed company)
- ARCAPARK, SAS
- CASSINI, SAS

Permanent representative:

- SA RAMSAY SANTE (CAA member of the Board of Directors - listed company)
- SCA Effi Invest I (Prédica member of the Supervisory Board)
- SA SEMMARIS (Prédica director)
- Siparex Associés SA (Prédica, observer on the Board of Directors)
- Tivana France Holdings SAS (Prédica, observer on the Supervisory Board of TDF Group)

Foreign company:

Director:

- SPA 2i AEROPORTI (Italy)

POSITIONS HELD OUTSIDE THE GROUP DURING THE LAST FIVE YEARS

French companies:

Director:

- SA Prédica Infrastructure
- SA Ramsay Santé
- SCA Effi Invest I (Prédica member of the Supervisory Board)
- SA FREY

Business address of the directors: 1 rue René Cassin -51 430 Bezannes.

1.6.2.1.2 Independent Directors

With regard to the various criteria used to ascertain the independence of members of the Board of Directors, namely:

- is not and has not been, in the last five years, an employee or executive corporate officer of the Company or of another company in the same Group;
- does not have and has not had, in the last two years, a significant business relationship with the Company or its Group (e.g. customer, supplier, competitor, service provider, creditor, banker, etc.);
- is not a major shareholder of the Company and does not hold a significant percentage of the voting rights;
- has no close or family ties with a corporate officer or major shareholder;
- has not served as a Statutory Auditor for the Company in the last six years.

Muriel Faure and François Lemarchand meet the independence criteria to qualify as independent directors during financial year 2020.

Statements concerning members of the Board of Directors

No director of the Company:

- has been convicted of fraud, charged with any other offence or had any official public disciplinary action taken against them by the statutory or regulatory authorities;
- has been involved in a bankruptcy, receivership or liquidation as a senior executive or corporate officer;
- has been barred from serving as a director or member of an administrative, management or supervisory body of an issuer, or from participating in its management.

Principle of gender balance on the Board

Law no. 2011-103 of 27 January 2011 on the gender balance on boards of directors, to require listed companies to comply with a minimum quota of 40% of members of each sex.

During the financial year 2020, the Company complied with this obligation. As such, until 1 September 2020, the Board was composed of six (6) men and four (4) women, *i.e.* 40% women and that at the date hereof, the Board is composed of five (5) men and five (5) women.

1.6.2.2 Preparation and organisation of the work of the Board of Directors

1.6.2.2.1 Duties of the Board of Directors

The Board of Directors determines the direction of FREY's activities and sees to their implementation.

Subject to the powers explicitly granted to shareholders' meetings and within the framework of the Company's corporate purpose, the Board takes responsibility for any matter relating to the proper operation of FREY and settles any matter concerning the Company by way of its deliberations.

The Board of Directors carries out any controls or checks it deems appropriate.

1.6.2.2.2 Information of the Board of Directors

The work of the Board of Directors is prepared on the basis of information communicated by the Chairman and Chief Executive Officer, who provides each member of the Board with the information he/she needs to perform his/her duties.

Board members may ask to be provided with any additional information or documents before or during Board meetings, at which FREY's Chairman and Chief Executive Officer and its Chief

Financial Officer may furthermore comment on such documents or information.

Moreover, the Board of Directors is constantly kept informed by any means, by the Chairman and Chief Executive Officer or the Group's management, of all events and/or significant transactions relating to FREY or any of its subsidiaries.

1.6.2.2.3 FREY Executive Management

The Chairman of the Board of Directors also serves as Chief Executive Officer of FREY.

There are no stipulations, in the Articles of Association or elsewhere, limiting or restricting the Chairman and Chief Executive Officer's remit and powers under legislation and regulations in force, with the exception of stipulations contained in the rules of procedure amended by the Board of Directors at its meeting of 15 December 2020; the limitations in question are set out in the following paragraphs dedicated to the rules of procedure and to committees of the Board of Directors.

As of 31 December 2020, the Chairman and CEO is assisted by four Deputy Chief Executive Officers:

- François Vuillet-Petite, Deputy Chief Executive Officer;
- Sébastien Eymard, Deputy Chief Executive Officer, Finance and International Affairs;
- Pascal Barboni, Deputy Chief Executive Officer, Development;
- François-Xavier Anglade, Deputy Chief Executive Officer, Asset Management and Acquisitions.

The role of the Deputy Chief Executive Officers is to assist the Chairman and Chief Executive Officer, to whom they report, in the day-to-day management of FREY. All terms of office were renewed at the meeting of the Board of Directors on 20 May 2020.

In order to attract the best candidates for executive management positions and to retain talented people who also have operational functions within the Group, the Board of Directors has authorised the combination of an employment contract and an executive mandate by its Deputy Chief Executive Officers.

List of positions held by Deputy Chief Executive Officers

FRANÇOIS VUILLET-PETITE

DEPUTY CHIEF EXECUTIVE OFFICER

PERSONAL DETAILS:

A French national,
born in Reims in 1968
Date first appointed:
24 June 2013

François Vuillet-Petite has been with Frey for more than 25 years. He was Sales Director, then Programmes Director before being appointed Deputy Chief Executive Officer in 2013.
François Vuillet-Petite is a business school graduate.

CURRENT TERM OF OFFICE EXPIRES:

After 3 years, i.e. at the conclusion of the Annual General Meeting approving the financial statements for the year ended 31 December 2022

OFFICES AND MAIN POSITIONS HELD AS OF 31/12/2020

Outside the Group:

French companies:

Manager:

- SCI Léontine

Member of the Board of Directors:

- SEM Agencia

SAS Patrimoniale de la Marne

Associate member:

- CCI Marne Champagne

POSITIONS HELD IN THE LAST FIVE YEARS

Within the Group:

French companies:

Manager:

- SNC Pierry 01

Director:

- SA FREY

Foreign companies:

Co-Manager:

- Freyprop, Unipessoal Lda (before change in legal form)

PASCAL BARBONI

DEPUTY CHIEF EXECUTIVE OFFICER DEVELOPMENT

PERSONAL DETAILS:

A French national,
born in Paris in 1976

DATE FIRST APPOINTED:

21 September 2017

Peter Barboni joined FREY in 2016 as Director of Operations, before becoming Deputy Chief Executive Officer, Development in September 2017.

He previously held various positions in real estate companies, notably at Unibail in 2006.

Pascal Barboni is a graduate of the École special des Travaux Publics (ESTP).

CURRENT TERM OF OFFICE EXPIRES:

After 3 years, i.e. at the conclusion of the Annual General Meeting approving the financial statements for the year ended 31 December 2022

OFFICES AND MAIN POSITIONS HELD AS OF 31/12/2020

Within the Group:

French company:

Chairman:

- Citizers by Frey SASU

Foreign companies:

Director:

- Frey Invest SLU (Spain)

Member of the Supervisory Board:

- FREYprop SA (Portugal)

POSITIONS HELD IN THE LAST FIVE YEARS

Nil

SÉBASTIEN EYMARD

DEPUTY CHIEF EXECUTIVE OFFICER FINANCE AND INTERNATIONAL AFFAIRS

PERSONAL DETAILS:

A French national,
born in 1978 in Nîmes

DATE FIRST APPOINTED:

21 September 2017

CURRENT TERM OF OFFICE EXPIRES:

3 years from 20 June 2018, at
the conclusion of the Annual
General Meeting approving
the financial statements
for the year ended
31 December 2022

Sébastien Eymard joined FREY in 2016 as Director of Growth and Strategy, before becoming Deputy Chief Executive Officer, Finance and Strategy in September 2017.

He began his career as an analyst with Arthur Andersen, before going on to hold a series of roles in the Investment Banking division of Crédit Agricole CIB.

Sébastien Eymard is a graduate of École Centrale and CFA Charterholder.

OFFICES AND MAIN POSITIONS HELD AS OF 31/12/2020

Within the Group:

Foreign companies:

Chairman of the Board of Directors:

- Parla Natura SL
- Parc Vallès Inversiones Inmobiliarias SLU
- Sociedad Gestora Santa Margarida SLU
- Eurofund Parc Lleida SL

Director:

- Frey Invest

Chairman of the Supervisory Board:

- Freyprop SA

POSITIONS HELD IN THE LAST FIVE YEARS

Within the Group:

Foreign companies:

Chairman of the Board of Directors:

- FREY Durango SL

FRANÇOIS-XAVIER ANGLADE

DEPUTY CHIEF EXECUTIVE OFFICER ASSET MANAGEMENT AND ACQUISITIONS

PERSONAL DETAILS:

A French national,
born in 1975 in Orléans

DATE FIRST APPOINTED:

20 May 2020

CURRENT TERM OF OFFICE EXPIRES:

After 3 years, i.e. at the
conclusion of the Annual
General Meeting approving the
financial statements for the
year ended 31 December 2022

François-Xavier Anglade joined FREY in 2012 as Head of Asset Management & Acquisitions, becoming Deputy Chief Executive Officer, Asset Management and Acquisitions in May 2020.

He previously held various positions in real estate companies, including Unibail-Rodamco and Simon Ivanhoë.

François-Xavier Anglade is a graduate of ESCP (MS audit) and EBS.

OFFICES AND MAIN POSITIONS HELD WITHIN THE GROUP AND OUTSIDE THE GROUP AS OF 31/12/2020

Within the Group:

Foreign companies:

Director:

- Eurofund Parc Lleida SL
- Frey Invest

Sole director:

- Project Guia, SA
- Imoconti SA
- Albufeira retail park LDA
- Algarve Shopping - Centro Comercial, SA

Chairman of the Executive Board:

- FREYPROP SA

POSITIONS HELD WITHIN THE GROUP AND OUTSIDE THE GROUP WITHIN THE LAST FIVE YEARS

Nil

Business address of the Deputy Chief Executive Officers: 1 rue René Cassin - 51 430 Bezannes.

No Deputy Chief Executive Officer:

- has been convicted of fraud, charged with any other offence or had any official public disciplinary action taken against them by the statutory or regulatory authorities;
- has been involved in a bankruptcy, receivership or liquidation as a senior executive or corporate officer;
- has been barred from serving as a director or member of an administrative, management or supervisory body of an issuer, or from participating in its management.

1.6.2.2.4 Operation of the Board of Directors

Organisation of the work of the Board of Directors

The Chairman and Chief Executive Officer organises the work of the Board of Directors, meetings of which he convenes, in accordance with legislation and regulations, as often as necessary and, in particular, whenever justified by FREY's and the Group's business.

The Board of Directors is a collegiate body whose decisions are binding upon all members.

Rules of Procedure

At its meeting of 15 December 2020, the Board of Directors unanimously adopted amendments to the Board Rules of Procedure, under the terms of which certain decisions must be subject to prior approval by the Board, namely:

- approval of FREY's areas for strategic development, business plan and annual budget and their implementation, as well as any significant subsequent amendments thereto;
- investments and firm undertakings given by FREY, whether directly or via a subsidiary, provided that (i) they have not been approved by the Board of Directors under point (1) above and (ii) the amount, excluding taxes, per asset or per development project exceeds €30 million, irrespective of the project's outcome;
- disposals of assets (excluding development projects) or investments, if (i) such disposal has not been approved by the Board of Directors under point (1) above and (ii) the value of the assets concerned or their underlying assets exceeds €30 million;
- borrowing (including by issuing bonds) or taking on liabilities, provided that (i) this has not been approved by the Board of Directors under points (1), (2) and (3) above and (ii) its amount exceeds €20 million;
- setting the remuneration of the Chairman and Chief Executive Officer and Deputy Chief Executive Officers;
- annual authorisation to be granted to the Chairman and Chief Executive Officer to give deposits, sureties and guarantees and in respect of liabilities of FREY's subsidiaries, including for transactions covered by points (2), (3) and (4) above, and for an amount to be proposed by the latter;
- appointment or dismissal of the Chairman and Chief Executive Officer and Deputy Chief Executive Officers.

Deposits, securities and guarantees to be given by FREY on behalf of third parties other than subsidiaries of the Company must also be authorised by the Board where these have not been approved under points (1), (2), (3) and (4) above or authorised under point (6) above.

It is furthermore provided that decisions covered by point (7) above shall be validly adopted by the Board by majority vote of its members, provided that half of all members are in attendance, with the Chairman of the Board not having a casting vote in

the event of a tie, and that decisions covered by points (1) to (6) inclusive above shall be validly adopted by two-thirds (2/3) majority vote by members in attendance or represented, provided that half of all members are in attendance.

Committees within the Board of Directors

The Board of Directors has formed a number of committees tasked with assisting it in its work, namely:

- an Investment Committee;
- an Appointments and Remuneration Committee; and
- an Audit Committee.

The members of these committees are chosen from among the members of the Board (director or observer). The role of these committees is to study and prepare for certain Board deliberations and to submit opinions, proposals and recommendations. These committees have an advisory role only.

In fulfilling their remit, these committees may, after informing the Chairman of the Board, undertake or arrange to have undertaken, at the Company's expense, studies likely to inform the Board's deliberations and hold hearings of the Statutory Auditors. They report on any opinions so obtained.

Each committee reports (*via* its Chair) to the Board of Directors on its work, opinions, proposals and recommendations. A description of the activities of these committees is included in FREY's annual report every year.

The Rules of Procedure determine the remit and operating procedures of each committee.

INVESTMENT COMMITTEE

The Investment Committee consists of six (6) members chosen from among the members of the Board for the duration of their term of office. They are appointed by the Board by absolute majority vote (Rules of Procedure - Title 2).

The Investment Committee had the following members in the 2020 financial year:

- Antoine Frey;
- Jean-Pierre Cedelle;
- Nathalie Robin, permanent representative of Cardif Assurance Vie;
- Yann Briand, permanent representative of Sogecap;
- Marc Van Begin, permanent representative of SPRL Marc Van Begin (observer);
- David Ferreira (observer).

At least three (3) members of the Investment Committee must be in attendance for meetings to be valid.

The Investment Committee has an advisory role and does not make decisions. In particular, it discusses FREY's commitments, investments and divestments, whether made directly or via a subsidiary, (i) where these have not been approved by the Board of Directors either specifically or as part of an overall package, and (ii) where:

- total pre-development costs (charges, costs, expenses and fees of any kind including binding financial commitments consequential to controlling the land or asset) linked to a planned investment that will be borne by the Company, regardless of the outcome of the project, exceed €5 million per planned investment;
- the investment to be made on assets already owned by the Company, directly or via a subsidiary, excluding assets to be redeployed, exceeds €15 million;

- disposals of assets (excluding development projects) or equity holdings concern assets, including their underlyings, whose value exceeds €15 million per asset.

The Investment Committee may be convened by the Chairman and Chief Executive Officer for advice on any investment project, disposal or plans to take on more debt.

The Chairman of the Board keeps the Investment Committee informed of the various planned investments and/or disposals under consideration by the Company and its subsidiaries and of the commitments made in this regard where (i) their overall value excluding taxes is less than €15 million per project, (ii) said Investment Committee has not already given advice on them under this Article and (iii) they have not been approved by the Board of Directors.

Opinions of the Investment Committee are adopted by two-thirds (2/3) majority vote by members in attendance or represented.

During the financial year 2020, the Investment Committee met three (3) times, on 30 June, 9 September and 14 December 2020.

APPOINTMENTS AND REMUNERATION COMMITTEE

The Appointments and Remuneration Committee consists of five (5) members chosen from among the members of the Board for the duration of their term of office. They are appointed by the Board by absolute majority vote (Rules of Procedure – Title 3).

The Appointments and Remuneration Committee had the following members in the 2020 financial year:

- Yann Briand, permanent representative of Sogecap;
- Jean-Noël Dron;
- Marc Van Begin, permanent representative of SPRL Marc Van Begin (observer);
- Magali Chesse, permanent representative of Prédica;
- Muriel Faure.

At least half the members of the Appointments and Remuneration Committee must be in attendance for meetings to be valid.

The duties of the Appointments and Remuneration Committee are notably to:

- examine proposed appointments of directors to be put to the vote at a General Meeting and submit opinions to the Board of Directors on such proposed appointments;
- examine proposed appointments of observers by the Board of Directors;
- prepare recommendations for the re-appointment or succession of the Chairman of the Board of Directors and the Chief Executive Officers as expiry of the term of office of the latter approaches;
- review the mode and amount of remuneration paid to the Company's executives;
- review stock option and free share allocation plan and their rules and allocation, as well as any incentive plan or programme within the Company.

Opinions of the Appointments and Remuneration Committee are adopted by simple majority vote by members in attendance or represented.

Meetings of the Appointments and Remuneration Committee are chaired by Muriel Faure, Independent Director, in accordance with the recommendations of the Middlednext Code.

During the 2020 financial year, the Appointments and Remuneration Committee met five (5) times, on 3 March, 2 April, 20 May, 30 June and 23 September 2020.

AUDIT COMMITTEE

The Audit Committee consists of five (5) members chosen from among the members of the Board for the duration of their term of office. They are appointed by the Board by absolute majority vote (Rules of Procedure – Title 4).

The Audit Committee had the following members in the 2020 financial year:

- Muriel Faure;
- Jean-Pierre Cedelle;
- Nathalie Robin, permanent representative of Cardif Assurance Vie;
- Magali Chesse, permanent representative of Prédica;
- François Lemarchand.

At least three (3) members of the Audit Committee must be in attendance for meetings to be valid.

The duties of the Audit Committee are notably to:

- monitor the process of preparing financial information and, where applicable, make recommendations to ensure its integrity;
- monitor the effectiveness of the internal control and risk management systems, as well as where applicable the internal audit systems, as regards the procedures for preparing and processing accounting and financial information, without prejudice to its independence;
- make a recommendation regarding the Statutory Auditors the General Meeting is asked to appoint. This recommendation, which is sent to the Board, is prepared in accordance with the regulations. It also makes a recommendation to the Board when any auditor is being reappointed in the manner set out by the regulations;
- monitor the work of the Statutory Auditors and have regard to the findings and conclusions of the Haut Conseil du Commissariat aux Comptes (Audit Office Control Board) following checks carried out pursuant to regulations;
- ensure the Statutory Auditors remain independent as per the regulations;
- approve the provision of services other than statutory auditing in line with applicable regulations;
- regularly report to the Board of Directors on the performance of their work. It also reports on the outcome of the statutory auditing, on the manner in which the work improved the integrity of the financial information and the role it played in this process. It gives immediate notification of any difficulties.

Opinions of the Audit Committee are adopted by simple majority vote by members in attendance or represented.

The Audit Committee reports to the Board on its work, expresses opinions and suggestions as it sees fit and notifies the Board of any points requiring a decision by the Board.

Meetings of the Audit Committee are chaired by Muriel Faure, an independent director, in accordance with the recommendations of the Middlednext Code.

During the financial year 2020, the Audit Committee met five (5) times, on 22 January, 3 March, 16 June, 9 September and 15 December 2020. The Board of Directors followed all the recommendations by the Audit Committee in the 2020 financial year.

Confidentiality of information

The directors, and any other persons attending meetings of the Board of Directors, are bound by a strict obligation of confidentiality and discretion with regard to information disclosed to them by FREY, which they receive in connection with Board deliberations, and information that is confidential in nature or that is presented as such by the Chairman of the Board of Directors.

Members of the Board of Directors are made aware of the provisions of the French Monetary and Financial Code and of the AMF General Regulation on, in particular, access to and use of inside information as well as the duty of abstinence on all insiders.

In particular, if a member of the Board of Directors is aware of a specific piece of confidential information that is liable, upon publication, to have a significant impact on the price of the Company's shares, s/he must refrain from disclosing that information to any third party until such time as it has been made public and from trading in the Company's shares.

In accordance with the provisions pertaining to the MAR Regulation no. 596/2014 of 16 April 2014 on the prevention of insider trading, in the 2017 financial year Management introduced an Insider Trading Code alongside an updated list of FREY permanent insiders.

Meetings of the Board of Directors

At least half of Board members must be in attendance for deliberations to be valid.

Decisions are made by majority vote by those members in attendance or represented, with each director having one vote. The Chairman does not have a casting vote.

The Board of Directors met eight (8) times in the 2020 financial year, on 6 March, 2 April, 8 April, 20 May, 7 July, 21 July, 23 September and 15 December 2020, with an average attendance rate of 91% (not including observers).

In the course of those meetings, FREY's Board of Directors notably dealt with the following key topics:

- review and approval of the corporate financial statements for the financial year ended 31 December 2019;
- review and adoption of the internal charter for the identification of related-party agreements and on the procedure for the evaluation of current agreements entered into under normal conditions, on the advice of the Audit Committee;
- assessment of current agreements, on the advice of the Audit Committee;
- presentation of risk mapping;
- preparation of the report of the Board of Directors on free share allocations in the financial year ended 31 December 2019;
- review of free share allocation plan for Company employees and corporate officers, acting on the recommendation of the Appointments and Remuneration Committee;
- review and adoption of the components of the compensation policy applicable to all corporate officers of the Company, on the advice of the Appointments and Remuneration Committee;
- review and adoption of the components of the compensation policy applicable to each category of corporate officer by virtue of their office in the Company, on the prior advice of the Appointments and Remuneration Committee;

- review of the achievement of the performance criteria and approval of the compensation paid or awarded to all corporate officers during the financial year ended for their term of office in the Company and the other information referred to under Article L.22-10-9 of the French Commercial Code, on the advice of the Appointments and Remuneration Committee;
- setting of the proposed allocation of fixed annual remuneration to be awarded to the Board of Directors by the General Meeting for the 2020 financial year, acting on the recommendation of the Appointments and Remuneration Committee;
- proposed renewal of delegations of authority and financial authorisations granted to the Board of Directors;
- annual update on the Company's policy on equal pay and gender equality, pursuant to the provisions of Article L. 225-37-1 of the French Commercial Code;
- preparation of the report of the Board of Directors on the Company's management and on the Group's activities during the past financial year, including in a special section of the report of the Board of Directors on corporate governance provided for in Article L. 225-37 (6) of the French Commercial Code;
- preparation of the report of the Board of Directors to the Combined General Meeting and the draft resolutions to be submitted to shareholders;
- review and authorisation to be given to the Chairman and Chief Executive Officer to carry out a planned increase in the Company's share capital;
- review and implementation of free share allocation plan for FREY Group employees and corporate officers under the authorisation granted in Resolution 14 of the Extraordinary General Meeting of 20 June 2018, and on the prior advice of the Appointments and Remunerations Committee.
- annual assessment of the functioning and preparation of the Board's work in accordance with recommendation no. 11 of the MiddleNext Code;
- review of the points of vigilance in accordance with recommendation no. 19 of the MiddleNext Code;
- reappointment of Chairman of the Board of Directors and Chief Executive Officer of Antoine Frey;
- reappointment of the Deputy Chief Executive Officers of François Vuillet-Petite, Sébastien Eymard and Pascal Barboni;
- co-optation of Inès Frey;
- reappointment of observers;
- approval of a new syndicated credit line for €70 million;
- half-yearly update on the implementation of the liquidity (market-making) agreement;
- presentation of the half-yearly report of the Company and its subsidiaries;
- renewal of the powers granted to the Chairman and Chief Executive Officer to give deposits, securities and guarantees on the Company's behalf;
- review and approval of FREY Group's five-year business plan (2021-2025);
- review and approval of the FREY Group's strategic guidelines on plans to transform into a "Entreprise à mission" and B Corp labelling.

Attendance at Board meetings by video-conference

Directors attending meetings of the Board of Directors by video-conference or other forms of telecommunication are included for the purposes of calculating quorums and majorities, except with respect to decisions concerning the preparation of the annual corporate and consolidated financial statements and the management report.

FREY has video-conferencing equipment whose technical characteristics meet the applicable legal and regulatory requirements and constraints.

During the financial year just ended, the Board of Directors made use of the aforementioned video-conferencing equipment at some of its meetings.

In this respect, it is specified that due to the coronavirus epidemic and the fight against its spread, exceptional and temporary adaptations have been made to the rules governing the convening, notification and deliberation of meetings and others collegial bodies of legal entities and non-corporate entities governed by private law, as set out in Order No.2020-321 of 25 March 2020 amended by Order No.2020-1497 of 2 December 2020 and the decree No. 2020-418 of 10 April 2020 as amended by Decree No.2020-1614 of 18 December 2020. During the financial year 2020, these measures were applied to ensure that meetings of the Board of Directors are held in a paperless manner without a clause in the Articles of Association or the internal regulations being necessary or being able to be met to oppose it, and whatever the purpose of the decision on which the body is called upon to rule.

Minutes of meetings

Deliberations of the Board of Directors are recorded in minutes held in a special loose-leaf register, with each page numbered and initialled. This register is signed by those members of the Board of Directors attending each Board meeting and records the names of those directors in attendance or considered to be in attendance or represented as defined in Article L. 225-37 of the French Commercial Code. It also records the names of any directors attending each meeting by video-conference or other forms of telecommunication.

Copies or excerpts of these minutes to be provided to third parties and public authorities are certified by the Chairman of the Board of Directors, the Chief Executive Officer, the Deputy Chief Executive Officers or a duly authorised signing officer.

Evaluation of the work of the Board and specialist committees

Each year, when the Board reviews the annual corporate and consolidated financial statements for the financial year just ended, the Chairman of the Board invites the members to give an opinion on the operation of the Board and the preparation of its work.

Furthermore, members of the Board may give an opinion on the operation of the Board and the preparation of its work as and when they see fit.

These discussions are noted in the minutes of the meeting.

At the meeting of 6 March 2020, having been invited to give an opinion on these points, the members of the Board put forward no particular observations and suggested no potential improvements.

Given FREY's size, the Board's mode of operation is considered satisfactory and Management feels there is no need to provide for an *ad hoc* system for evaluating the work of the Board or its committees.

1.6.2.2.5 Procedure applicable to non-related-party agreements concerning transactions occurring in the normal course of business and entered into on arm's-length terms

At its meeting on 6 March 2020, the Board of Directors approved an internal procedure in accordance with AMF Recommendation No. 2012-05 of 2 July 2012, as amended on 5 October 2018, and specifically its Proposal No. 4.1, as well as the procedure for the review of agreements concerning transactions occurring in the normal course of business and entered into on arm's-length terms, introduced by Law no. 2019-486 of 22 May 2019 on business growth and transformation (the "Pacte" Law).

The purpose of this charter is to clarify the rules applied within the Company relating to the review and assessment of non-related-party agreements concerning transactions occurring in the normal course of business and entered into on arm's-length terms.

As part of this procedure, the Finance Department and the Legal Department conduct a review to assess, on a case-by-case basis, whether a draft agreement comes under the related-party agreements procedure, whether it is an agreement entered into with a wholly-owned subsidiary, or whether it meets the criteria for agreements entered into on arm's-length terms in the light of the criteria described in the charter. Following this review, the Finance Department and the Legal Department may seek the opinion of the Board of Auditors in case of doubt over the classification of a draft agreement.

Each year, prior to the adoption of the financial statements for the previous financial year, the Finance Department sends the Audit Committee the list of agreements entered into on arm's-length terms and any observations it may have. If, during the annual review, the Audit Committee considers that an agreement previously considered as being in the normal course of business and entered into on arm's-length terms no longer meets the aforementioned criteria, it will refer the matter to the Board of Directors. Where appropriate, the Board will reclassify the agreement as a related-party agreement, approve it and submit it to the next General Meeting for ratification, accompanied by a special report by the Statutory Auditors, in accordance with the provisions of Article L. 225-42 of the French Commercial Code. Note that pursuant to paragraph 2 of Article L. 225-39 of the French Commercial Code, persons with a direct or indirect interest in the agreement will not be involved in its assessment.

1.6.2.2.6 Financial delegations

The summary table of delegations of authority and financial authorisations granted to the Board of Directors can be found in Appendix 2 to this management report.

1.6.2.3 Presentation of the management team

The Board of Directors and the Deputy Chief Executive Officers are assisted by a three-strong management team:

Mathieu Mollière, Director of Marketing, Communication & Innovation

Mathieu Mollière has a bachelor's degree in history and is a graduate of the École Supérieure de Journalisme de Paris. He worked as a reporter at TF1 for six years before establishing his own communications and audiovisual production company.

He joined FREY as Director of Communications and Marketing in 2012.

Pascal Allançon, Chief Executive Officer of CITIZERS BY FREY

He holds a post-graduate degree in Economic Analysis and has held various positions from marketing to development at BNP Real Estate and Eiffage before joining Hertel, a property development and investment company, as Director of Development in 1996. He then held the position of Chairman of the Management Board for more than 15 years.

In 2018, he joined the FREY Group to create and co-manage the new BU Citizers with Roger Barbary.

Roger Barbary, Chief Executive Officer of CITIZERS BY FREY

A graduate of the École Spéciale Militaire de Saint-Cyr and holder of an HEC Entrepreneurs Master's degree, Roger Barbary held various managerial posts in distribution before joining Unibail-Rodamco, where he spent 12 years as Head of Retail Development France and Head of Group Operations. He then joined the SNCF group, where he held the positions of Marketing and Sales Director of Gares & Connections and General Manager of A2C for three years. Lastly, he founded his own consulting firm in real estate development and valuation through innovation and customer experience.

In 2018, he joined the FREY Group to create and co-manage the new BU Citizers with Pascal ALLONCON.

1.6.2.4 Potential conflicts of interest at director level

No directors have agreed to any restriction on the sale, within a certain period of time, of their stake in the share capital of the issuer, with the exception of the right of first refusal granted by Prédica, Foncière AG Real Estate and Firmament Participations under the terms of the shareholders' agreement signed on 15 May 2019 (hereinafter the "shareholders' agreement"), (see Section 1.5.3 "Major shareholders" of this management report).

There are no potential conflicts of interest between the duties to the Company and the private and/or other interests of the directors.

There are no arrangements or agreements concluded with the main shareholders, clients, suppliers or other parties by virtue of which any of the directors was selected as a member of an administrative, management or supervisory body, or as a member of Senior Management.

Nonetheless, please note that pursuant to the shareholders' agreement:

- Antoine Frey, Jean-Pierre Cedelle, Thomas Riegert (replaced by Inès Frey), Jean-Noël Dron and Firmament Participations (represented by Aude Frey) were nominated as members of the Board of Directors by Firmament Participations;
- Prédica (represented by Magali Chesse) was appointed to the Board of Directors at the behest of Prédica;
- David Ferreira was appointed as observer to the Board of Directors on the initial proposal of Prédica;
- SPRL Marc Van Begin (represented by Marc Van Begin) was appointed as observer to the Board of Directors at the original behest of FONCIÈRE AG Real Estate;
- Sogecap (represented by Yann Briand) was appointed to the Board of Directors at the behest of Sogecap; and
- Cardif Assurance Vie (represented by Nathalie Robin) was appointed to the Board of Directors at the behest of Cardif Assurance Vie.

As of the date of this management report, no assets belonging directly or indirectly to any of the directors or the members of their families are used by FREY.

In addition, pursuant to Article L. 225-37-4 of the French Commercial Code, as far as the Company is aware, there is no agreement entered into directly or *via* an intermediary, between, on the one hand, and as the case may be, the Chief Executive Officer, one of the Deputy Chief Executive Officers, a director or a shareholder holding over 10% of the Company's voting rights, and on the other hand, another company controlled by the former within the meaning of Article L. 233-3, except for agreements listed below and agreements concerning transactions occurring in the normal course of business and entered into on arm's-length terms.

Regulated agreements authorised in 2020

During the financial year 2020, three related-party agreements were signed, respectively between the Company and the CAA COMMERCE 2 OPCI and between the Company and IMMO NATION, the main terms of which are detailed below.

It is specified here that the Board of Directors of the Company, in accordance with Article L. 225-38 of the French Commercial Code, authorised the signing of the three agreements on 7 July 2020. Magali Chesse, David Ferreira and Marc Van Begin, the permanent representatives of the legal entities concerned, did not take part in the deliberations or the votes relating to these agreements. These three agreements were signed on 28 July 2020 and will be submitted for approval to the General Shareholders' Meeting called to approve the financial statements for the financial year 2020. In addition, these agreements were the subject of an information notice on the website on 28 July 2020.

Regulated agreement no. 1 - Exchange agreement for shares in Frey Retail Fund 2

IMMO NATION is controlled by AG Real Estate, a shareholder that holds 12.7% of the Company's share capital and is also an observer on the Company's Board of Directors.

The agreement was entered into with a view to consolidating the portfolio held by Frey Retail Fund 2 and improving the clarity of the results generated at the Company level.

Under the terms of this agreement, IMMO NATION has undertaken to sell its entire stake in Frey Retail Fund 2 to FREY. In return for the delivery of 650 000 FREY shares (which were held by FREY), a cash payment of €20.2 million financed by the company's own resources. This cash payment was subject to a non-material upward price adjustment after taking into account FREY's half-yearly financial statements at 30 June 2020.

Related-party agreements no. 2 and 3 - Partners' agreements entered into by the partners of Frey Retail Fund 1 and Frey Retail Fund 2 respectively

The CAA COMMERCE 2 OPCI is controlled by Prédica, itself a director of the Company, which holds 19.4% of the Company's share capital.

The agreements were entered into between the Company and the CAA COMMERCE 2 OPCI, with respect to each of the aforementioned companies, with a view to consolidating the partnership set up between the Company and the CRÉDIT AGRICOLE ASSURANCES group in the management of the Group portfolio held by Frey Retail Fund 1 and Frey Retail Fund 2.

The purpose of these agreements was to govern relations between shareholders within the two vehicles, following the departure of IMMO NATION and the takeover by FREY. They cancel and replace the agreements in place to date. The expiry date for each of the agreements was kept at 31 December 2024.

1.6.2.5 Trading in the Company's shares by corporate officers and similar individuals and their families

During the past financial year, the AMF was notified of the following trades in accordance with the provisions of Article L. 621-18-2 of the French Monetary and Financial Code and Article 19 of EU Regulation no. 596/2014 of 16 April 2014 on market abuse:

Reporting entity	Nature of the transaction	Financial instruments	Description of the transaction	Notification date	Declaration number
Firmament Participations	Euronext acquisitions	Shares	Acquisition of 150 shares at a unit price of €32.80	20/03/2020	2020DD675491
			Acquisition of 150 shares at a unit price of €32.40		
			Acquisition of 150 shares at a unit price of €32.80		
			Acquisition of 150 shares at a unit price of €32.00		
			Acquisition of 150 shares at a unit price of €32.50		
Firmament Participations	Euronext acquisitions	Shares	Acquisition of 150 shares at a unit price of €32.30	27/03/2020	2020DD676711
			Acquisition of 150 shares at a unit price of €32.80		
			Acquisition of 150 shares at a unit price of €32.80		
			Acquisition of 150 shares at a unit price of €32.80		
			Acquisition of 150 shares at a unit price of €32.80		
Firmament Participations	Euronext acquisitions	Shares	Acquisition of 150 shares at a unit price of €32.30	03/04/2020	2020DD677909
			Acquisition of 150 shares at a unit price of €32.35		
			Acquisition of 150 shares at a unit price of €31.20		
			Acquisition of 150 shares at a unit price of €30.30		
			Acquisition of 150 shares at a unit price of €31.50		
Firmament Participations	Euronext acquisitions	Shares	Acquisition of 1,092 shares at a unit price of €31.40	09/04/2020	2020DD678750
			Acquisition of 150 shares at a unit price of €31.60		
			Acquisition of 150 shares at a unit price of €31.80		
			Acquisition of 150 shares at a unit price of €31.90		
			Acquisition of 150 shares at a unit price of €31.80		
Firmament Participations	Euronext acquisitions	Shares	Acquisition of 150 shares at a unit price of €31.90	17/04/2020	2020DD679480
			Acquisition of 30 shares at a unit price of €32.00		
			Acquisition of 80 shares at a unit price of €32.00		
Firmament Participations	Euronext acquisitions	Shares	Acquisition of 1,000 shares at a unit price of €30.80	24/04/2020	2020DD680566
Firmament Participations	Payment of dividends in shares listed on Euronext	Shares	Receipt of 119,581 shares at a unit price of €25.56	29/05/2020	2020DD685464

Reporting entity	Nature of the transaction	Financial instruments	Description of the transaction	Notification date	Declaration number
Cardif Assurance Vie	Payment of dividends in shares listed on Euronext	Shares	Receipt of 48,581 shares at a unit price of €25.56	16/06/2020	2020DD688141
Sogecap	Payment of dividends in shares listed on Euronext	Shares	Receipt of 48,581 shares at a unit price of €25.56	17/06/2020	2020DD688425
Prédica	Payment of dividends in shares listed on Euronext	Shares	Receipt of 82,501 shares at a unit price of €25.56	19/06/2020	2020DD688759
Firmament Participations	Euronext acquisitions	Shares	Acquisition of 150 shares at a unit price of €30.00 Acquisition of 150 shares at a unit price of €30.00 Acquisition of 150 shares at a unit price of €30.00 Acquisition of 150 shares at a unit price of €29.87	23/06/2020	2020DD689146
Firmament Participations	Euronext acquisitions	Shares	Acquisition of 150 shares at a unit price of €30.00 Acquisition of 150 shares at a unit price of €30.00 Acquisition of 150 shares at a unit price of €30.20	29/06/2020	2020DD689779
Firmament Participations	Euronext acquisitions	Shares	Acquisition of 150 shares at a unit price of €30.10 Acquisition of 100 shares at a unit price of €30.00	03/07/2020	2020DD690864
Firmament Participations	Euronext acquisitions	Shares	Acquisition of 150 shares at a unit price of €29.26 Acquisition of 150 shares at a unit price of €29.87 Acquisition of 50 shares at a unit price of €30.20 Acquisition of 50 shares at a unit price of €30.40	02/10/2020	2020DD703279
Firmament Participations	Euronext acquisitions	Shares	Acquisition of 100 shares at a unit price of €30.70 Acquisition of 50 shares at a unit price of €31.00	09/10/2020	2020DD704166
Firmament Participations	Euronext acquisitions	Shares	Acquisition of 54 shares at a unit price of €31.00 Acquisition of 77 shares at a unit price of €31.00	19/10/2020	2020DD705243
Firmament Participations	Euronext acquisitions	Shares	Acquisition of 150 shares at a unit price of €30.60 Acquisition of 101 shares at a unit price of €30.89	26/10/2020	2020DD706196
Firmament Participations	Euronext acquisitions	Shares	Acquisition of 150 shares at a unit price of €31.00 Acquisition of 50 shares at a unit price from €31.00	02/11/2020	2020DD707377
Firmament Participations	Euronext acquisitions	Shares	Acquisition of 100 shares at a unit price of €29.30 Acquisition of 100 shares at a unit price of €29.00 Acquisition of 100 shares at a unit price of €29.50	07/12/2020	2020DD722767

Reporting entity	Nature of the transaction	Financial instruments	Description of the transaction	Notification date	Declaration number
Firmament Participations	Euronext acquisitions	Shares	Acquisition of 100 shares at a unit price of €29.60	10/12/2020	2020DD723455
			Acquisition of 50 shares at a unit price of €29.60		
			Acquisition of 70 shares at a unit price of €28.80		
Firmament Participations	Euronext acquisitions	Shares	Acquisition of 100 shares at a unit price of €28.70	16/12/2020	2020DD724254
			Acquisition of 100 shares at a unit price of €29.30		
			Acquisition of 100 shares at a unit price of €29.60		
			Acquisition of 30 shares at a unit price of €29.60		
Firmament Participations	Euronext acquisitions	Shares	Acquisition of 50 shares at a unit price of €29.60	22/12/2020	2020DD725055
			Acquisition of 100 shares at a unit price of €29.00		
			Acquisition of 150 shares at a unit price of €29.00		
			Acquisition of 150 shares at a unit price of €29.10		
Firmament Participations	Euronext acquisitions	Shares	Acquisition of 150 shares at a unit price of €29.26	27/12/2020	2020DD725415
			Acquisition of 150 shares at a unit price of €30.00		
			Acquisition of 75 shares at a unit price Of €30.00		

These notices can be found on the AMF website: www.amf-france.org.

1.6.2.6 Participation of shareholders in General Meetings

The terms and conditions of participation of shareholders in General Meetings are described in Articles 16 to 23 of the Articles of Association.

The participation of shareholders in General Meetings is also governed by current laws and regulations applicable to companies whose securities are admitted to trading on a regulated market.

1.6.3 REMUNERATION AND BENEFITS

1.6.3.1 Remuneration of corporate officers and senior executives for the 2020/2021 financial years

The tables and information in this chapter have been prepared in accordance with the AMF Position-recommendation no. 2014-02, Guide to compiling registration documents for mid-caps.

This chapter contains all the information required under Article L. 22-10-9, I of the French Commercial Code for each corporate officer of the Company. In accordance with Section II of Article L. 22-10-34 of the French Commercial Code, the Board of Directors will put a draft resolution on said information to the vote of the Annual General Meeting held to approve the financial statements for the year ending 31 December 2020.

It should be noted that the Shareholders' Meeting of 20 May 2020 approved the information communicated to it in respect of the financial year 2019 in accordance with Article L. 22-10-09 Commercial Code.

1.6.3.1.1 Table of all remuneration and benefits

Beneficiaries	Gross remuneration (in €)			Benefits and other items of remuneration				
	Fixed	Variable	Exceptional	Remuneration allocated to the office of director	Benefits in kind/in cash (in €)	Allocation of free shares/ subscription or share purchase options	Other equity securities, debt securities, securities giving access to the Company's share capital or to the allocation of debt securities	Any and all commitments made by the Company to its corporate officers and corresponding to items of remuneration due or likely to be due as a result of the commencement, termination or change of these duties or subsequent to them
Antoine Frey	391,667	354,917 ⁽⁴⁾	N/A	9,500	35,364	N/A	Nil	Nil
Jean-Pierre Cedelle	115,472 ⁽¹⁾	Nil	Nil	14,500	Nil	Nil	Nil	Nil
Thomas Riegert	Nil	Nil	Nil	2,000	Nil	Nil	Nil	Nil
Jean-Noël Dron	Nil	Nil	Nil	8,250	Nil	Nil	Nil	Nil
Firmament Participations	Nil	Nil	Nil	6,500	Nil	Nil	Nil	Nil
Inès Frey	Nil	Nil	Nil	1,000	Nil	Nil	Nil	Nil
François Lemarchand	Nil	Nil	Nil	6,000	Nil	Nil	Nil	Nil
SPRL Marc Van Begin ⁽²⁾	Nil	Nil	Nil	4,250	Nil	Nil	Nil	Nil
Sogecap	Nil	Nil	Nil	10,750	Nil	Nil	Nil	Nil
Cardif Assurance Vie	Nil	Nil	Nil	12,500	Nil	Nil	Nil	Nil
Jean-Christophe Littaye ⁽²⁾	Nil	Nil	Nil	4,000	Nil	Nil	Nil	Nil
Muriel Faure	Nil	Nil	Nil	23,250	Nil	Nil	Nil	Nil
Grégory Frapet ⁽²⁾	Nil	Nil	Nil	1,500	Nil	Nil	Nil	Nil
David Ferreira ⁽²⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Franck Mathe ⁽²⁾	Nil	Nil	Nil	2,500	Nil	Nil	Nil	Nil
François Vuillet-Petite	180,000	82,560	Nil	Nil	6,564	4,348 shares	Nil	Nil
Pascal Barboni ⁽³⁾	225,000	181,800	Nil	Nil	5,388	4,831 shares	Nil	Nil
Sébastien Eymard ⁽³⁾	225,000	181,500	Nil	Nil	4,104	4,831 shares	Nil	Nil
François-Xavier Anglade	160,833	64,977	Nil	Nil	4,620	3,382 shares	Nil	Nil

(1) Remuneration under his permanent employment contract with FREY, entered into on 1 July 1986. Mr Cedelle currently holds the position of Advisor to the Chairman.

(2) As observer.

(3) Remuneration for their employment contract within the FREY Group.

(4) Variable compensation in respect of 2020 and vested variable bonus to be paid in 2022 (governed by the conditions of the free share plans).

The above table gives the remuneration and benefits of all kinds paid by or due from the Company and the companies it controls to each corporate officer or senior executive during the past financial year, in respect of their term of office as corporate officers, an employment contract, or for special assignments or offices.

The payment and/or allocation of all of this compensation and benefits to the Company's corporate officers in respect of the 2020 financial year were made in strict accordance with the compensation policy approved by the General Meeting of

Shareholders of the Company on 20 May 2020 for all executive corporate officers of the Company.

The items of variable remuneration, both short and long-term, of executive corporate officers, the allocation of which is contingent on the fulfilment of strict performance criteria, represent a substantial part of their overall remuneration. This aligns their interests with those of the Company and improves the Group's performance over the long term.

In accordance with the provisions of Article L. 22-10-34 of the French Commercial Code, having regard to the vote of the General Meeting of 20 May 2020 approving the planned

remuneration policy for the 2020 financial year, the General Meeting called to approve the financial statements for the financial year ended 31 December 2020 will be asked to approve the fixed, variable and extraordinary items in the overall remuneration and benefits of all kinds paid or awarded during the financial year ended 31 December 2020 to Antoine Frey, in consideration for his position as Chairman and Chief Executive Officer, and to François Vuillet-Petite, Pascal Barboni, Sébastien Eymard and François-Xavier Anglade in consideration for their positions as Deputy Chief Executive Officers, as set out in more detail below.

With the exception of the variable remuneration of Antoine Frey, François Vuillet-Petite, Pascal Barboni, Sébastien Eymard and François-Xavier Anglade as well as the remuneration allocated to Mr. Antoine Frey for his office as Chairman of the Board of Directors, all of the compensation indicated above was paid during the year 2020.

Neither the Company nor any of its subsidiaries have set aside or recognised any amounts paid in respect of pensions, retirement or other benefits for the members of the Board of Directors.

1.6.3.1.2 Summary table of compensation and options and shares granted to executive corporate officers

	Antoine Frey Chairman and Chief Executive Officer		François Vuillet-Petite Deputy Chief Executive Officer	
(In €)	2020	2019	2020	2019
Remuneration due for the financial year ⁽¹⁾	581,448	621,247	269,124	304,372
Value of multi-year variable remuneration granted during the financial year	210,000	N/A	N/A	N/A
Value of options granted during the financial year	N/A	N/A	N/A	N/A
Value of free shares granted ^{(2) (3)}	N/A	N/A	130,440	144,788
Valuation of other long-term remuneration plans	N/A	N/A	N/A	N/A
TOTAL	791,448	621,247	399,564	449,160

	Pascal Barboni Deputy Chief Executive Officer, Development		Sébastien Eymard Deputy Chief Executive Officer, Finance and International Affairs	
(In €)	2020	2019	2020	2019
Remuneration due for the financial year ⁽¹⁾	412,188	379,079	410,904	382,299
Value of multi-year variable remuneration granted during the financial year	N/A	N/A	N/A	N/A
Value of options granted during the financial year	N/A	N/A	N/A	N/A
Value of free shares granted ^{(2) (3)}	144,930	160,872	144,930	160,872
Valuation of other long-term compensation plans	N/A	N/A	N/A	N/A
TOTAL	557,118	539,951	555,834	543,171

	François-Xavier Anglade Deputy Chief Executive Officer - Asset Management and Acquisitions	
(In €)	2020	2019
Remuneration due for the financial year ⁽¹⁾	230,430	N/A
Value of multi-year variable remuneration granted during the financial year	N/A	N/A
Value of options granted during the financial year	N/A	N/A
Value of free shares granted ^{(2) (3)}	101,460	N/A
Valuation of other long-term compensation plans	N/A	N/A
TOTAL	331,890	N/A

(1) The table above presents the breakdown of remuneration due.

(2) Section 1.5.11.2 above gives the breakdown of free shares granted.

(3) Valuation at closing price in 2019 and 2020.

1.6.3.1.3 Table of remuneration and benefits due and paid to executive corporate officers

	Antoine Frey Chairman and Chief Executive Officer				François Vuillet-Petite Deputy Chief Executive Officer*			
	FY 2020		FY 2019		FY 2020		FY 2019	
	Amount due	Amount paid	Amount due	Amount paid	Amount due	Amount paid	Amount due	Amount paid
(In €)								
Fixed remuneration	391,667	391,667	350,000	350,000	180,000	180,000	180,000	180,000
Annual variable remuneration	144,917 ⁽¹⁾	230,087 ⁽²⁾	230,087	220,726	82,560 ⁽¹⁾	115,732 ⁽²⁾	115,732	110,462
Multi-year variable remuneration	210,000 ⁽⁷⁾	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Extraordinary remuneration	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Remuneration allocated to the office of director	9,500 ⁽³⁾	10,500 ⁽⁴⁾	10,500 ⁽³⁾	9,000 ⁽⁴⁾	N/A	N/A	N/A	3,750
Benefits in kind	35,364 ⁽⁵⁾	35,364 ⁽⁵⁾	30,660 ⁽⁵⁾	30,660 ⁽⁵⁾	6,564 ⁽⁶⁾	6,564 ⁽⁶⁾	8,640	8,640
TOTAL	791,448	667,618	621,247	610,386	269,124	302,296	304,372	299,102

* Employed by SA FREY since 1 September 1991.

	Pascal Barboni Deputy Chief Executive Officer, Development				Sébastien Eymard Deputy Chief Executive Officer, Finance and International Affairs			
	FY 2020		FY 2019		FY 2020		FY 2019	
	Amount due	Amount paid	Amount due	Amount paid	Amount due	Amount paid	Amount due	Amount paid
(In €)								
Fixed remuneration	225,000	225,000	200,000	200,000	225,000	225,000	200,000	200,000
Annual variable remuneration	181,800 ⁽¹⁾	170,739 ⁽²⁾	170,739	148,154	181,800 ⁽¹⁾	175,739 ⁽²⁾	175,739	148,154
Multi-year variable remuneration	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Extraordinary remuneration	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Remuneration allocated to the office of director	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Benefits in kind	5,388 ⁽⁶⁾	5,388 ⁽⁶⁾	8,340	8,340	4,104 ⁽⁶⁾	4,104 ⁽⁶⁾	6,560	6,560
TOTAL	412,188	401,127	379,079	356,494	410,904	404,843	382,299	354,714

François-Xavier Anglade
Deputy Chief Executive Officer -
Asset Management and Acquisitions

	FY 2020		FY 2019	
(In €)	Amount due	Amount paid	Amount due	Amount paid
Fixed remuneration	160,833	160,833	N/A	N/A
Annual variable remuneration	64,977 ⁽¹⁾	63,259 ⁽²⁾	N/A	N/A
Multi-year variable remuneration	N/A	N/A	N/A	N/A
Extraordinary remuneration	N/A	N/A	N/A	N/A
Remuneration allocated to the office of director	N/A	N/A	N/A	N/A
Benefits in kind	4,620 ⁽⁶⁾	4,620 ⁽⁶⁾	N/A	N/A
TOTAL	230,430	228,712	N/A	N/A

(1) Variable remuneration payable in 2021 in respect of the 2020 financial year (see section below relating to variable remuneration).

(2) Variable remuneration paid in 2020 in respect of the 2019 financial year (see section below relating to variable remuneration).

With regard to François-Xavier Anglade, this remuneration was paid to him under his employment contract, his appointment as Deputy CEO having taken effect in May 2020.

(3) Remuneration allocated in respect of the term of office of director to be paid in 2021 for the financial year 2020 (see section on the policy for the distribution of Remuneration allocated in respect of a term of office as director below).

(4) Remuneration allocated in respect of the term of office of director paid in 2020 for the financial year 2019 (see section on the distribution policy of Remuneration allocated in respect of a term of office as director below).

(5) Benefits in kind corresponding to a company car and air travel.

(6) Benefits in kind corresponding to a company car.

(7) Bonus governed by the conditions of free share allocation plan no. It will be paid in 2022.

1.6.3.1.4 Variable remuneration of the Chairman and Chief Executive Officer and the Deputy Chief Executive Officers

Short and long-term variable remuneration of the Chairman and Chief Executive Officer

- The Board of Directors' meeting on 6 March 2020, acting on the recommendation of the Remuneration Committee meeting of 3 March 2020, agreed to maintain the variable remuneration arrangements for the Chairman and Chief Executive Officer, adjusting the targets for the 2020 financial year and amending the Company's performance criteria:
- set annually for all Group employees;
- three (3) types of targets, which are independent of each other;
- make it possible to determine an annual variable bonus, calculated on a progressive basis according to the cumulative attainment of criteria, with a threshold for the payment of the bonus set at 30% and an out-performance cap set at 150%.

If 100% of the criteria/targets are met, and subject to the approval of the General Meeting, Antoine Frey will receive an annual variable bonus equal to twelve (12) times his gross monthly remuneration.

In respect of the 2020 financial year, the performance criteria are broken down into three main categories:

- 1. FREY's operational aggregates:** securing of the rental base/signing of leases with new, high-quality, innovative retailers/Increase in rental income/Minimum EPRA economic occupancy rate of FREY assets;
- 2. FREY's growth:** securing administrative permits for mixed-use projects/sourcing of development projects/disposal of projects/ acquisition or development outside France;
- 3. FREY's financial performance:** Increase in profit from recurring operations/Increase in NAV.

At a meeting of 9 March 2021, on the advice of the Appointments and Remuneration Committee, the Company's Board of Directors noted that these criteria had been met by 53.50% (i.e. 37% after application of the proportionality curve), i.e. short-term variable remuneration amounting to €144,917.

On the advice of the Appointments and Compensation Committee, the Board of Directors of the Company also noted that all the criteria of the long-term variable bonus indexed to the AGM plan no.8 representing a possible 8 months of his gross fixed remuneration for the 2018 financial year had been met. For the period under consideration, variation recorded between 31 December 2017 and 31 December 2019, this long-term variable bonus is acquired if the following two criteria, each counting for 50%, are met, namely growth of NAV and EBITDA growth. This bonus, which was achieved in full in 2020, will be paid at the end of two additional years corresponding to the retention period of the AGM plans, i.e. in 2022.

Thus, his variable remuneration and fixed remuneration account for 45% and 51%, respectively, of his total remuneration.

It should be noted that the payment of this annual variable remuneration for the 2020 financial year is subject to approval by the General Meeting called to approve the financial statements for the financial year ended 31 December 2020.

Variable remuneration of Deputy Chief Executive Officers

At its meeting on 6 March 2020, on the advice of the Appointments and Remuneration Committee meeting of 3 March 2020, the Board of Directors retained the annual variable bonus for Pascal Barboni, Sébastien Eymard and François Vuillet-Petite, Deputy Chief Executive Officers, under their employment contracts. It should be noted that François-Xavier Anglade was appointed Deputy Chief Executive Officer, Asset Management and Acquisitions by the Board of Directors on 20 May 2020 and that he also receives an annual variable bonus.

The bonus is conditional upon the achievement of individual and collective targets set each year:

- the individual targets (60% of the bonus) are set and assessed by the Chairman and Chief Executive Officer based in particular on business development, financial performance and Company management criteria;
- the collective targets (40% of the bonus) are set by the management team for all Company employees; they are independent of each other, and set on the basis of business development and financial performance criteria;
- the individual and collective targets are used to determine an annual variable bonus, calculated on a progressive basis according to the cumulative attainment of criteria, with a threshold for the payment of the bonus set at 30% and a cap set at 150%.

If 100% of the individual and collective targets are met, Pascal Barboni and Sébastien Eymard will receive an annual variable bonus equal to 12 (twelve) times their gross fixed monthly remuneration and François Vuillet-Petite will receive an annual variable bonus equal to eight (8) times his gross fixed monthly remuneration.

In respect of the 2020 financial year, the performance criteria are broken down into three main categories:

- 1. FREY's operational aggregates:** securing of the rental base/signing of leases with new, high-quality, innovative retailers/Increase in rental income/Minimum EPRA economic occupancy rate of FREY assets;
- 2. FREY's growth:** securing administrative permits for mixed-use projects/sourcing of development projects/disposal of projects/acquisition or development outside France;
- 3. FREY's financial performance:** increase in profit from recurring operations/Increase in NAV.

At a meeting on 9 March 2021, on the advice of the Appointments and Remuneration Committee, the Company's Board of Directors noted that these collective criteria were 53.50% achieved (*i.e.* 37% after applying the proportionality curb) and the individual targets of Pascal Barboni, Sébastien Eymard, François Vuillet-Petite and François-Xavier Anglade were 110%, 110%, 90%, 110% with remuneration representing respectively €181,800, €181,800, €82,560 and €64,977.

Thus, the proportions of Pascal Barboni's variable and fixed remuneration (excluding profit-sharing) relative to his total remuneration (including benefits in kind and free shares) are 32% and 41%, respectively.

The proportions of Sébastien Eymard's variable and fixed remuneration relative to his total remuneration are 32% and 41%, respectively.

The proportions of François Vuillet-Petite's variable and fixed remuneration relative to his total remuneration are 19% and 44%, respectively.

The proportions of François-Xavier Anglade's variable and fixed remuneration relative to his total remuneration are 18% and 49%, respectively.

It should be noted that the payment of this annual variable remuneration for the 2020 financial year is subject to approval by the General Meeting called to approve the financial statements for the financial year ended 31 December 2020.

1.6.3.1.5 Policy on the distribution of fixed annual remuneration to be allocated to the Board of Directors (formerly called directors' fees)

On 6 March 2020, the Board of Directors decided that the fixed annual compensation to be allocated to the members of the Board would be carried out as follows for the directors physically present or by videoconference:

- €1,000 gross for each meeting of the Board of Directors and Audit Committee;
- €500 gross for each meeting of the Investment Committee;
- €250 gross for each meeting of the Appointments and Remuneration Committee;
- the maximum payable to each director is €15,000 per year;
- an additional sum of €10,000 gross for independent directors, regardless of the date of arrival or departure but provided that the director can prove that he or she is present at more than 2/3 of meetings of the Boards and Committees of which he or she is a member and that the amount will be prorated according to the number of months of presence, with any month started considered as a full month.

On 6 March 2020, the Board of Directors decided to grant the observers remuneration out of the directors' fee annual budget approved by the General Meeting to the Board of Directors in the following amounts and subject to the following conditions:

- €500 gross for each meeting of the Board of Directors and Investment and Audit Committees;
- €250 gross for each meeting of the Appointments and Remuneration Committee.

The Board of Directors also decided on 6 March 2020 that the additional annual gross sum of €10,000 would only be allocated to independent members who are individuals, and not to independent members that are legal entities.

The General Meeting of 20 May 2020 voted to set €200,000 as the maximum payable in directors' fees to the members of the Board of Directors in respect of the 2020 financial year.

	FY 2020		FY 2019	
	Remuneration due in respect of a directorship ⁽⁴⁾ (in €)	Other remuneration due (in €)	Remuneration due in respect of a directorship ⁽⁵⁾ (in €)	Other remuneration due (in €)
Directors				
Antoine Frey	9,500	781,948 ⁽³⁾	10,500	610,386 ⁽³⁾
Jean-Pierre Cedelle	14,500	115,472 ⁽¹⁾	12,500	115,472 ⁽¹⁾
Thomas Riegert (term of office expires on 1 September 2020)	2,000	Nil	3,000	Nil
Jean-Noël Dron	8,250	Nil	4,250	Nil
Firmament Participations	6,000	Nil	5,000	Nil
Inès Frey	1,000	Nil	Nil	Nil
François Lemarchand	6,000	Nil	2,000	Nil
Muriel Faure	23,250	Nil	12,917	Nil
SPRL Marc Van Begin ⁽²⁾	4,250	Nil	3,000	Nil
Prédica	Nil	Nil	Nil	Nil
Sogecap	10,750	Nil	10,000	Nil
Cardif Assurance Vie	12,500	Nil	12,000	Nil
Jean Christophe Littaye ⁽²⁾	4,000	Nil	3,000	Nil
Grégory Frapet ⁽²⁾	1,500	Nil	Nil	Nil
David Ferreira ⁽²⁾	Nil	Nil	Nil	Nil
Franck Mathe ⁽²⁾	2,500	Nil	3,500	Nil
TOTAL	€106,000	€897,420	€81,667	€725,858

(1) Compensation under a permanent employment contract with FREY entered into on 1 July 1986. Mr Cedelle currently holds the position of Advisor to the Chairman.

(2) As observer.

(3) Remuneration for his position as Chairman and Chief Executive Officer.

(4) Remuneration allocated for 2020, paid in 2021.

(5) Compensation allocated in respect of 2019, paid in 2020.

1.6.3.1.6 Disclosures concerning the existence for executive corporate officers of SA FREY of: an employment contract, supplementary pension plans, payments or benefits due or liable to be due as a result of termination or change of role or subsequent to these, or payments relating to a non-compete clause

Senior Executives/corporate officers	Employment contract	Supplementary pension plan	Payments or benefits due or liable to be due as a result of termination or change of role	Payments relating to a non-compete clause
Antoine Frey Chairman and Chief Executive Officer	NO	NO	NO	NO
François-Xavier Anglade Deputy Chief Executive Officer, Asset Management and Acquisitions	YES	NO	NO	NO
Pascal Barboni Deputy Chief Executive Officer, Development	YES	NO	NO	NO
Sébastien Eymard Deputy Chief Executive Officer, Finance and International Affairs	YES	NO	NO	NO
François Vuillet-Petite Deputy Chief Executive Officer	YES	NO	NO	NO

Remuneration and benefits in kind received by François-Xavier Anglade, Pascal Barboni, Sébastien Eymard and François Vuillet-Petite in respect of their salaried employment at FREY Group are detailed in the table in the previous Section "Remuneration of corporate officers and Senior Executives".

It should also be noted that Jean-Pierre Cedelle, currently a member of the Board of Directors, and former Chairman of the Supervisory Board, has held a permanent employment contract with the FREY Group since 1 July 1986. He currently holds the position of Advisor to the Chairman.

1.6.3.1.7 Total amounts set aside or recognised by the Company or its subsidiaries to provide pensions, retirement or other benefits

During the past two financial years, neither the Company nor any of its subsidiaries have set aside or recognised any amounts paid in respect of pensions, retirement or other benefits for any members of the Board of Directors.

1.6.3.1.8 Free shares

The table below details the number and characteristics of the free shares granted to the corporate officers by SA FREY's Board of Directors at its meetings on 6 July 2016 (Plan no. 4), 10 May 2017 (Plan no. 6 and plan no. 7), 20 June 2018 (Plan no. 8 and Plan no. 9), 7 March 2019 (Plan no. 10) and 2 April 2020 (Plan no. 12), the terms and conditions of which are described in Section 5.11.2 of this report as well as below in the summary table providing information on free shares.

François-Xavier Anglade, Pascal Barboni, Sébastien Eymard and François Vuillet-Petite are the only corporate officers to be awarded free shares in the Company.

Free shares granted to each corporate officer or executive officer during the financial year

Names of corporate officers and senior executives	Plan number and allocation date	Number of shares allocated	Share value according to the method used in the consolidated financial statements	Vesting date	Availability date	Performance conditions
François Vuillet-Petite (Senior Executive)	12 02/04/2020	4,348	€130,440	02/04/2022	02/04/2024	<ol style="list-style-type: none"> 50% of shares subject to growth in fully diluted liquidation NAV per share, restated for the impact of equity or quasi-equity transactions during the two years post-allocation⁽¹⁾ 50% of shares subject to growth in profit from recurring operations net of depreciation, amortisation and provisions during the two years post-allocation⁽¹⁾
Pascal Barboni (Senior executive)	12 02/04/2020	4,831	€144,930	02/04/2022	02/04/2024	<ol style="list-style-type: none"> 50% of shares subject to growth in fully diluted liquidation NAV per share, restated for the impact of equity or quasi-equity transactions during the two years post-allocation⁽¹⁾ 50% of shares subject to growth in profit from recurring operations net of depreciation, amortisation and provisions during the two years post-allocation⁽¹⁾
Sébastien Eymard (Senior executive)	12 02/04/2020	4,831	€144,930	02/04/2022	02/04/2024	<ol style="list-style-type: none"> 50% of shares subject to growth in fully diluted liquidation NAV per share, restated for the impact of equity or quasi-equity transactions during the two years post-allocation⁽¹⁾ 50% of shares subject to growth in profit from recurring operations net of depreciation, amortisation and provisions during the two years post-allocation⁽¹⁾
François-Xavier Anglade (Senior executive)	12 02/04/2020	3,382	€101,460	02/04/2022	02/04/2024	<ol style="list-style-type: none"> 50% of shares subject to growth in fully diluted liquidation NAV per share, restated for the impact of equity or quasi-equity transactions during the two years post-allocation⁽¹⁾ 50% of shares subject to growth in profit from recurring operations net of depreciation, amortisation and provisions during the two years post-allocation⁽¹⁾
TOTAL	-	17,392	€521,760	-	-	-

(1) Based on the consolidated financial statements audited and certified by the Statutory Auditors.

For more details on the conditions of the free share plans, the history of the free share plans in force at 31 December 2020 is presented below.

INFORMATION ON FREE SHARE ALLOCATIONS

Plan No.	Plan No. 4	Plan No. 5	Plan No. 6	Plan No. 7
Date of Board meeting	06/07/2016	22/09/2016	10/05/2017	10/05/2017
Number of free shares allocated	3,348	2,635	4,101	31,020
Number of shares allocated to corporate officers	1,182	2,635	4,101	14,097
<i>François Vuillet-Petite</i>	788 ⁽¹⁾	0	4,101 ⁽¹⁾	0
<i>Pascal Barboni</i>	0	2,635	0	4,101
<i>Sébastien Eymard</i>	0	0	0	6,792
<i>François-Xavier Anglade</i>	394	0	0	3,204
Date shares vested	06/07/2018	22/09/2018	10/05/2019	10/05/2019
Retention period ends	06/07/2020	22/09/2020	10/05/2021	10/05/2021
Number of shares definitively allocated on 31/12/2020	3,348	2,635	4,101	30,187
Number of shares cancelled or lapsed at 31/12/2020	0	0	0	833
Number of outstanding shares allocated at 31/12/2020	0	0	0	0

Plan No.	Plan No. 8	Plan No. 9	Plan No. 10	Plan No. 11
Date of Board meeting	20/06/2018	20/06/2018	07/03/2019	10/07/2019
Number of free shares allocated	41,826	1,301	35,502	4,567
Number of shares allocated to corporate officers	17,487	337	17,392	0
<i>François Vuillet-Petite</i>	4,672 ⁽¹⁾	146	4,348 ⁽¹⁾	0
<i>Pascal Barboni</i>	4,672 ⁽¹⁾	73	4,831 ⁽¹⁾	0
<i>Sébastien Eymard</i>	4,672 ⁽¹⁾	73	4,831 ⁽¹⁾	0
<i>François-Xavier Anglade</i>	3,471 ⁽¹⁾	45	3,382 ⁽¹⁾	0
Date shares vested	20/06/2020	20/06/2020	07/03/2021	10/07/2021
Retention period ends	20/06/2022	20/06/2022	07/03/2023	10/07/2023
Number of shares definitively allocated on 31/12/2020	36,282	1,049	0	0
Number of shares cancelled or lapsed at 31/12/2020	5,544	252	3,007	0
Number of outstanding shares allocated at 31/12/2020	0	0	32,495	4,567

Plan No.	Plan No. 12
Date of Board meeting	02/04/2020
Number of free shares allocated	36,197
Number of shares allocated to corporate officers	17,392
<i>François Vuillet-Petite</i>	4,348 ⁽¹⁾
<i>Pascal Barboni</i>	4,831 ⁽¹⁾
<i>Sébastien Eymard</i>	4,831 ⁽¹⁾
<i>François-Xavier Anglade</i>	3,382 ⁽¹⁾
Date shares vested	02/04/2022
Retention period ends	02/04/2024
Number of shares definitively allocated on 31/12/2020	0
Number of shares cancelled or lapsed at 31/12/2020	0
Number of outstanding shares allocated at 31/12/2020	36,197

(1) Shares granted subject to performance conditions linked to a level of NAV and ROC.

It should be recalled that corporate officers qualifying for a free share allocation plan must keep at least one third of the shares vesting under such plans throughout their offices with

the Company or any related company as per Article L. 225-197-2 of the French Commercial Code.

Free shares that have become available for each corporate officer	Plan no. and date	Number of shares becoming available during the financial year	Of which subject to Performance conditions
François Vuillet-Petite	N°: 4 Date: 06/07/2016	788	788
François-Xavier Anglade	N°: 4 Date: 06/07/2016	394	0
TOTAL		1,182	788

1.6.3.1.9 Share subscription and/or purchase options granted to corporate officers

As of the date of this report, the Company has not granted any options to corporate officers to subscribe for and/or purchase shares. Therefore, Tables 4, 5, 8, and 9 of Appendix 2 of AMF position-recommendation No. 2021-02 on options to subscribe for and/or purchase shares do not apply.

1.6.3.1.10 Equity ratios and annual change in the compensation of each executive officer

The Company has determined the pay ratios for each executive corporate officer of the Company using the following method:

- scope: all employees of FREY and its consolidated subsidiaries, excluding executive corporate officers;

- mean ratio for each year N: ratio between the gross annual remuneration of each executive corporate officer and the gross annual mean remuneration of all employees (on a full-time equivalent basis);
- median ratio for each year N: ratio between the gross annual remuneration of each executive corporate officer and the gross annual median remuneration of all Group employees (on a full-time equivalent basis);
- remuneration covered: as the numerator and denominator, fixed and variable remuneration, special bonuses and free shares and benefits in kind actually allocated in respect of year N.

The following table shows the ratios for the past five years:

For Antoine Frey, Chairman and Chief Executive Officer:

x times	2020	2019	2018	2017	2016
Mean ratio	10.93	7.92	8.66	9.68	6.91
Median ratio	13.75	9.98	10.69	12.51	10.2
Change in EPRA triple net NAV	-4.5%	29.4%	64.0%	69.4%	14.1%
Change in total remuneration of the Chairman and Chief Executive Officer	30%	2.8%	0.3%	27.9%	-4.9%
Change in average employee remuneration	-14%	12.3%	12.2%	-8.7%	6.6%

For François Vuillet-Petite, Deputy Chief Executive Officer:

x times	2020	2019	2018	2017	2016
Mean ratio	5.65	5.62	4.57	5.04	4.74
Median ratio	7.11	7.08	5.64	6.51	7.01
Change in EPRA triple net NAV	-4.5%	29.4%	64.0%	69.4%	14.1%
Change in total remuneration of the Deputy Chief Executive Officer	-6%	38.1%	1.7%	-3.0%	24.7%
Change in average employee remuneration	-14%	12.3%	12.2%	-8.7%	6.6%

For Pascal Barboni, Deputy Chief Executive Officer:

x times	2020	2019	2018	2017	2016
Mean ratio	7.65	6.57	6.04	4.65	N/A
Median ratio	9.62	8.28	7.45	6	N/A
Change in EPRA triple net NAV	-4.5%	29.4%	64.0%	N/A	N/A
Change in total remuneration of the Deputy Chief Executive Officer	9%	22.3%	45.7%	N/A	N/A
Change in average employee remuneration	-14%	12.3%	12.2%	N/A	N/A

For Sébastien Eymard, Deputy Chief Executive Officer:

x times	2020	2019	2018	2017	2016
Mean ratio	7.63	7.76	5.02	4.63	N/A
Median ratio	9.60	9.77	6.19	5.99	N/A
Change in EPRA triple net NAV	-4.5%	29.4%	64.0%	N/A	N/A
Change in total remuneration of the Deputy Chief Executive Officer	8%	73.7%	21.4%	N/A	N/A
Change in average employee remuneration	-14%	12.3%	12.2%	N/A	N/A

For François-Xavier Anglade, Deputy Chief Executive Officer:

x times	2020	2019	2018	2017	2016
Mean ratio	4.65	N/A	N/A	N/A	N/A
Median ratio	5.85	N/A	N/A	N/A	N/A
Change in EPRA triple net NAV	-4.5%	N/A	N/A	N/A	N/A
Change in total remuneration of the Deputy Chief Executive Officer	8%	N/A	N/A	N/A	N/A
Change in average employee remuneration	-14%	N/A	N/A	N/A	N/A

1.6.3.2 Remuneration policy for corporate officers for the 2021 financial year

1.6.3.2.1 Provisions common to all corporate officers

Implementation process for the remuneration policy

Pursuant to Article L. 22-10-8 of the French Commercial Code, the Board of Directors, at meetings on 9 and 31 March 2021, acting on the recommendation of the Appointments and Remuneration Committee meetings of 4 and 30 March 2021, adopted the remuneration policy for all corporate officers of the Company for the 2021 financial year. As Chairman and Chief Executive Officer of the Company, Antoine Frey did not take part in the deliberations or vote on this decision.

All items of remuneration and other benefits covered by this remuneration policy are reviewed annually for each corporate officer, on an individual and collective basis, at the same time as the adoption of the financial statements for the previous financial year. The Board of Directors conducts the review on the recommendation of the Appointments and Remuneration Committee, composed solely of non-executive members and chaired by an independent director.

Accordingly, the Company's Annual General Meeting called to approve the financial statements for the year ended 31 December 2020 will be asked to vote on the remuneration policy for executive corporate officers as approved by the Board of Directors for the 2021 financial year. Should the General Meeting not approve this remuneration policy, the remuneration of the executive corporate officers will be determined in accordance with the remuneration policy approved for the previous financial year, or, in the absence of a previously approved remuneration policy, in accordance with the remuneration awarded for the previous financial year or, in the absence of remuneration awarded for the previous financial year, in accordance with existing practice within the Company.

The remuneration policy for the 2021 financial year remains broadly unchanged from 2020. As a reminder, the Company's Combined General Meeting of Shareholders of 20 May 2020 approved 100% of the remuneration policy applicable to the executive corporate officers for 2020. No opinion was expressed by shareholders at that meeting.

The remuneration policy applies to all corporate officers of the Company, namely the Chairman and Chief Executive Officer, the Deputy Chief Executive Officers and members of the Board of Directors. Apart from minor changes not requiring the approval of the Company's Ordinary General Meeting, the relevant terms of the remuneration policy will also apply to the Company's corporate officers who are newly appointed or reappointed during the financial year.

However, in exceptional circumstances, to protect the Company's interests and ensure the Company's long-term future, the Board of Directors reserves the right to deviate temporarily from the remuneration policy. This would be subject to consultation of the Appointments and Remuneration Committee and would apply to the items of remuneration envisaged for executive corporate officers in the remuneration policy.

The Board of Directors, acting on the recommendation of the Appointments and Remuneration Committee, ascertains the fulfilment and/or level of attainment of the performance criteria adopted for the previous financial year for the variable and/or share-based remuneration allocated to executive corporate officers of the Company. The evaluation methods applied vary according to the type of criteria adopted by the Board. For quantitative criteria, the verification is based on the consolidated financial statements or other internal financial reporting documents. For qualitative criteria, the verification is carried out empirically, on the basis of contracts signed, administrative permits issued, milestones validated, etc.

Remuneration policy principles and criteria

More broadly, the remuneration policy put in place by the Board of Directors within FREY Group is designed to help:

- achieve the operational and financial development strategy;
- safeguard the interests of all stakeholders in the development strategy (shareholders, officers and employees); and
- ensure the long-term survival of the Group.

As regards the core principles underpinning the remuneration of executive corporate officers, FREY Group has put in place a system built around:

- FREY's DNA and entrepreneurial values;
- unwavering and demanding rules regarding the expected results (correlation between performance and short-, medium- and long-term remuneration);
- overall performance appraisal, both from an operational perspective (e.g.: improvement in an indicator or a financial ratio), while ensuring Group practices comply with all applicable regulatory constraints;
- part of the variable portion of executive remuneration, taking into account the attainment of collective targets applicable to all Group employees;
- incentives that align the Group's interests and those of its shareholders, ensuring a remuneration package that is competitive in the various markets in which the Group operates, while avoiding potential conflicts of interests that could give rise to reckless risk-taking for short-term gain.

In short, the main goals of this remuneration policy for executive corporate officers are to:

- attract, develop and incentivise scarce expertise and top talent;
- encourage performance; and
- align remuneration levels with the Company's results.

1.6.3.2.2 Provisions specific to each corporate officer

Remuneration policy applicable to directors

CRITERIA FOR THE DISTRIBUTION OF THE ANNUAL FIXED SUM ALLOCATED BY THE GENERAL MEETING TO THE DIRECTORS

At its meeting of 9 March 2021, acting on the recommendation of the Appointments and Remuneration Committee meeting of 4 March 2021, the Board of Directors renewed its policy for the fixed annual remuneration of members of the Board of Directors, namely:

- (i) the allocation of fixed annual remuneration for a total amount of €200,000, as approved by the General Meeting of 20 May 2020;
- (ii) that the fixed annual remuneration would be allocated as follows for directors attending meetings either in person or by video-conference:
 - €1,000 gross for each meeting of the Board of Directors and Audit Committee,
 - €500 gross for each meeting of the Investment Committee,
 - €250 gross for each meeting of the Appointments and Remuneration Committee,
 - the maximum gross amount payable to each director is €15,000.

An additional annual gross amount of €10,000 for independent directors who are natural persons, subject to providing proof of actual attendance at a minimum of two-thirds (2/3) of the meetings of the Board of Directors and the committees on which they sit and held during the financial year in question.

For the observers, remuneration taken out of the annual budget allocated by the General Meeting to the Board of Directors in the following amounts and subject to the following conditions:

- €500 gross for each meeting of the Board of Directors and Investment and Audit Committees;
- €250 gross for each meeting of the Appointments and Remuneration Committee.

The Board of Directors, on the advice of the Appointments and Remuneration Committee, points out that in order to determine this calculate compensation in the event of the departure, or arrival, of a director during the financial year, the rule is applied on a *pro rata temporis* basis.

Indeed, regardless of the date of arrival or departure, and if the director can prove attendance at more than two-thirds of the meetings of Boards and Committees to which he is appointed, he will receive additional compensation of €10,000 prorated on the basis of the number of months of presence, with any month started treated as a full month.

EXTRAORDINARY REMUNERATION

Furthermore, in accordance with Article L. 225-46 of the French Commercial Code, the Board of Directors reserves the right to allocate extraordinary remuneration to non-executive members of the Board of Directors for specific assignments or duties. This extraordinary remuneration would then be subject to the related-party agreements procedure.

Remuneration policy applicable to the Chairman and Chief Executive Officer

Antoine Frey was reappointed as Chairman and Chief Executive Officer of the Company by the Combined General Meeting of 20 May 2020 and by the Board of Directors at its meeting of 20 May 2020 for a three-year term expiring at the conclusion of the Ordinary General Meeting called to approve the financial statements for the year ended 31 December 2022. Under Article 14.2 of the Company's Articles of Association, the Chairman and Chief Executive Officer may be dismissed at any time by decision of the Board of Directors.

At its meeting of 31 March 2021, acting on the recommendation of the Appointments and Remuneration Committee meeting of 30 March 2021, the Board of Directors approved the principles and criteria for calculating the items of remuneration for the Chairman and Chief Executive officer.

For the financial year 2020, this compensation policy is broadly unchanged compared to the financial year 2020 except for the addition of an exceptional compensation element to compensate or reward an exceptional event.

The overall structure of the remuneration is based on three main pillars: a fixed component, a short-term variable component subject to performance criteria and a long-term variable component also subject to performance criteria.

In short, the uncertain portion of total remuneration of the Chairman and Chief Executive Officer (short-term and long-term variable remuneration) represents a substantial component of his remuneration structure, or 58% of his total remuneration, more directly aligning his remuneration with the Group's operational strategy and shareholder interests.

ANNUAL FIXED REMUNERATION

The amount of the fixed component of the annual remuneration was determined on the basis of the level of responsibility, experience of the Chairman and Chief Executive Officer and market practices.

At its meeting of 31 March 2021, acting on the recommendation of the Appointments and Remuneration Committee meeting of 30 March 2021, the Board of Directors set the gross annual fixed remuneration of the Chairman and Chief Executive Officer at €400,000 for the 2021 financial year, *i.e.* an identical amount to 2020.

SHORT-TERM VARIABLE REMUNERATION

At its meeting of 31 March 2021, acting on the recommendation of the Appointments and Remuneration Committee meeting of 30 March 2021, the Board of Directors approved the principles and criteria applicable to the annual variable remuneration of the Chairman and Chief Executive Officer for the 2021 financial year. These principles are unchanged from those approved for the 2020 financial year, though the criteria were adapted to reflect operational and financial developments at the Group.

For example, for the financial year ended 31 December 2020, the short-term annual variable component of the remuneration of the Chairman and Chief Executive Officer was €144,917.

The annual variable component of the remuneration of the Chairman and Chief Executive Officer is determined on the basis of attainment of the collective targets applicable to all Group employees, the definition of which is based on:

- a breakdown into mutually independent categories;
- qualitative and quantitative criteria;
- references to significant economic and financial indicators for the Group's business and the Group's CSR policy.

Among the financial performance criteria linked to the CSR policy for the year 2021, the reference to the following elements was retained (with a weighting, adapted according to the priorities of the company, to reach 100%):

- growth in EPRA net asset value *pa* (restated for the distribution of dividends and the dilutive effect of share issue transactions/quasi equity);
- growth in Recurring Operating Profit (ROC) (restated for DAP and DAA);
- B Corp label obtained by FREY.

The specific terms and conditions of each of the financial objectives have been determined by the Board of Directors but are not included in this report for reasons of confidentiality.

The performance calculation methods for each aforementioned criterion are as follows, it being specified that the proportionality curve provided for in previous policies has been discontinued:

- if the result is less than 50%, the target will be considered as not achieved;
- if the result is greater than 50%, the target will be achieved, with linear growth between 50% and 100% (capped at 100%).

The total short-term variable bonus of the Chairman and Chief Executive Officer may total an amount equivalent to 12 months of his fixed remuneration if the targets are 100% achieved.

It should be noted that the payment of items of annual variable remuneration to the Chairman and Chief Executive Officer is subject to the approval of the Company's Annual Ordinary General Meeting.

LONG-TERM VARIABLE REMUNERATION

In order to align the long-term variable remuneration of the Chairman and Chief Executive Officer with that of the Deputy Chief Executive Officers and, given the fact that free shares cannot be awarded to the Chairman and Chief Executive Officer, the Board of Directors, at its meeting of 9 March 2021, acting on the recommendation of the Appointments and Remuneration Committee meeting of 4 March 2021, reapplied the principles and criteria suspended in the 2021 financial year, subject to the adjustment of certain performance criteria, allowing the establishment of items of long-term variable remuneration for the Chairman and Chief Executive Officer.

For example, for the financial year ended 31 December 2020, the annual variable component of the remuneration of the Chairman and Chief Executive Officer was €116,667.

This long-term variable remuneration is subject to a four-step process:

- a vesting/performance criteria assessment period of one year;
- an acquisition conditional on the achievement of two performance criteria (growth of EPRA NDV NAV for 50% and of operating profit restated for DAP and DAA for 50%);
- payment of the remuneration following a one-year period (equivalent to the mandatory lock-in period for free share awards); and
- the continued employment of the Chairman and Chief Executive Officer on the vesting date (unless the Board of Directors decides otherwise on the recommendation of the Appointments and Remuneration Committee, and except in the case of disability, death and retirement).

The total long-term variable bonus of the Chairman and Chief Executive Officer may total an amount equivalent to eight months of his 2020 fixed remuneration if the performance criteria are 100% achieved.

For example, the long-term variable bonus determined in 2021 will be subject to a vesting period running to 2022 and, subject to (i) the continued employment of the Chairman and Chief Executive Officer and (ii) the achievement of the performance criteria calculated on the basis of the consolidated financial statements for the financial year ended 31 December 2021 compared with the consolidated financial statements for the financial year ended 31 December 2020, will be paid in 2023.

EXTRAORDINARY REMUNERATION

Lastly, for the 2021 financial year, the Board of Directors decided to include in the components of the remuneration that may be awarded to the Deputy Chief Executive Officers, the principle according to which the Board of Directors may, on the proposal of the Chairman and Chief Executive Officer and after agreement of the Appointment and Remuneration Committee, decide on the payment of an exceptional bonus to the Chairman and Chief Executive Officer to compensate or reward an exceptional event.

The exceptional compensation of the Chairman and Chief Executive Officer may not exceed 30% of the amount of the short-term variable compensation (on a 100% basis).

In any case, it is specified that the payment of the elements of exceptional compensation to the Chairman and Chief Executive Officer is subject to its approval by an ordinary annual General Meeting of the shareholders of the Company.

BENEFITS IN KIND

In light of his duties as Company representative, the Chairman and Chief Executive Officer enjoys the following benefits in kind:

- (i) a company car;
- (ii) an annual right of use of ten flight hours on an aircraft jointly owned by FREY, any exceeding of this amount of flight hours being carried forward to the number of hours usable for the

purpose of the flight or included in the new benefit in kind calculated for the year. It should be noted that this co-owned aircraft was renewed at the beginning of 2021.

For the financial year ended 31 December 2020, it should be noted that the amount of benefits in kind awarded to the Chairman and Chief Executive Officer totalled €35,364.

It should also be noted that i) these entitlements are subject to the recognition of a benefit in kind subject to tax and social security in line with the URSSAF schedule and ii) that each hour of flying time is assessed at a flat fee of €2,915 for 2021.

At its meeting of 31 March 2021, acting on the recommendation of the Appointments and Remuneration Committee meeting of 30 March 2021, the Board of Directors decided to propose the renewal of these benefits in kind for the 2021 financial year for an amount of €45,132 including the use of the company car and the annual flying time entitlement.

DIRECTORS' FEES

The Chairman and Chief Executive Officer may be awarded fixed annual remuneration in respect of his position as Chairman of the Board of Directors, in accordance with the allocation criteria adopted by the Board of Directors as part of the remuneration policy applicable to directors for the 2021 financial year.

For reference, it should be noted that the Chairman and Chief Executive Officer was awarded €9,500 in directors' fees for the 2020 financial year.

OTHER ITEMS OF REMUNERATION

Under the remuneration policy, the Chairman and Chief Executive Officer is not eligible for any extraordinary remuneration, share-based remuneration, severance benefit, non-compete indemnity or supplementary pension scheme.

Remuneration policy applicable to the Deputy Chief Executive Officers

It should firstly be noted that François Vuillet-Petite, Pascal Barboni, Sébastien Eymard and François-Xavier Anglade, Deputy Chief Executive Officers, all hold employment contracts with the Company, under which they are paid, as applicable, fixed, variable and extraordinary items of remuneration and awarded any benefits in kind they enjoy.

Messrs. Vuillet-Petite, Barboni and Eymard were reappointed by the Company's Board of Directors on 20 May 2020 for a three-year term ending at the end of the General Meeting called to approve the financial statements for the year ended 31 December 2022. Mr. Anglade was appointed by the Board of Directors on 20 May 2020 for a period of three years. Under Article 14.4 of the Company's Articles of Association, the Deputy Chief Executive Officers may be dismissed at any time by decision of the Board of Directors.

At its meeting of 31 March 2021, acting on the recommendation of the Appointments and Remuneration Committee meeting of 30 March 2021, the Board of Directors approved the items of remuneration for the Deputy Chief Executive Officers.

For the financial year 2021, this compensation policy is broadly unchanged compared to the financial year 2020 except for the addition of an exceptional compensation element to compensate or reward an exceptional event.

The overall structure of the remuneration of the Deputy Chief Executive Officers is based on three main pillars: a fixed component, a short-term variable component subject to performance criteria and a long-term profit-sharing mechanism also subject to performance criteria.

FIXED REMUNERATION

The criteria used to set the level of fixed remuneration of each Deputy Chief Executive Officer are determined having regard to the Company's general good and factor in the level of responsibility and challenges facing each executive corporate officer in question, the experience and seniority of each holder, remuneration practices in companies carrying on comparable businesses.

Based on these criteria, the fixed gross remuneration paid to François Vuillet-Petite, Pascal Barboni, Sébastien Eymard and François-Xavier Anglade under their employment contracts for the financial year ended 31 December 2020 respectively totalled €180,000, €230,000, €230,000 and €165,000 gross.

At a meeting of 31 March 2021, and on the recommendation of the Appointments and Remuneration Committee meeting of 30 March 2021, the Board of Directors decided to renew the annual fixed remuneration of François Vuillet-Petite, Pascal Barboni, Sébastien Eymard, and François-Xavier Anglade.

VARIABLE REMUNERATION

At its meeting of 31 March 2021, acting on the recommendation of the Appointments and Remuneration Committee meeting of 30 March 2021, the Board of Directors approved the principles and criteria applicable to the annual variable remuneration of the Deputy Chief Executive Officers for the 2021 financial year.

These principles are broadly unchanged from those approved for the 2020 financial year, though the criteria were adapted to reflect operational and financial developments of the Group.

For reference, for the financial year ended 31 December 2020, the variable portion of remuneration came to €82,560 for François Vuillet-Petite, €181,800 for Pascal Barboni, €181,800 for Sébastien Eymard and €64,977 for François-Xavier Anglade, including profit-sharing, under their employment contracts.

Each Deputy Chief Executive Officer is eligible for a variable remuneration component, the amount of which depends on the achievement of:

- collective targets, applicable to all Group employees receiving variable remuneration, split into mutually independent categories, based on qualitative and quantitative criteria, and determined with reference to economic and financial indicators that are material for the Group's business and the Group's CSR policy;
- five mutually-independent individual targets, based on qualitative and quantitative criteria, partly determined on the basis of the annual appraisal interview with the Chairman and Chief Executive Officer relating to the previous financial year.

The total variable bonus for François Vuillet-Petite may represent the equivalent of seven months of his fixed remuneration and that of Pascal Barboni and Sébastien Eymard the equivalent of 11 months, assuming targets are 100% achieved, and that of François-Xavier Anglade 5 months of his remuneration assuming targets are 100% achieved, of which:

- 40% of the amount equivalent to five, seven or eleven months of fixed remuneration for collective targets identical to those set for the Chairman and Chief Executive Officer (see Section 1.2.2 above);
- 60% of the amount equivalent to five, seven or eleven months of fixed remuneration for individual targets clearly established by the Board of Directors at its meeting of 31 March 2021 acting on the recommendation of the Appointments and Remuneration Committee meeting of 30 March 2021, and correlated with the success of key deals for the Company and/or CSR objectives, with the specific terms and conditions of each target not being disclosed in this report so as to protect the confidentiality of the deals in question.

For the financial year 2021, the proportionality curve provided for in the previous policies has been discontinued.

No variable bonus may be paid out if the targets are not at least 50% achieved. Above 50%, the target will be achieved, with linear growth between 50% and 100% (capped at 100%).

In addition to their variable compensation, MM. François Vuillet-Petite, Pascal Barboni, Sébastien Eymard and François-Xavier Anglade will also benefit from the incentive agreement in the same way as all employees.

It should be noted that the payment of annual variable items of remuneration to each Deputy Chief Executive Officer is subject to the approval of the Company's Annual Ordinary General Meeting.

EXTRAORDINARY REMUNERATION

Lastly, for the 2021 financial year, the Board of Directors decided to include in the components of the compensation that may be awarded to the Deputy Chief Executive Officers, the principle according to which the Board of Directors may, on the proposal of the Chairman and Chief Executive Officer and after agreement of the Appointments and Remuneration Committee, decide on the payment of an exceptional bonus to the Deputy Chief Executive Officers to compensate or reward an exceptional event.

The exceptional compensation of the Deputy Chief Executive Officers may not exceed 30% of the amount of the variable compensation (on a 100% basis).

In any case, it is specified that the payment of the elements of exceptional compensation to each Deputy Chief Executive Officer is subject to its approval by an Ordinary Annual General Meeting of the Company's shareholders.

BENEFITS IN KIND

Each Deputy Chief Executive Officer enjoys a company car under his employment contract.

For the financial year ended 31 December 2020, it should be noted that the benefits in kind awarded to François Vuillet-Petite, Pascal Barboni, Sébastien Eymard and François-Xavier Anglade under their employment contracts totalled €6,564, €5,388, €4,104 and €4,620, respectively.

It should also be added that these entitlements are subject to tax and social security in line with the URSSAF schedule.

At a meeting of 31 March 2021, and on the advice of the Appointments and Remuneration Committee meeting on 30 March 2021, the Board of Directors decided to renew the allocation of these benefits in kind for the financial year 2021 for François Vuillet-Petite, Pascal Barboni, Sébastien Eymard and François-Xavier Anglade respectively at €6,564, €5,181, €3,978 and €4,090.

AWARDS OF FREE PERFORMANCE SHARES

The long-term incentive of the Deputy Chief Executive Officers will be ensured by the allocation of free performance shares. This long-term incentive scheme aims to ensure that the Deputy Chief Executive Officers have a long-term perspective, but also to build their loyalty and align their interests with those of the shareholders. The vesting of the performance shares granted will be subject to the recognition by the Appointments and Remuneration Committee of the satisfaction of the performance conditions set by the Board of Directors at the time of their allocation. The performance criteria chosen must be stringent, in line with the performance of the Company and the Group.

In this context, at a meeting held on 31 March 2021, and on the advice of the Appointments and Remuneration Committee meeting on 30 March 2021, the Board of Directors decided on the principle of setting up a thirteenth free share allocation plan, in accordance with Articles L. 225-197-1 to L. 225-197-6 of the French Commercial Code, in particular for the benefit of the Chief Executive Officers of the Company.

The main terms and conditions of this plan would be as follows:

- total maximum number of shares that may be allocated to the Deputy Chief Executive Officers: 26,089 shares;
- vesting period: one year from grant;
- mandatory lock-up period: one year from the date of the acquisition, and negative disposal windows at the end of the lock-up period (30 calendar days before the announcement of an interim financial report or an annual financial report; while inside information is held until it has been made public);
- presence of the executive officer on the vesting date, unless the Board of Directors decides otherwise on the recommendation of the Appointments and Remuneration Committee and excluding cases of disability, death [and retirement];
- performance criteria based (i) at 50% on the EPRA NDV pa (restated for the distribution of dividends and the dilutive effect of equity/quasi-equity issues) for the year 2021 and (ii) at a rate of 50% subject to a ROC restated for the DAP and AAD (ROC) for the year 2021;
- holding obligation: one-third of the free shares vested must be held in registered form until the end of the term of office of Deputy Chief Executive Officer.

It should be recalled that François Vuillet-Petite, Pascal Barboni and Sébastien Eymard received free shares for their positions as Deputy Chief Executive Officers in the 2020 financial year (see Section 6.3.1.8 "Free shares" of this report).

OTHER ITEMS OF REMUNERATION

Under the remuneration policy, the Deputy Chief Executive Officers are not eligible for any severance benefit, non-compete indemnity or supplementary pension scheme.

1.6.4 FACTORS LIKELY TO HAVE AN IMPACT IN THE EVENT OF A PUBLIC OFFERING

To the Company's knowledge, and in accordance with Article L. 22-10-11 of the French Commercial Code there are no factors that seem likely to have an impact in the event of a public offer for FREY. It should, however, be noted that:

- the structure of the share capital is set out in Section 1.5.1 above;
- no shares have special control rights;
- to the Company's knowledge, there are no agreements between shareholders that could entail restrictions on the transfer of shares or the exercise of voting rights or clauses containing preferential Company share purchase or sale conditions applicable in the event of a public offering, except for the purchase option offered *pari passu* to Prédica and

Foncière AG Real Estate in the event of a change in control at Firmament Participations, as defined in the shareholders' agreement (see Section 1.5.3 "Major shareholders" in this management report);

- with regard to the powers of the Board of Directors, concerning in particular the issuance or buyback of shares, a list of delegations of authority and financial authorisations in force is provided in **Appendix 2** to this management report.

1.7 Internal control

You are reminded that FREY:

- became a member of the *Fédération des Sociétés Immobilières et Foncières* (Federation of Real Estate Companies) in 2010, and thus signed up to its Code of Ethics;
- adopted the December 2009 Corporate Governance Code for Small and Mid-cap Companies in 2011, which became the Middenext Corporate Governance Code in September 2016;
- became a member of the European Public Real Estate Association (EPRA) in 2015.

1.7.1 INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

1.7.1.1 Conceptual framework

In addition to the key principles of corporate governance that FREY endeavours to apply, such as executives' responsibility and integrity, the Board of Directors' informed and collective exercise of its supervisory power, or the transparency and dissemination of information, the main goals of the procedures currently applied within FREY are as follows:

- to ensure that management activities and the carrying out of transactions as well as staff behaviour comply with the policies defined by the governing bodies, with applicable

laws and regulations, and with the Company's internal rules, values and standards;

- to verify that the accounting, financial and management information reported to FREY's governing bodies fairly reflects the operations and position of the Company.

Internal control strives to provide reasonable assurance regarding the achievement of these goals, but obviously cannot provide an absolute guarantee that the identified risks will not come to fruition.

Any control and management system has limits that may result from a number of factors, uncertainties, dysfunctions and failures that may not be attributable to FREY, the Group and/or its employees.

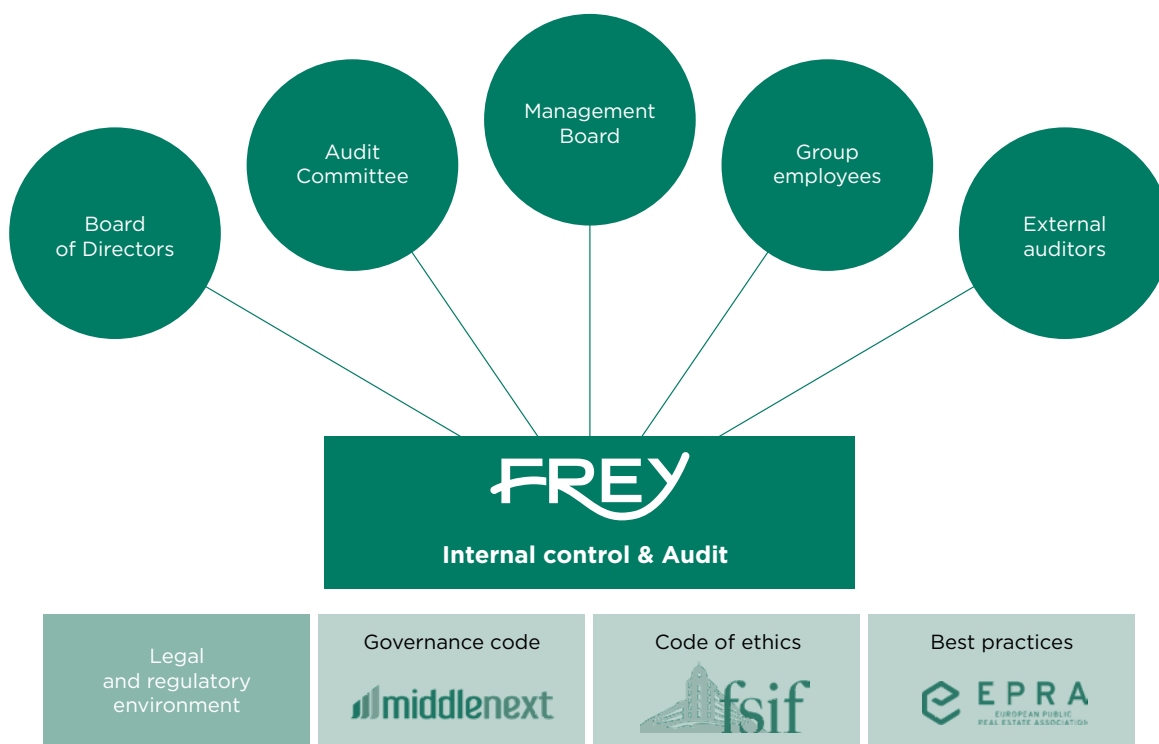
1.7.1.2 Internal Control Scope

The internal control system covers all the activities of FREY and its subsidiaries. FREY applies its internal control system to companies included in the consolidation scope of its financial statements, from the moment they are created or acquired.

1.7.1.3 Internal Control players

Internal control is exercised under the responsibility of FREY's Management Committee. This committee initiates the procedures and makes them mandatory, while also assuming a role in control, advice and expertise.

The key internal control stakeholders within the Group are shown in the chart below:



Together, they organise and coordinate the risk management policy so that it is suitable and effective in facilitating the achievement of the Group's goals.

1.7.1.3.1 The Board of Directors

The Board of Directors ensures that the Company takes appropriate risks on the basis of a thorough and effective assessment of those risks.

Reference is made in this regard to all the information contained in Chapter 1.6 "Corporate Governance" in this document.

1.7.1.3.2 The Audit Committee

The Audit Committee is composed of members of the Board of Directors.

It closely monitors the effectiveness of internal control systems.

Reference is made in this regard to all the information contained in Chapter 1.6 "Corporate Governance" in this document.

1.7.1.3.3 The Management Committee

The Management Committee defines the internal control policy, ensures that the objectives are met, provides impetus and sets a good example.

The Management Committee currently has eight (8) members:

Chairman and Chief Executive Officer	Antoine Frey
Chief Executive Officer Citizers by Frey	Pascal Allançon
Deputy Chief Executive Officer, Asset Management and Acquisitions	François-Xavier Anglade
Chief Executive Officer Citizers by Frey	Roger Barbary
Deputy Chief Executive Officer, Development	Pascal Barboni
Deputy Chief Executive Officer, Finance and International Affairs	Sébastien Eymard
Director of Communication, Marketing and Innovation	Mathieu Mollière
Deputy Chief Executive Officer	François Vuillet-Petite

FREY's Management Committee examines business performance and its compatibility with budgetary and financial goals, signs off on development projects and conducts budget reviews.

A presentation of the members of the Management Committee is provided in Section 1.6.2.3 "Presentation of the management team" of this management report.

1.7.1.3.4 The Risk Manager

The Risk Manager defines the structure of the risk management system, mainly using the risk map, and ensures that the methodology is sound. The Risk Manager ensures the overall coherence of the policies put in place.

He or she periodically audits the system and decides on the actions to be taken in conjunction with the operational managers.

The Risk Manager reports to the Management Committee and the Audit Committee on the handling of major risks and changes to the risk management system.

The Risk Manager creates added value by recommending improvements and sharing insights derived from a risk-based approach.

He or she is involved in training and raising awareness of staff on topics relating to internal control.

In order to carry out his or her duties as effectively as possible, the Risk Manager reports directly to the Chairman and Chief Executive Officer of the Group.

1.7.1.3.5 FREY staff

Group employees are regularly reminded of the importance of complying with the internal control system.

They are involved in identifying and assessing risks within their area of expertise. They also suggest and implement internal control processes linked to their assigned goals, together with suitable action plans to facilitate the attainment of those goals.

1.7.1.3.6 External auditors

The Statutory Auditors verify the fairness and compliance of the Company's accounting with the applicable standards. They present their observations and recommendations for improving procedures and the internal control system in place.

1.7.1.4 Internal Control procedures

1.7.1.4.1 Organisation and structuring

Internal control is conducted primarily by FREY's Management Committee, assisted by the Risk Manager.

Control procedures have been put in place to ensure the execution and optimisation of the operations decided by the management bodies and the management of risks:

- resulting from or likely to result from the activities of FREY and its subsidiaries;
- related to the preparation of accounting and financial information;
- related to social and environmental issues.

Data comparison between the Management Committee and the operational management of the Frey Aménagement et Promotion and IF Gestion & Transactions subsidiaries affords a critical review of the performance and risks associated with each of the Group's activities.

The Group's operational organisation is based on the expertise of the Management Committee, of the back-office departments

(Finance and Legal Affairs), of the operational managers of the Group's various entities, and finally of all Group employees.

A human resources team, responsible for the management, coordination and development of FREY's workforce, strengthens this operational organisation.

This organisation provides flexibility and responsiveness for the Group in managing its day-to-day activities and operations.

1.7.1.4.2 Process contributing to the preparation of accounting and financial information

The preparation of accounting and financial information for shareholders – which not only covers compliance with generally accepted accounting principles, but also the accounting and financial analysis of the Group's activity – is specifically ensured by Senior Management and the Finance & Accounting Department:

- Senior Management oversees the closing of the financial statements and determines the schedule and specific key items (commitments, provisions, etc.);
- the Finance & Accounting Department (accounting, treasury, tax, consolidation), under the direct responsibility of the Deputy Chief Executive Officer, Finance and International Affairs, is responsible for the fairness and reliability of the accounts of Group companies and their regulatory compliance, in particular regarding tax matters. This department, which also liaises with the Statutory Auditors, currently consists of 11 people.

At the initiative of Senior Management, the budget process starts during the third quarter of the financial year. The assumptions used as a basis for preparing subsidiaries' budgets are validated by the Management Committee and then consolidated to establish the final budget approved by the Board of Directors in December.

Organisation of financial information is centralised at FREY:

- the accounting and financial information of each Group company is routinely logged by FREY's Accounting Department and is reviewed every six months by the Finance & Accounting Department and Senior Management;
- property investment management is carried out using rental management software that covers the client and supplier circuits related to all of the Group's operating sites;
- the accounting data extracted from the software is integrated into the accounting software via an automatic interface;
- supplier invoices are systematically checked by the Finance & Accounting Department after approval by the department concerned;
- the payments issued are made reliable by the establishment, in almost all cases, of electronic transfers with secure validation;
- bank reconciliations and all standard accounting controls are carried out systematically;
- the Deputy Chief Executive Officer, Finance and International Affairs regularly ensures that the accounts of FREY and its subsidiaries are properly maintained by the Accounting Department;
- the corporate and consolidated financial statements are prepared by the Finance & Accounting Department under the responsibility of the Board of Directors, which approves the financial statements after consulting the Audit Committee.

To make the preparation of its consolidated financial statements more reliable, and liaising directly with the Group's consolidation team, FREY calls on an external firm of accountants from a highly renowned international network to handle technical matters and provide IFRS regulatory oversight. This firm is a leader in its field and regularly works with listed companies.

The corporate and consolidated financial statements are audited by the Statutory Auditors.

The consolidated interim financial information is subject to a limited review. Coordination with the work of the Statutory Auditors is ensured by the Deputy Chief Executive Officer, Finance and International Affairs.

1.7.1.4.3 Operational level control procedures

At operational level, all corporate risks are analysed by FREY's Management Committee and the operational department of the two specialised subsidiaries Frey Aménagement et Promotion and IF Gestion & Transactions. Appropriate measures to limit their potential impact at Group level are approved by the Chairman and Chief Executive Officer and by the Management Committee.

1.7.1.4.4 Risk analysis and management

The Group implements risk monitoring and management processes suited to its activities, capacities and organisation.

FREY has carried out a review of the risks that could have a material adverse effect on its business, its financial position and its assets, or its results, in order to develop its internal control procedures. All risks identified, including those specific to each subsidiary, have been monitored using a risk map, in accordance with the 2013 COSO⁽¹⁾ framework and in line with the reference framework on risk management and internal control systems for small and midcaps published by the AMF in 2010.

The Group does not consider that it is subject to any other material risks, apart from those presented in Chapter 1.4 "Risk factors" of this management report.

FREY cannot guarantee that other risks might not arise in the future and have a material adverse effect on the Group, its business, financial position, assets, earnings or development.

1.7.2 OTHER INFORMATION ON INTERNAL CONTROL

1.7.2.1 Remuneration of corporate officers

The remuneration and benefits of all kinds awarded to corporate officers during the past financial year are presented in Section 6.3.1 of this management report, "Remuneration of Corporate Officers and Executives in the financial years 2019/2020".

1.7.2.2 Internal rules, committees

It should be noted that committees have been established within the Board of Directors, namely: an Investment Committee, an Appointments and Remuneration Committee and an Audit Committee.

The Rules of Procedure determine the remit and operating procedures of each committee.

Reference is made in this regard to the information contained in Chapter 1.6 "Corporate Governance" in this management report.

1.7.3 ASSESSMENT OF AND CHANGES TO THE INTERNAL CONTROL AND RISK MANAGEMENT PROCESS

In light of the Group's size, no periodic assessment procedure for its internal control has been put in place.

However, the internal control and risk management procedures are continually being improved through:

- the structuring of both operational and support teams;
- formalising procedures in the form of a manual;
- monitoring the internal audit plan in line with the mapping of all risks to which the Group is exposed.

1.8 Regulated agreements

The Statutory Auditors of the Company will present, in their special report, the related-party agreements referred to in Article L. 225-38 of the French Commercial Code that were signed during the past financial year, or which continued in 2020.

After reviewing the Statutory Auditors' special report, the Ordinary Annual General Meeting of FREY shareholders will be asked to vote on the aforesaid agreements.

(1) The COSO is an internal control framework. For this framework, internal control must meet three objectives: one objective relating to the efficiency of operations, an objective relating to reliability of financial information and an objective relating to compliance with the law: <https://www.coso.org>.

1.9 Other Information

1.9.1 RESEARCH AND DEVELOPMENT

Given the nature of its business, neither the Company nor any other Group company has incurred any research and development costs during the past financial year.

1.9.2 PAYMENT TERMS

In accordance with the provisions of Articles L. 441-6-1 and D. 441-4 of the French Commercial Code, we report to you in **Note 4** of this management report on the payment terms in effect on 31 December 2020.

1.9.3 OVERHEADS - SUMPTUARY EXPENSES

1.9.3.1 Overheads that are excessive or not included in the special statement

During the past financial year, the Company did not incur any excessive overheads or overheads not appearing on the special statement within the meaning of Articles 223 (d) and 39-5 of the French General Tax Code.

1.9.3.2 Sumptuary expenses

During the past financial year, the Company recorded and reinstated for tax purposes sumptuary expenses as defined by Article 39-4 of the French General Tax Code totalling €92,081, representing a potential additional tax charge of €4,621 on taxable income and a potential additional distribution obligation of €71,798 on non-taxable income.

APPENDIX 1 – SA FREY RESULTS OVER THE LAST FIVE FINANCIAL YEARS

(In €)	31/12/2020	31/12/2019	31/12/2018	31/12/2017	31/12/2016
Financial position at the end of the financial year					
Share capital	61,508,158	60,562,493	47,104,163	30,281,250	21,515,625
Number of shares issued	24,603,263	24,224,997	18,841,665	12,112,500	8,606,250
Number of convertible bonds	0	0	1,519,264	1,621,691	1,621,691
Comprehensive income of actual operations					
Revenue excl. tax	17,015,612	13,565,588	12,849,435	12,244,414	8,552,216
Earnings before tax, depreciation, amortisation and provisions	21,916,463	-3,819,596	2,943,628	6,351,662	1,956,690
Income tax		0	0	0	46,789
Earnings after tax, depreciation, amortisation and provisions	21,866,472	-10,000,742	-2,546,118	2,275,293	-4,237,493
Earnings distributed	6,273,663	0	0	0	0
Operating earnings per share					
Earnings after tax but before depreciation, amortisation and provisions	0.89	-0.16	0.16	0.59	0.23
Earnings after tax, depreciation, amortisation and provisions	0.89	-0.41	-0.14	0.19	-0.49
Dividend paid on each share	1.50	1.50	1.20	1.00	0.77
Workforce					
Average workforce for the financial year	30	28	26	25	26
Total payroll for the financial year	2,869,879	2,737,528	2,523,561	2,410,364	2,142,069
Amount of benefits paid (social security, charitable works, etc.)	2,250,032	2,251,326	1,364,565	1,590,173	1,226,288

APPENDIX 2 – TABLE OF CURRENT FINANCIAL AUTHORISATIONS

Issues with preferential subscription rights

Shares involved	Source (Resolution No.)	Duration of authorisation and expiry	Use of the authorisation	Maximum nominal capital increase (in €)
(1) Capital increase (i) either by issuing, with preferential subscription rights, ordinary shares and/or marketable securities of any kind whatsoever giving immediate or future access to the Company's share capital (or share capital of companies in which the Company directly or indirectly owns more than half of the share capital), (ii) or by incorporation of share premiums, reserves, earnings or other items.	AGM 20/05/2020 25 th resolution	from 20/05/2020 to 20/07/2022		Up to the maximum ceiling of €30 million (specific ceiling and overall maximum ceiling)

Issues without preferential subscription rights

Shares involved	Source (Resolution No.)	Duration of authorisation and expiry	Use of the authorisation	Maximum nominal capital increase (in €)
(2) Capital increase by issuing, without preferential subscription rights, ordinary shares and/or marketable securities of any kind whatsoever giving immediate or future access to the Company's share capital or share capital of companies in which the Company directly or indirectly owns more than half of the share capital.	AGM 20/05/2020 26 th resolution	from 20/05/2020 to 20/07/2022		Up to €30 million, this amount being deducted from the overall ceiling set out in (1)
Determination of the issue price of ordinary shares and/or marketable securities granting access to the share capital for issues decided as part of the delegation of powers referred to in (2) and within the annual limit of 10% of the share capital per year	AGM 20/05/2020 27 th resolution	from 20/05/2020 to 20/07/2022		Up to 10% of the share capital per year and up to the overall maximum ceiling of €30 million set out in (1)
Increase of the amount of issues referred to in (1) and (2) in the event of over-subscription	AGM 20/05/2020 28 th resolution	from 20/05/2020 to 20/07/2022		Within 30 days of the end of the subscription of the initial issue, up to 15% and within the overall maximum ceiling of €30 million set out in (1)
Capital increase by issuing ordinary shares, marketable securities and/or financial securities granting access to the share capital by means of an offer referred to in Section II of Article L. 411-2 of the French Monetary and Financial Code with waiving of preferential subscription rights	AGM 20/05/2020 29 th resolution	from 20/05/2020 to 20/07/2022		Up to 20% of the share capital per year and up to the ceiling of €30 million set out in (1)
Issue of ordinary shares and marketable securities giving access to the share capital in case the Company initiates a public exchange offering	AGM 20/05/2020 30 th resolution	from 20/05/2020 to 20/07/2022		Up to €30 million, this amount being deducted from the overall ceiling set out in (1)

Issues without preferential subscription rights (continued)

Shares involved	Source (Resolution No.)	Duration of authorisation and expiry	Use of the authorisation	Maximum nominal capital increase (in €)
Issue of financial securities and/or marketable securities giving immediate or future rights to a proportion of the share capital, with waiving of preferential subscription rights in favour of certain categories of persons pursuant to Article L. 225-138 of the French Commercial Code.	AGM 20/05/2020 31 st resolution	18 months from 20/05/2020 at 20/11/2021		Up to €30 million, this amount being deducted from the overall ceiling set out in (1)
Issuance of ordinary shares to remunerate contributions in kind granted to the Company and consisting of shares or securities giving access to the share capital of another company (except in the case of a public exchange offering initiated by the Company).	AGM 20/05/2020 33 th resolution	from 20/05/2020 to 20/07/2022		Up to 10% of the share capital per year and up to a ceiling of €30 million, this amount being deducted from the overall ceiling set out in (1)
Free allocation of existing shares or to be created for the benefit of Company employees or corporate officers or certain categories of them.	AGM 20/06/2018 14 th resolution	38 months from 20/06/2018 at 20/08/2021	The Board of Directors made use of this delegation on 2 April 2020 to the tune of 0.15% of the share capital.	Up to 10% of the share capital
Share subscription or purchase options in favour of Company employees or of certain categories thereof.	AGM 21/05/2019 24 th resolution	38 months from 21/05/2019 on 21/07/2022		Up to 10% of the share capital

Capital reduction

Shares involved	Source (Resolution No.)	Duration of authorisation and expiry	Use of the authorisation	Maximum nominal amount of capital increase (in €)
Capital reduction by cancelling treasury shares	AGM 20/05/2020 34 th resolution	from 20/05/2020 to 20/07/2022		Up to 10% of the shares in the Company's share capital for a period of 24 months

Furthermore, it is recalled that the 24th resolution of the General Meeting of 20 May 2020 authorised the Board of Directors, for a period of 18 months from the meeting, to purchase or

arrange for the purchase of Company shares, as provided for by Articles L. 225-209 *et seq.* of the French Commercial Code, subject to a maximum of 10% of the share capital on that date.

APPENDIX 3 - SUMMARY TABLE OF CORPORATE INFORMATION ABOUT SA FREY SUBSIDIARIES

Position at 31 December 2020

Company	SIRET	Registered office	Last reporting date
SAS Chanteloup 01	495 260 952 00025	Bezannes	31/12/2020
SAS Chanteloup 02	495 271 140 00032	Bezannes	31/12/2020
SAS Citizers By Frey	847 878 683 00014	Bezannes	31/12/2020
SASU Ecoparc Aménagement	828 134 262 00017	Bezannes	31/12/2020
SASU FF. Events	800 496 374 00011	Bezannes	31/12/2020
Groupeement Forestier Forey	882 005 598 00017	Bezannes	31/12/2020
SASU Frey Aménagement et Promotion	500 202 049 00028	Bezannes	31/12/2020
SCI Frey Murs 01	794 375 758 00 016	Bezannes	31/12/2020
SASU Frey Murs 02	813 822 640 00013	Bezannes	31/12/2020
GIE Frey Solidarity	883 984 106 00012	Bezannes	31/12/2020
SASU FRP III	518 311 337 00027	Bezannes	31/12/2020
SCI IF Allondon	790 403 372 00 010	Bezannes	31/12/2020
SNC IF Bezannes	512 278 334 00028	Bezannes	31/12/2020
SNC IF Chêne Vert	502 925 084 00043	Bezannes	31/12/2020
SAS IF Clos du Chêne	533 187 316 00013	Bezannes	31/12/2020
SCI IF Ecopole	807 934 997 00014	Bezannes	31/12/2020
SNC IF Gestion & Transactions	494 334 477 00028	Bezannes	31/12/2020
IF Plein IF Plein Est	533 350 658 00 019	Bezannes	31/12/2020
SNC IF Plein Ouest	533 140 646 00 019	Bezannes	31/12/2020
SNC IF Plein Sud	512 278 409 00028	Bezannes	31/12/2020
SNC IF Saint Parres	520 914 581 00027	Bezannes	31/12/2020
SCI IF Valentine	790 402 242 00016	Bezannes	31/12/2020
SCI IF ZCN Investissement	810 418 889 00012	Bezannes	31/12/2020
SAS La Plaine	823 261 185 00016	Bezannes	31/12/2020
SCI Massonex	508 376 787 00018	Bezannes	31/12/2020
SCI PAI 02	522 765 502 00029	Bezannes	31/12/2020
SNC Retail Prodev	820 821 908 00010	Bezannes	31/12/2020
SAS ZCN Aménagement	800 827 842 00017	Bezannes	31/12/2020
Frey Invest	Company under Spanish law	Barcelona	31/12/2020
Parc Vallès	Company under Spanish law	Barcelona	31/12/2020
Parla Natura	Company under Spanish law	Barcelona	31/12/2020
Santa Margarida	Company under Spanish law	Barcelona	31/12/2020
Albufeira Retail Park	Company under Portuguese law	Lisbon	31/12/2020
Algarve Shopping	Company under Portuguese law	Lisbon	31/12/2020
FreyProp	Company under Portuguese law	Lisbon	31/12/2020
Imoconti	Company under Portuguese law	Lisbon	31/12/2020
Project Guia	Company under Portuguese law	Lisbon	31/12/2020
SAS FRF 1	538 460 650 00012	Bezannes	31/12/2020
SCI FRF 2	538 486 143 00018	Bezannes	31/12/2020

% share capital owned by FREY	Consolidation method	VNC Of securities	Net sales excl. tax (100%)	Equity (100%)	Retained earnings last financial year (100%)
100%	FC	€2,255,400	€850,023	€60,586	€16,586
100%	FC	€4,326,000	€2,029,474	€139,142	€148,055
100%	FC	€5,000	€543,747	-€646,137	-€584,983
100%	FC	€10,000	€0	-€737,410.00	-€695,657
100%	FC	€ 150,000	€504,262	-€600,428	-€348,333
100%	FC	€10,000	€20,624	-€41,288	-€51,288
100%	FC	€3,757,500	€1,848,445	-€5,831,806	-€688,254
100%	FC	€10,000	€0	€1,833	-€8,167
100%	FC	€10,000	€0	€122,460	€155,662
100%	FC	-€	-€	-€2,015,081	-€2,015,081
100%	FC	€28,038,177	€3,054,516	-€7,306,728	€855,546
100%	FC	€10,000	€0	-€65,382	-€75,382
100%	FC	€10,000	€393,007	€35,358	€25,358
100%	FC	€40,205	€3,253,519	-€200,003	-€210,003
100%	FC	€16,252,450	€62,523	€10,031,629	€388,822
100%	FC	€500,000	€0	€307,347	-€192,652
100%	FC	€13,750	€5,241,589	-€684,934	-€694,934
100%	FC	€10,000	€2,808,956	€879,052	€869,052
100%	FC	€10,000	€763,256	-€4,006	-€14,006
100%	FC	€10,000	€2,682,698	€802,607	€792,607
100%	FC	€10,000	€0	€53,536	-€115,039
100%	FC	€10,000	€0	-€1,789,732	-€1,799,732
100%	FC	€10,000	€8,338,596	€519,507	€509,507
100%	FC	€10,000	€3,318,704	-€684,384	€170,462
100%	FC	€267,195	€0	-€37,525	-€14,845
100%	FC	€6,400,302	€2,325,868	-€4,507,925	-€754,623
100%	FC	€10,000	€20,987,100	€3,150,153	€3,140,153
100%	FC	€50,000	€4,091,710	€90,869	€889,446
100%	FC	€100,000	€287,000	-€3,892,598	-€306,677
100%	FC	€25,297,391	€5,684,678	€9,177,541	€991,321
100%	FC	€3,156,056	€0	-€879,925	-€51,628
100%	FC	€20,341	€1,285,512	€13,974	€0
70%	FC	€14,766,470	€1,361,566	€15,820,088	€611,921
70%	FC	€88,792,099	€7,735,073	€84,226,783	€3,495,874
70%	FC	€1,400,000	€0	€669,173	-€4,244,022
70%	FC	€17,036,465	€1,347,029	€1,276,178	€23,847
70%	FC	€1,461,767	€0	€996,030	-€9,764
67%	FC	€1,583,961	€274,851	€1,798,568	€25,703
62%	FC	€60,936,145	€0	€88,271,054	€4,834,722

Company	SIRET	Registered office	Last reporting date
SCI FRF 2 - Brest Saint Dié	539 681 270 00010	Bezannes	31/12/2020
SCI FRF 2 - La Francheville	539 695 783 00016	Bezannes	31/12/2020
SCI FRF 2 - Le Pontet	751 194 861 00017	Bezannes	31/12/2020
SCI FRF 2 - Narbonne	485 096 705 00036	Bezannes	31/12/2020
SCI FRF 2 - Seclin	788 846 350 00015	Bezannes	31/12/2020
SCI FRF 2 - Torcy	539 682 930 00018	Bezannes	31/12/2020
SCI FRF 2 - Torcy II	513 302 703 00022	Bezannes	31/12/2020
SCI FRF2 - Belfort	794 430 454 00015	Bezannes	31/12/2020
SC FRF2 Apollo	812 955 680 00010	Bezannes	31/12/2020
SCI FRF2 Chantepie	800 283 285 00016	Bezannes	31/12/2020
SCI FRF2 Khepri 1	800 283 236 00019	Bezannes	31/12/2020
SNC IF Cormontreuil 01	508 928 314 00022	Bezannes	31/12/2020
SCI Zone A	488 512 286 00029	Bezannes	31/12/2020
SCCV AAP	515 348 746 00022	Bezannes	31/12/2020
SCI L'Agenaise d'Investissement	750 095 143 00012	Bezannes	31/12/2020
SCI Bonneuil Retail Park	821 629 607 00010	Bezannes	31/12/2020
SCI PI	803 896 661 00011	Bezannes	31/12/2020
SCI Sopic Frey	517 826 111 00026	Bezannes	31/12/2020
SCI Tervilloise d'Investissement	818 725 392 00 018	Bezannes	31/12/2020
SC Frey Retail Villebon	817 676 240 00010	Bezannes	31/12/2020

% share capital owned by FREY	Consolidation method	VNC Of securities	Net sales excl. tax (100%)	Equity (100%)	Retained earnings last financial year (100%)
62%	FC	€6,000	€0	-€5,705	-€11,705
62%	FC	€6,000	€0	-€47,880	-€53,880
62%	FC	€6,000	€759,495	€367,567	€361,567
62%	FC	€2,102,268	€0	-€11,993	-€12,993
62%	FC	€6,000	€0	-€5,250	-€11,251
62%	FC	€6,000	€1,721,068	€796,544	€685,456
62%	FC	€2,346,000	€129,814	€102,853	€92,853
62%	FC	€6,000	€0	-€5,953	-€11,953
62%	FC	€6,000	€5,656,548	€1,163,161	€1,157,161
62%	FC	€6,000	€0	-€22,233	-€28,233
62%	FC	€6,000	€851,386	€824,484	€818,484
62%	FC	€7,858,770	€1,209,094	€605,887	€595,887
62%	FC	€4,007,253	€1,495,473	€770,198	€670,198
50%	EA	€50,000	€0	€92,415	-€7,585
50%	EA	€3,000	€2,253,896	-€5,773,927	-€319,694
50%	EA	€5,000	€1,163,383	€554,132	€544,132
50%	EA	€5,000	€453,306	€59,869	€49,869
50%	EA	€154,336	€0	€326,279	€81,940
50%	EA	€5,000	€435,208	-€15,341	-€25,341
5%	EA	€1,846,005	€8,557,399	€39,232,421	€2,312,316

APPENDIX 4 - PAYMENT TERMS IN EFFECT AS OF 31 DECEMBER 2020

Article D. 441 I. -1 ° of the French Commercial Code: Invoices received but not settled on the reporting date						
	0 days (illustrative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days And more (1 days and more)	Total
(A) Late payment tranche						
Number of invoices involved	8					22
Total amount of invoices in questions Including VAT	€11,859		€366		€355,417	€355,783
Percentage of total purchases for the financial year including VAT	0.03%	0.00%	0.00%	0.00%	0.80%	0.80%
Percentage of revenue for the financial year including VAT						
(B) Invoices excluded from (A) relating to disputed payables and receivables or unrecognised						
Number of invoices excluded						
Total amount of invoices excluded including VAT	€0.00	€0.00	€0.00	€0.00	€0.00	€0.00
(C) Baseline payment terms used (contractual or statutory time-limit – Article L. 441-6 or Article L. 443-1 of the French Commercial Code)						
Payment terms used for the calculation of payment terms	<ul style="list-style-type: none"> Statutory time-limits: 30 days end-of-month 					

Article D. 441 I. -2 ° of the French Commercial Code: Invoices issued but not settled on the reporting date

0 days (illustrative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days And more	Total (1 days and more)
40					305
€336,064	€20,204	€309,334	€77,100	€2,220,059	€2,626,698
1.65%	0.10%	1.51%	0.38%	10.87%	12.86%
0	0	0	0	170	170
€0.00	€0.00	€0.00	€0.00	€947,801	€947,801
• Statutory time-limits: Cash					



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2

CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2020

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2.1 FINANCIAL INFORMATION CONCERNING THE FREY GROUP'S ASSETS, FINANCIAL POSITION AND RESULTS

2.1.1 CONSOLIDATED INCOME STATEMENT AT 31 DECEMBER 2020

(In €K)	Note	31/12/2020 12 months	% revenue	31/12/2019 12 months	% revenue
REVENUE	2.5 N.1.1	107,218	100%	69,348	100%
PURCHASES CONSUMED	2.5 N.1.3	-49,563	-46%	-29,358	-42%
Payroll expenses	2.5 N. 1.4	-9,101		-8,784	
Other income	2.5 N.1.5	4,184		23,826	
Other expenses	2.5 N.1.5	-5,441		-22,915	
Taxes and duties	2.5 N.1.6	-1,477		-1,640	
Allocations to and write-backs of depreciation, amortisation and impairment	2.5 N.1.7	-3,469		-1,431	
PROFIT/(LOSS) FROM RECURRING OPERATIONS		42,351	39%	29,046	42%
Other operating income	2.5 N.1.8	3,094		1,572	
Other operating expenses	2.5 N.1.8	-13,085		-4,261	
<i>of which waivers of rent receivables granted</i>		-6,066		-	
Value adjustments of investment property	2.5 N.2.3	-19,259		50,088	
OPERATING PROFIT		13,101	12%	76,445	110%
Share of net profit (loss) of associates	2.5 N.2.4	-1,827		8,717	
OPERATING PROFIT (LOSS) AFTER SHARE OF NET PROFIT (LOSS) OF ASSOCIATES		11,274	11%	85,162	123%
Net cost of debt	2.5 N.1.9	-9,752		-10,364	
<i>of which financial income</i>		140		360	
<i>of which financial expenses</i>		-9,892		-10,724	
Other financial income and expenses	2.5 N.1.9	777		-5,281	
PROFIT BEFORE TAX		2,299	2%	69,517	100%
Income tax	2.5 N.1.10	1,406		-10,417	
NET PROFIT/(LOSS) OF CONSOLIDATED COMPANIES		3,705	3%	59,100	85%
NET PROFIT/(LOSS) ATTRIBUTABLE TO NON-CONTROLLING INTERESTS		-1,337		-9,386	
NET PROFIT GROUP SHARE		2,369	2%	49,714	72%
Earnings per share	2.5 N.1.11	0.10		2.57	
Diluted earnings per share	2.5 N.1.11	0.10		2.57	

2.1.2 NET CONSOLIDATED COMPREHENSIVE INCOME STATEMENT AT 31 DECEMBER 2020

(In €K)	Note	31/12/2020 12 months	31/12/2019 12 months
NET PROFIT/(LOSS) OF CONSOLIDATED COMPANIES		3,705	59,100
GAINS AND LOSSES TAKEN DIRECTLY TO EQUITY			
Change in fair value of hedge instruments		-	-
Impact of deferred tax on hedge instruments		-	-
Sub-total of comprehensive income recyclable through profit or loss		-	-
Actuarial gains and losses on pension commitments net of tax		-96	6
Sub-total of comprehensive income not recyclable through profit or loss		-96	6
TOTAL GAINS AND LOSSES TAKEN DIRECTLY TO EQUITY:	2.5 N.2.1.5	-96	6
COMPREHENSIVE INCOME		3,609	59,106
Comprehensive income attributable to owners of the Company		2,272	49,720
Comprehensive income attributable to non-controlling interests		1,337	9,386

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2.1.3 CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2020

Assets

(In €K)	Note	31/12/2020	31/12/2019
Goodwill	2.3.4	11,110	11,110
Intangible assets	2.5 N.2.1	778	374
Property, plant and equipment	2.5 N.2.2	13,470	9,728
Investment property	2.5 N.2.3	1,316,247	1,094,110
Investments in associates	2.5 N.2.4	16,885	57,511
Other non-current assets	2.5 N.2.5	7,779	11,106
Deferred tax assets	2.5 N.2.12	1,358	545
TOTAL NON-CURRENT ASSETS		1,367,627	1,184,484
Inventories and work-in-progress	2.5 N.2.6	40,243	44,666
Trade receivables	2.5 N.3.2	22,074	10,087
Other current assets	2.5 N.2.8	53,001	38,821
Current financial assets		-	-
Cash and cash equivalents	2.5 N.2.9	56,161	97,451
TOTAL CURRENT ASSETS		171,479	191,025
Assets held for sale*	2.3.12	17,674	-
TOTAL ASSETS		1,556,780	1,375,509

Liabilities

(In €K)	Note	31/12/2020	31/12/2019
Share capital		61,508	60,562
Reserves & share premiums	2.2.1.2	704,335	667,644
Retained earnings		2,369	49,714
EQUITY (GROUP SHARE)	2.1.5	768,212	777,920
Non-controlling interests	2.1.5	54,188	11,294
TOTAL EQUITY	2.1.5	822,400	789,214
Provisions for liabilities and charges	2.5 N.2.13	959	710
Non-current financial derivative liabilities	2.3.13	-	-
Non-current financial liabilities	2.5 N.2.10	549,199	428,011
Deferred tax liabilities	2.5 N.2.12	12,781	15,169
Other non-current liabilities	2.2.3	10,966	10,966
TOTAL NON-CURRENT LIABILITIES		573,904	454,856
Trade payables		9,441	12,397
Other current liabilities	2.5 N.2.14	106,791	95,027
Current financial derivative liabilities	2.3.13	5,327	4,579
Current financial liabilities	2.5 N.2.15	27,807	19,436
TOTAL CURRENT LIABILITIES		149,366	131,439
Liabilities related to a group of assets held for sale*		11,110	-
TOTAL LIABILITIES		1,556,780	1,375,509

* Assets held for sale and dedicated liabilities have been reclassified in accordance with IFRS 5 (3.12).

2.1.4 CASH FLOW STATEMENT BY CASH FLOW ANALYSIS

(In €K)	Note	31/12/2020 12 months	31/12/2019 12 months
<i>Cash flow from operating activities</i>			
Net profit of consolidated companies		3,705	59,100
<i>Derecognition of income and expenses with no impact on cash or not from operations</i>			
• Amortisation, depreciation & provisions		1,589	703
• Cost of financial debt	2.5 N.1.9	9,029	9,817
• Other financial income and expenses	2.5 N.1.9	-	4,318
• Change in taxes	2.5 N.1.10	-1,406	10,417
• Change in fair value of investment property	2.5 N.2.3	19,259	-50,088
• Change in fair value of financial instruments	2.5 N.1.9	-173	963
• Capital gains and losses on disposals		2,655	145
• Share of net profit from associates	2.5 N.2.4	1,827	-8,717
• Acquisition costs on equity securities		1,257	1,281
• Other non-cash income and expenses		-	-
CASH FLOW OF CONSOLIDATED COMPANIES		37,742	27,939
Dividends received from associates		10,518	4,385
Tax paid		-1,718	-2,625
Change in working capital requirement related to operating activities	2.5 N.3.2	-8,700	-1,032
CASH FLOW GENERATED FROM OPERATING ACTIVITIES (1)		37,842	28,667
<i>Cash flow from investment activities</i>			
Acquisition of fixed assets and investment property	2.5 N.3.3	-83,159	-117,604
Change in loans, advances and other financial assets		-11,950	-23,008
Disposal of fixed assets	2.5 N.2.1-3	3,100	22,914
Change in other investments		604	-
Impact of changes in consolidation scope	2.5 N.3.4	-14,635	-98,942
CASH FLOW FROM INVESTMENT ACTIVITIES (2)		-106,040	-216,640
<i>Cash flow from financing activities</i>			
Dividends paid to shareholders of the parent company	2.5 N.2.2.1.1	-25,652	-23,773
Dividends paid to minority shareholders of consolidated entities		-	-
Increases and decreases in share capital	2.5 N. 2.1.5-2.2.1.2	-	160,074
Disposal (acquisition) net of treasury shares		-6,365	-11,006
Amounts paid on a change in holdings without loss of control		-	-
Increase in borrowings	2.5 N.2.10-15	152,206	433,431
Repayment of borrowings (including finance leases)	2.5 N.2.10-15	-84,233	-327,657
Repayment of lease liabilities	2.5 N.2.10-15	-853	-901
Interest paid (including on lease obligations)		-8,344	-22,784
Change in other financing		-	-
CASH FLOW FROM FINANCING ACTIVITIES (3)		26,759	207,384
CHANGE IN CASH FLOWS (1+2+3)		-41,439	19,410
Cash and cash equivalents - opening balance	2.5 N.3.1	97,334	77,924
Cash and cash equivalents - closing balance	2.5 N.3.1	55,895	97,334
CHANGE IN CASH		-41,439	19,410

2.1.5 CHANGE IN SHAREHOLDER EQUITY

(In €K)	Share capital	Share premiums	Reserves and retained earnings	Equity Group Share	Non-controlling interests	Total equity
TOTAL AS AT 31 DECEMBER 2018	47,104	299,568	253,858	600,530	-4	600,526
Net profit/(loss) for the period			49,714	49,714	9,386	59,100
Dividends paid		-22,098		-22,098	-	-22,098
Capital increase	13,458	147,257		160,715	-	160,715
Treasury shares			-10,733	-10,733		-10,733
Changes in consolidation scope				-	1,912	1,912
Other			-208	-208		-208
TOTAL AS AT 31 DECEMBER 2019	60,562	424,727	292,631	777,920	11,294	789,214
Net profit/(loss) for the period			2,369	2,369	1,337	3,705
Dividends paid		-35,320		-35,320	-	-35,320
Capital increase	946	8,722		9,668	-	9,668
Treasury shares			13,638	13,638	-	13,638
Changes in consolidation scope				-	41,558	41,558
Other			-63	-63		-63
TOTAL AS AT 31 DECEMBER 2020	61,508	398,129	308,575	768,212	54,189	822,400

2.2 MAJOR EVENTS DURING THE PERIOD

2.2.1 GROUP SHAREHOLDING TRANSACTIONS

2.2.1.1 Distribution of dividends

The General Meeting of Shareholders on 20 May 2020 approved the payment of a dividend of €1.50 per share as well as the proposal of an option between (i) payment of the dividend at 100% in cash and (ii) a partial payment of the dividend in shares in the amount of 30% (i.e. €0.45 per share) accompanied by a payment of 70% in cash (i.e. €1.05 per share).

The option of payment in shares of the 2019 dividend was subscribed for 88.7% of the option rights and resulted in the creation of 378,266 new ordinary shares, delivered on 12 June 2020.

The maximum amount of the dividend paid in cash represented €27.50 million. Taking into account the shares held in the liquidity contract and in the buyback program, the amount paid was €25.60 million.

2.2.1.2 Liquidity (market-making) agreement and share buyback programme

The General Meeting of 20 May 2020 authorised the Board of Directors, with the option to sub-delegate under the conditions provided for by law, to purchase or have purchased shares in the Company, under the conditions provided for by Article L. 22-10-67 of the French Commercial Code, in order to:

- provide liquidity and make a market in the Company's shares via an investment services provider, acting independently for and on behalf of the Company under the terms of a liquidity (market-making) agreement that complies with a Code of Ethics as recognised by the French Financial Markets Authority;
- deliver shares upon the exercise of rights attached to financial securities and/or marketable securities giving the right to the allocation of shares in the Company through reimbursement, conversion, exchange, presentation of a warrant or in any other manner;
- retain or subsequently transfer shares (in exchange, consideration or other) as part of financial transactions or potential acquisitions, mergers, demergers or asset contribution transactions of the Company;
- reduce the share capital by cancelling the shares bought back;
- allocate shares to employees or corporate officers of the Company or related companies, notably by way of profit-sharing, under an employee savings plan or for

free share allocation plans under the terms laid down in Articles L. 225-197-1 *et seq.* of the French Commercial Code;

- implement any Company stock option plan under the provisions of Articles L. 225-177 *et seq.* of the French Commercial Code.

This programme is also intended to enable the Company to operate for any other purpose currently permitted or permitted in future under applicable law or regulations, and in particular to implement any market practice that may be accepted by the French Financial Markets Authority.

In such a case, the Company would inform its shareholders by means of a press release.

Accordingly, the shares may be purchased, held and, where applicable, exchanged or transferred, *via* any means, on- or off-market, and in accordance with the applicable regulations, using, where appropriate, any derivatives or options traded on regulated markets or over the counter.

The terms and conditions determined by the General Meeting are as follows:

- characteristics of securities that may be repurchased: ordinary shares of the Company admitted to trading on Compartment B of the Euronext Paris regulated market under ISIN code FRO010588079;
- maximum share of the share capital: 10% of the share capital of the Company during the term of the program, this limit being assessed on the basis of the number of shares comprising the share capital of the Company at the time of the buybacks;
- maximum unit purchase price: €55 (excluding acquisition costs), subject to adjustments related to any transactions involving the Company's share capital;
- maximum amount of funds intended for the implementation of the program: €133,237,445 based on the maximum unit purchase price and the number of shares that may be repurchased under the program;
- duration of the buyback program: 18 months from 20 May 2020, *i.e.* until 20 November 2021.

At 31 December 2020, the Company held 15,127 own shares, or 0.06% of its share capital at that date, divided between the following two contracts:

- 4,737 shares held under the liquidity agreement signed on 3 March 2017 for market-making purposes;
- 10,390 shares held under the buyback agreement to achieve the other objectives authorised by the Shareholders' Meeting.

2.2.2 FINANCING

2.2.2.1 Signing of corporate lines

In July 2020, FREY signed a one-year extension of the maturity date of the corporate credit line of €100.00 million, *i.e.* until 25 July 2026.

In July 2020, FREY also signed a partial one-year extension of the maturity date of the corporate credit line of €70.00 million, *i.e.* until 28 November 2025. This extension concerns an amount of €50.00 million out of the initial €70.00 million.

In November 2020, FREY signed a solidarity corporate loan for a total amount of €70.0 million for an initial term of five years, with extension options. This credit line includes a mechanism for waiving a portion of the remuneration from the banking pool and the contribution of an equivalent amount by FREY to a

charitable organisation, which may change each year. The total sum financed in equal shares by FREY and the banking pool may reach €140,000 across the whole corporate credit line (5 years excluding options to extend).

These corporate credit lines will provide funding for ongoing development projects or those that may come to fruition over the coming months.

These credit lines make it possible to lock in favourable financial terms, improve FREY's financial flexibility and strengthen the Group's strong relations with its banking partners.

In July 2020, the FREY Group strengthened its interest rate hedge positions by signing four caps with a strike-rate of 0%, with a 4.5 year term.

2.2.3 CHANGES IN CONSOLIDATION SCOPE

Changes in the consolidation scope at 31 December 2020 are described below.

Increase in consolidation scope

During the first half of 2020, two entities were created:

- on 24 February 2020, the FOREY Forest Group: the purpose is primarily the constitution, improvement, equipment, conservation or management of one or more forest areas likely to be developed and exploited regularly, with their property or inseparable outbuildings, on wooded land or land to be forested and on any other land that the Group may have the use of as a result of contribution, acquisition or lease.
This company, in which FREY owns a 99.9% interest and Frey Aménagement et Promotion a 0.1% interest, is fully consolidated;
- on 2 June 2020, the FREY SOLIDARITY EIG: in the context of the administrative closure of the points of sale on 14 and 16 March 2020, the purpose of the EIG is to pool the cost of the exceptional financial benefits granted to certain tenants meeting the eligibility criteria set out in the EIG's internal regulations, as well as their implementation, in conjunction with tenants. This consortium, held by the companies PAI 02, IF Plein Sud, IF Chêne Vert, FREY, FRP III, IF Plein Est, IF Plein Ouest, Chanteloup 02, La Plaine, Chanteloup 01, IF ZCN Investissement, ZCN Aménagement and IF Clos du Chêne is fully consolidated.

Exit from consolidation scope

- On 10 February 2020, SCI Seclin 01 was dissolved without liquidation by Universal Transfer of Assets to FREY.
- On 30 June 2020, the Spanish company Frey Durango was dissolved without liquidation by Universal Transfer of Assets to SL Frey Invest.
- On 23 December 2020, four companies were dissolved without liquidation by Universal Transfer of Assets. The aim of the latter is to simplify the Group's organizational chart.
 - For the benefit of FREY SA: SCI IF Bener, SCI Les Sablons 1
 - For the benefit of SAS Frey Aménagement et Promotion: SCI PAI 01
 - For the benefit of SAS ZCN Aménagement: SARL Vensud

Change in percentage interest and consolidation method

- On 28 July 2020, FREY bought 30,384,251 shares in SCRI FRF2, taking its stake from 24.16% to 62.08%. This operation was remunerated by the delivery of 650,000 FREY treasury shares and by a cash payment of €20.20 million financed by the property company's own resources. On the same day, a new partnership agreement was signed, confirming the takeover of the FRF division (including the FRF1 SAS), and the change in the consolidation method by full consolidation in the financial statements of the REIT.
- On 15 October 2020, SCI FRF2 acquired the following shares:
 - 1 share in FRF2 BREST SAINT DIE increasing its stake from 99.83% to 100%,
 - 1 share in FRF2 - LA FRANCHEVILLE, increasing its stake from 99.83% to 100%,
 - 1 share in FRF2 NARBONNE, increasing its stake from 99% to 100%,
 - 1 share in FRF2 SECLIN increasing its stake from 99.83% to 100%,
 - 1 share in FRF2 BELFORT increasing its stake from 99.83% to 100%,
 - 1 share in FRF2 CHANTEPIE, increasing its stake from 99.83% to 100%.

2.2.4 PROJECTS AND DEVELOPMENT

As of 31 December 2020, two projects are under construction for openings scheduled for March 2021:

- Shopping Promenade Claye-Souilly® (77);
- Shopping Promenade Cœur Alsace® in Strasbourg-Vendenheim (67).

These assets represent a surface area of around 111,000m², of which around 98,000m² will be conserved as managed assets.

Following the unilateral decision of SA3M, Société d'Aménagement de Montpellier Méditerranée Métropole, in June 2020, to stop the development of the "ODE À LA MER" project, the FREY Group challenged this decision and initiated legal proceedings to obtain the repayment of costs incurred prior to this decision by Sa3M and compensation for the losses suffered. As of the reporting date, we are not envisaging an unfavourable outcome of the current legal action taken by the FREY Group and, consequently, we have not recorded an impairment loss for the €14.4 million in costs.

2.2.5 COVID-19 HEALTH CRISIS

Context and measures taken:

The Covid-19 epidemic emerged in China at the end of 2019. It spread across the whole of the European continent in the course of 2020. In order to limit the circulation of the virus, on 16 March 2020, the President of the French Republic announced the closure of so-called "non-essential" businesses. The vast majority of the FREY Group's tenants have therefore been forced to close their doors. In light of these events, with its wholly-owned subsidiaries, FREY established the EIG Frey Solidarity to help

lessees to maintain the economic activity of the Group's lessee companies over the long term. This measure introduced during the first lockdown, involves the pooling of efforts to support lessees in rent discounts and payment schedules.

Receivables sold by FREY and its subsidiaries to the EIG Frey Solidarity totalled €2.6 million, or €1.85 million in rent discounts and €0.75 million in receivables spread over a 24-month period from 1 January 2021 to 31 December 2022. These recovery prospects are not in question.

For the portfolio located on the Iberian Peninsula and for the co-owned portfolio, the lessor companies granted €2 million in rent waivers as well €2 million in rent deferrals. In addition to this figure, the FREY Group recorded a provision of €2.1 million for measures that would be retroactive from the beginning of March 2020, announced by the Portuguese Government and in the process of being approved by the Constitutional Council.

With the announcement of the end of lockdown in May 2020, FREY introduced the most effective protective hygiene and social distancing measures across its sites. On 28 October 2020, another lockdown was announced with new restrictions imposed on retailers. The 2020 financial statements do not take into account the consequences of the second lockdown which will be liable to affect those of the 2021 financial year in light of current discussions (see Events after the reporting date).

Impact on the 2020 financial statements

The FREY Group identifies three types of impact of the Covid-19 health crisis in its financial statements as of 31 December 2020: an impact on the income statement, an impact on the value of investment properties and a cash impact.

These three types of impact are detailed below:

- impact on the income statement:

Taking into account the above measures, the overall impact on the Group's consolidated income statement amounts to -€6.1 million. Given the material and non-recurring impacts, the different nature of the measures taken in Spain, Portugal and on the other hand in France, particularly with the establishment of an EIG, we recorded all the costs of this first lockdown under "other operating expenses", and for a better understanding of the cost of this exceptional event, it is indicated on a specific line of the income statement;

- impact on investment property:

The FREY Group informs readers that, in view of the uncertainty around the future impact of Covid-19, the assessors have included in their reports a "significant uncertainty of the assessment" clause. It is in this context that the FREY Group has recorded a loss of value across its operated portfolio;

- impact on cash and cash equivalents:

In order to introduce the scheme in support of retailers, the Group has deferred recovery of a portion of rent from the second quarter of 2020 to the second half of the year. Since rent is payable in advance, the first quarter was not affected.

At 31 December 2020, trade receivables amounted to €22.1 million compared to €10.1 million as at 31 December 2019, i.e. an increase of +€12 million (including VAT). The Group considers that €8.3 million (VAT included) is directly linked to the Covid-19 situation.

Moreover, FREY has respected its financial debt repayment schedule and has not taken the banks up on their offers to defer/spread repayments.

2.3 ACCOUNTING PRINCIPLES AND CONSOLIDATION METHODS

The Group's parent company, as presented in the statements below, is FREY, with registered office at 1 rue René Cassin, 51430 Bezannes.

FREY Group has been developing next-generation outdoor shopping centres for over 35 years. Planner, developer, investor and manager, FREY is a property investment company specialising in major urban renewal projects as well as developing and managing outdoor shopping centres. Its Shopping Promenade®, outdoor shopping areas, offer a comprehensive range of services, combining shopping and leisure activities to create an "enhanced experience" for the whole family. Through its unique expertise, FREY has become a French leader renowned in this resilient category of assets in this deep market (creation, extension and renovation) and perfectly aligned with the expectations of consumers, retailers and local authorities. Another key pillar of FREY's expertise: the large mixed-use urban developments it is working on with the support of its dedicated subsidiary, CITIZERS. It is listed in Compartment B of the Euronext Paris stock exchange.

2.3.1 ACCOUNTING FRAMEWORK

The accounting principles used for the preparation of the annual consolidated financial statements comply with IFRS standards and interpretations as adopted by the European Union and in force on 31 December 2020 and are identical to those used in the presentation of the annual consolidated financial statements for the year ended 31 December 2019.

2.3.2 BASIS FOR MEASUREMENT, JUDGEMENTS AND USE OF ESTIMATES

The financial statements were prepared on a historical cost basis, except for investment property, derivatives and marketable securities equivalent to cash, which are recognised at fair value.

The preparation of the financial statements in accordance with the IFRS conceptual framework requires estimates to be made and assumptions to be formulated which affect the amounts presented in the financial statements. The material estimates used by the Group to prepare the financial statements primarily relate to:

- fair value measurement of investment property;
- measurement of derivative financial instruments;
- measurement of operating assets, including the percentage of completion for ongoing projects;
- measurement of provisions.

Due to the uncertainty inherent in any measurement process, the Group reviews its estimates on the basis of information that is updated on a regular basis. The future results of the transactions concerned may differ from these estimates.

In addition to the use of estimates, the Group's management uses its judgement in order to determine the appropriate accounting treatment for certain business activities and transactions, where IFRS and the related interpretations in effect do not specifically cover the accounting issues in question.

2.3.3 SCOPE AND METHOD OF CONSOLIDATION

The consolidation scope includes companies placed under FREY Group's control, as well as companies over which the Group exercises joint control or significant influence.

The Group takes account of all the facts and circumstances when assessing the potential control that it holds over a controlled entity. This concept of control is reviewed if the facts and circumstances indicate a change in one or more of the factors set out above.

The consolidation method is determined in accordance with the control exercised:

- control: full consolidation. An investor controls an entity when it has exposure or rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity;
- joint control: this is the contractually agreed sharing of the control exercised over an operation, which only exists in the event that decisions regarding the relevant activities require the unanimous consent of the parties who share control. The classification of a partnership as a joint operation or joint venture depends on the rights and obligations of the parties to the operation:
 - accounting principles and consolidation methods each party accounts for its share of assets, liabilities and transactions in a joint operation, including their jointly-generated share. These assets, liabilities, and transactions are recognised in accordance with the corresponding IFRSs,
 - each party to a joint operation must recognise its interests in a joint venture in the same manner as that used for an investment in an associate, i.e. in accordance with the equity method;
- significant influence: consolidation by the equity method. Significant influence means having the power to participate in the financial and operating policy decisions of the entity held, but without being able to control those policies. This is assumed if the Group directly or indirectly holds more than 20% of an entity's voting rights.

2.3.4 BUSINESS COMBINATIONS

In respect of business combinations, the acquisition cost is measured as the total fair value, on the transaction date, of assets transferred, liabilities incurred or assumed and equity instruments issued by the Group in consideration for control of the acquired entity. According to IFRS 3 (revised), the acquisition costs of securities are expensed.

On the acquisition date, the identifiable assets, liabilities, off-statement of financial position items and contingent liabilities pursuant to IFRS 3 of the acquired entities are measured individually at fair value, irrespective of allocation. The assessments and appraisals required for the initial measurement of these items and any potential adjustments in the event of new information may be conducted within a period of 12 months from the acquisition date.

Any positive difference between the acquisition cost of the entity and the share of net assets acquired that is re-measured in this way is recognised under the "Goodwill" item in consolidated statement of financial position assets; in the event that the difference is negative, it is immediately recorded in profit or loss under other operating income.

As a reminder, on 29 July 2019, the Group acquired 70% of the shares in Eurofund Parc Lleida SL. The related earn-out was recognized as a liability in accordance with IFRS 3 and resulted in the recognition of goodwill of €11.0 million.

2.3.5 CONVERSION OF FINANCIAL STATEMENTS EXPRESSED IN FOREIGN CURRENCY

As all of the consolidated foreign companies are based in the euro zone, no foreign exchange impact needs to be recorded in the Group's financial statements.

2.3.6 INTANGIBLE ASSETS

Intangible assets that may be separated and sold, transferred, franchised under licence, leased or exchanged, either on an individual basis or as part of an agreement, with a related asset or liability, or that result from contractual rights or other legal rights, whether assignable or separable, are recorded in intangible assets. Following their initial recognition, intangible assets are recognised at cost, less any cumulative amortisation and impairment charges.

Assets with a finite useful life are amortised on a straight-line basis over the said life. Useful lives are reviewed annually and an impairment test is performed as soon as there is evidence of impairment.

2.3.7 PROPERTY, PLANT AND EQUIPMENT

The procedures for applying IAS 16 – Property, Plant and Equipment adopted by the Group consist in valuing buildings excluding investment property (registered office), technical facilities, fixtures and equipment and other property, plant and equipment at their historical cost.

The main depreciation periods applied on a straight-line basis are as follows:

- Buildings - structures 35 years;
- Façades 25 years
- General facilities 20 years;
- Technical facilities 4 to 10 years;
- Fixtures and equipment 4 to 10 years.

Depreciated buildings do not form part of asset management activities and are not regarded as investment property.

2.3.8 INVESTMENT PROPERTIES

Investment property is defined as property held to earn rentals or for capital appreciation or both.

IAS 40 applies to the measurement in a lessee's financial statements of investment property interests held under a lease accounted for as a finance lease and to the measurement in a lessor's financial statements of investment property provided to a lessee under an operating lease.

The property assets of FREY Group, excluding the registered office, are recognised as investment property.

Pursuant to the preferred method proposed by IAS 40, investment property is valued at its market value, excluding stamp duty, and is no longer depreciated or impaired.

According to IFRS 13, fair value is defined as the price that would be received on the sale of an asset or paid for the transfer of a liability in an arm's length transaction between market participants at the measurement date (exit value).

Planned future improvements or alterations to an asset must be taken into account in the appraisal, in order to reflect its optimal use.

The market value is determined by independent expert appraisers every six months. It corresponds to the price at which an asset or a property right could be sold at the time of the appraisal under normal supply and demand conditions.

The market value is determined as follows:

- for land, by reference to the market prices recorded on the market for property complexes that are equivalent in type and location (comparative method) and by reference to the potential market value of the property complex calculated by estimating the difference between the sale price and the planner cost (investment property cost method or planner's balance sheet method);
- for properties under construction, using the Discounted Cash Flow method which involves determining the market value of a property by discounting provisional cash flow that it is likely to generate over a given time-frame, whilst taking into account any works-related spending;
- for assets leased under a construction lease, by discounting the forecast net income over the term of the construction lease and determining the residual contractual value at the end of the lease; and
- and, for completed buildings, by capitalising the net income depending on the yields observed on the market (capitalisation method) and by the Discounted Cash Flow method.

The net income is determined by deducting the actual and potential rents (on vacant premises) and the property charges that cannot be recovered from tenants depending on the leases concerned, as well as the charges relating to vacant premises, determined on the basis of an estimated re-leasing period. In the event that a site has a structural vacancy, these deductions would be accompanied by the loss of the corresponding potential income.

In accordance with IAS 40 (revised), buildings in the process of construction or development with a view to their subsequent use as investment property are classified as investment property and measured at fair value if the criteria for the reliability of the fair value (administrative, marketing and technical criteria) are fulfilled.

Changes in the fair value of investments are taken to profit or loss during the period when they occur. Any gain or loss realised as the result of the sale of a property investment is recognised during the realisation period; the gain or loss is equal to the difference between the net proceeds from the sale and the latest estimated fair value.

2.3.9 IMPAIRMENT OF ASSETS

To assess the existence of any evidence that an asset may have been impaired, the following must be considered as a minimum:

- the asset's market value has decreased significantly during the period;
- significant changes have taken place during the period, or will take place in the near future, in the technological, market, economic or legal environment in which the entity operates;
- market interest rates or other market rates of return on investments have increased during the period, affecting the discount rate used in calculating an asset's value in use.

2.3.10 FINANCIAL ASSETS AND LIABILITIES

Financial assets

The "Financial assets" category specifically includes investments in marketable securities that do not fulfil the criteria for classification as cash equivalents.

Dividends received are recorded once they have been approved. Interest is recorded in profit or loss on the basis of an effective interest rate.

When loans are initially recognised, directly-related transaction costs are included if the amount is material.

Loans are measured at their amortised cost at each year-end. In addition, write-downs are established when there is an objective indication that the value of the asset may have been impaired as a result of an event arising after its initial recognition.

Financial liabilities

Financial liabilities include loans (including bonds) and other interest-bearing liabilities.

Upon initial recognition, they are measured at fair value, increased by transaction costs that are directly attributable to the issuance of the liability. They are subsequently recognised at amortised cost based on the effective interest rate. The effective interest rate includes the stated interest rate and the actuarial amortisation of issue expenses and issue and redemption premiums.

The portion of financial debt maturing within one year is classified under current financial liabilities.

2.3.11 OTHER NON-CURRENT ASSETS

Other assets are recorded at their acquisition cost. These assets are the subject of impairment tests as soon as there is evidence of impairment and at least on an annual basis.

2.3.12 AVAILABLE-FOR-SALE ASSETS AND LIABILITIES

Assets and liabilities that are immediately available for sale, and where the sale is highly probable, are classified under assets and liabilities available for sale. When several assets are intended to be sold as part of a single transaction, the Group of assets is considered as a whole, together with the related liabilities.

Assets or Groups of assets available for sale are measured at the lower of their net book value and their fair value net of disposal costs. If the assets intended for sale correspond to investment property, this property is measured at fair value net of marketing costs (based on the expert appraisal or at the sale price if that price is known, after deducting the costs relating to the sale). Non-current assets classified as held-for-sale are no longer depreciated. Where the assets intended for sale are consolidated companies, a deferred tax charge is recorded on the difference between the consolidation value of the securities sold and their taxable value pursuant to IAS 12 and the tax arrangements in effect.

Assets and liabilities available for sale are classified respectively on two lines of the consolidated statement of financial position, while the respective income and expense accounts remain consolidated on a line-by-line basis in the Group's income statement. In the case of assets and liabilities that are related to discontinued operations, the income and expense accounts are grouped on a single line in the Group's income statement.

The value of the assets and liabilities is reviewed at each year-end, in order to determine whether it is appropriate to record a loss or a profit in the event that their fair value net of disposal costs has changed.

As of 31 December 2020 the EST building of the Claye-Souilly asset is under a sales agreement, the building and related debt have been reclassified as assets held for sale for €17.7 million and as liabilities related to a Group assets held for sale for €11.10 million (see Note 2.3 Investment properties).

2.3.13 DERIVATIVE FINANCIAL INSTRUMENTS

The measurement and recognition of financial instruments and disclosure are determined by IAS 32, IFRS 9, IFRS 7 and IFRS 13.

FREY Group only uses derivatives as part of its policy aimed at hedging the interest rate risk on its debt. These instruments, which are presented at their notional off-balance-sheet value according to French accounting standards, constitute financial assets and liabilities under IFRS, and must be recorded on the statement of financial position at their fair value.

These instruments must be classified or not classified as hedges, the effectiveness of which must be verified. Where the hedging relationship has been established (cash flow hedges), the change in the value of the instrument, which only corresponds to the effective portion of the hedge, is recorded in equity. The change in the fair value of the ineffective portion of the hedge is recognised in profit or loss in accordance with the MTM valuations communicated by the credit institutions concerned.

In all other cases the change in value is directly recorded in profit or loss.

Given the cost of carrying out the effectiveness tests and taking into account the impact of changes in value recognised in equity on comprehensive income, the Group decided not to test its financial instruments and therefore to recognise all the changes in profit or loss.

The cash balances relating to these financial instruments are recognised as a change in value.

Exposure to counterparty credit risk

The Group, which holds groups of financial assets or financial liabilities, is exposed to market risk or credit risk on each of its counterparties, as defined by IFRS 7. The Group uses the exception provided by IFRS 13, which makes it possible to measure at fair value the group of financial assets or financial liabilities based on the price that would be received for the sale or transfer of a net position in relation to a particular risk in an arm's length transaction between market participants on the valuation date.

To determine this net position, the Group takes into account any existing arrangements that would reduce credit risk in the event of default (e.g. a master netting agreement with the

counterparty). The fair value measurement takes into account the likelihood of such an arrangement being legally binding in the event of default.

As the impact is not material, the measurement of these derivatives does not take account of the credit value adjustment (CVA) and the debit value adjustment (DVA).

The financial instruments held at 31 December 2020 had a value of -€5.30 million (excluding accrued interest), compared with -€4.6 million at 31 December 2019.

The impact of the change in fair value was recognised in profit or loss for a negative amount of €0.20 million, excluding deferred tax.

Asset and liability measurement methods

The main methods and assumptions used to classify financial instruments are set out in the following table (for the material statement of financial position items concerned):

Amounts (in €K)	Classification	31/12/2020	31/12/2019
ASSETS			
Goodwill	D	11,110	11,110
Intangible assets	C	778	374
Property, plant and equipment	C	13,470	9,728
Investment property	B/D	1,316,247	1,094,110
Other non-current assets	D	7,779	11,106
Inventories and work-in-progress	D	40,243	44,666
Trade receivables	D	22,074	10,087
Other current assets	D	53,001	38,821
Derivative financial instruments	E	-	-
Cash and cash equivalents	B	56,161	97,451
Assets held for sale	A	17,674	-
LIABILITIES			
Non-current derivative financial instruments (interest rate)	E	-	-
Non-current derivative financial instruments (borrowings)	B	-	-
Non-current financial liabilities	B/C	549,199	428,011
Deferred tax liabilities	D	12,781	15,169
Other non-current liabilities	D	10,966	10,966
Trade payables	D	9,441	12,397
Other current liabilities	D	106,791	95,027
Current derivative financial instruments	E	5,327	4,579
Current financial liabilities	B/C	27,807	19,436
Liabilities related to a group of assets held for sale	CC	11,110	-

A: Assets held for sale.

B: Fair value through profit or loss.

C: Measured at amortised cost.

D: Measured at cost.

E: Fair value through equity or profit or loss according to effectiveness.

There are three levels of fair value, depending on whether the instrument is listed on an active market (Level 1), whether its measurement involves valuation techniques that rely on existing

market data at year-end (Level 2) or if reliance is placed on non-observable data (Level 3).

Assets measured at fair value (in €K)	Classification	31/12/2020	31/12/2019
Investment property	Level 3	1,316,247	1,094,110
Marketable securities	Level 1	279	242
TOTAL		1,316,526	1,094,352

Financial liabilities measured at fair value (in €K)	Classification	31/12/2020	31/12/2019
Non-current liability derivatives (hedge instruments)	Level 2	-	-
Current liability derivatives (trading instruments)	Level 2	5,327	4,579
TOTAL		5,327	4,579

Management of financial risks

Foreign exchange risk

All revenue is generated in Europe and in euros. The financing of investments is denominated in euros. Accordingly, there is no foreign exchange risk.

Interest rate risk

The Group's financial debt contracted with credit institutions amounted to €530.60 million at 31 December 2020, compared with financial debt of €384.30 million at 31 December 2019, excluding associates' current accounts.

The net financial debt is primarily variable-rate debt. However, the Group has entered into several interest rate hedging contracts in the form of swaps and CAPs, thus reducing exposure to interest rate risk. The percentage of the Group's total debt not subject to interest-rate fluctuations was 97.5% at 31 December 2020 compared with 91.3% at 31 December 2019.

The following table shows the impact on Group net financial income of a 100-basis-point and 50-basis-point increase and decrease in the Euribor 3-month rate:

AT 31 DECEMBER 2020

(In €K)	-100 pts	-50 pts	E3M	+50 pts	+100 pts
Net cost of debt	-8,033	-8,673	-9,752	-10,856	-11,543
Impacts	1,719	1,079	-	-1,104	-1,791

Sensitivity of investment property to the capitalisation rate

The average capitalisation rate used by independent experts in the valuation of investment property was 6.18% compared with 5.96% for the year ended 31 December 2019, linked to the impact of projects under construction.

The following table shows the impact on the valuation of investment property of a 100-basis-point and 50-basis-point increase and decrease in the capitalisation rate:

CAPITALISATION RATE AT 31 DECEMBER 2020

(In €K)	-100 pts	-50 pts	6.18%	+50 pts	+100 pts
Investment property valuation	1,579,405	1,445,722	1,333,924	1,238,738	1,156,837
Valuation differential	245,480	111,798	-	-95,187	-177,087

The change in the capitalisation rate does not affect investment property measured at cost, or land measured in accordance with the comparative method or property investment cost method (combined method).

Liquidity risk

All of the covenants included in the loan documents signed by FREY Group were complied with at 31 December 2020.

The ratios requested by the banking partners are as follows:

	LTV excluding stamp duty		
Relevant debt	€26.20 million	€19.00 million	€2.40 million
Required ratios	< 60.0%	< 65.0%	< 60.0%
Ratios at 31/12/2020	50.6%	32.9%	19.9%

	DSCR		ICR
Relevant debt	€1.10 million	€47.60 million	€45.20 million
Required ratios	> = 110%	> 120%	> 2.0
Ratios at 31/12/2020	364.5%	375% -451% -202%	8.2 -8.5

Consolidated sub-tier ratios	LTV including stamp duty	ICR	Collateralised debt
Relevant debt	€3 million	€3 million	€3 million
Required ratios	< 50.0%	> 125%	> 200%
Ratios at 31/12/2020	34.1%	256.6%	761.8%

Consolidated ratios	LTV including stamp duty	ICR	Collateralised debt
Relevant debt	€378.00 million	€378.00 million	€378.00 million
Required ratios	<= 60.0%	>= 2	< 20.0%
Ratios at 31/12/2020	32.4%	6.4	10.3%

Counterparty risk

The Group carries out financial transactions with top-tier banks, in terms of both loans and amounts invested.

The main tenants of the Group's assets are top-tier companies, for which the Group has not identified any major insolvency risk. In addition, the Group pursues a strategy of diversifying its customer risk by limiting a customer's exposure to a maximum of 3% of the economic rental income.

Furthermore, when signing the leases, the tenants give the Group financial guarantees, either in the form of a security deposit, or in the form of a bank guarantee.

2.3.14 INVENTORIES AND WORK-IN-PROGRESS

Land and property in inventory are measured at their acquisition cost or at their purchase cost excluding any other financial charges. An impairment loss is recorded in order to take the economic value of each asset into account.

2.3.15 RECEIVABLES

Receivables are recorded at their nominal value. They are the subject of regular impairment tests, which enable any long-term losses identified to be expensed.

2.3.16 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash, short-term deposits and money market funds that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value. Marketable money-market securities have been recognised at their fair value in the financial statements.

2.3.17 DEFERRED TAXES

The Group applies IAS 12 (Income Taxes).

The business activities subject to tax are taxed at the standard rate. The deferred taxation of business activities subject to corporation tax is taken into account. Deferred tax is calculated in accordance with the liability method for all the future differences between the accounting and taxable profits or losses, which appear where the book value of an asset or liability is different from its taxable value. These temporary differences generate tax assets and liabilities, which are classified as deferred.

Deferred tax on the items recognised in shareholders' equity is also recognised in shareholders' equity.

The deferred tax assets resulting from temporary differences and from tax losses carried forward correspond (or are limited) to the amount of the recoverable tax.

The Group's parent company, its fiscally transparent subsidiaries, and FRP III, La Plaine, FRF 01, IF Clos du Chêne, Chanteloup 01 and Chanteloup 02 are subject to tax arrangements for REITs. No deferred tax was recorded on transactions that fall within the scope of these arrangements.

Frey Aménagement et Promotion opted for tax consolidation from 1 January 2017, including its subsidiaries ZCN Aménagement, F. Events, Ecoparc Aménagement and Citizers.

2.3.18 TREASURY SHARES

As part of the liquidity agreement arranged by FREY, the treasury shares are recorded as a deduction to shareholders' equity at their acquisition cost. The gains or losses on the disposal of the securities are recognised in shareholders' equity, and do not contribute to the profit or loss for the financial year.

FREY held 15,127 shares as part of the liquidity agreement and buyback agreement at 31 December 2020, *i.e.* with a value of €0.50 million on the basis of the most recent share price.

2.3.19 PROVISIONS AND CONTINGENT LIABILITIES

In accordance with IAS 37 – Provisions, Contingent Liabilities and Contingent Assets, provisions are recorded when, at the closing date, the Group has an actual, legal or implicit obligation that results from a past generating event, and where the amount can be estimated in a reliable manner and it is probable that an outflow of resources representing economic benefits will be required to settle the obligation. This obligation may be legal, regulatory or contractual in nature. These provisions are estimated according to their nature, by taking the most probable scenarios into account. The amounts are discounted when the effect of the passage of time is material.

2.3.20 BORROWING COSTS

IAS 23 provides that borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are included in the cost of that asset. Other borrowing costs are expensed.

Groups are not required to apply the standard to borrowing costs that are directly attributable to the acquisition, construction or production:

- of a qualifying asset measured at fair value, which can be the case for an investment property;
- of inventory that is manufactured or otherwise produced in large amounts.

At FREY Group, the borrowing costs borne over the period relate to assets recognised as investment property at fair value; IAS 23 therefore has only a presentation impact on the Group's financial statements.

2.3.21 EMPLOYEE COMMITMENTS

IAS 19 determines the procedures for recognising benefits awarded to employees. It applies to all of the remuneration paid in consideration for services provided, except for share-based remuneration amounts, which are dealt with by IFRS 2.

The Group's employees receive short-term benefits (paid leave and sick leave) and post-employment benefits (end-of-career and/or retirement).

Retirement benefits are paid to the employees of French companies at the time when they retire, depending on their seniority and their salary upon retirement. These benefits are in the defined-benefit scheme category.

FREY Group companies have calculated retirement benefits based on the assumption of voluntary departure, in accordance with the property development sector collective-bargaining agreement.

The main parameters used for the actuarial valuation of these commitments are as follows:

- retirement age calculated on the basis of a contribution period of 41 years capped at age 67;
- change in salaries 1.50%;
- employer contribution rate 36.00% to 50.00%;
- discount rate 0.39%.

2.3.22 INCOME RECOGNITION

Income relating to development is recognised in accordance with the percentage of completion method.

Rental income consists of the rental of property assets, and is recognised in accordance with the terms and conditions and expiry dates provided for in each lease and at the invoicing date; where applicable, the income for a rental period after the closing date is taken to prepaid income.

Entry fees, rent-free periods and significant step-ups are spread over the fixed term of the lease.

2.3.23 LEASES

Under IFRS 16, a lease is a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

At the commencement of the lease term, the lessee recognises rights-of-use as assets and liabilities in its statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. Fixed assets acquired *via* leases are depreciated according to the useful lives applied by the Group.

FREY Group's leases as a lessor

Rebilled rental expenses and underlying rental expenses are recognised under "Revenue" and "Purchases consumed" respectively.

FREY Group's leases as a lessee

Six property finance leases, including three relating to the joint ventures, were restated in the consolidated financial statements as at 31 December 2020.

In the case of operating leases, the main restatement relates to the leasing of the offices in Paris.

2.3.24 OTHER OPERATING INCOME AND EXPENSES

Non-recurring transactions where the amount is significant and could jeopardise operating performance are classified on two lines entitled "Other income" and "Other expenses". These lines specifically include:

- costs relating to discontinued projects;
- one-off amounts that are individually significant but not directly related to the business activities;
- capital gains or losses on disposal and/or dilution or a significant and unusual impairment of non-current assets;
- amounts related to the Covid-19 health crisis, notably exceptional provisions for customer risks and support granted to retailers by the EIG Frey Solidarité and the lessor companies.

2.3.25 ELIMINATION OF INTRA-GROUP TRANSACTIONS

All income and expenses, as well as reciprocal assets and liabilities, related to internal operations between fully consolidated entities are eliminated. The elimination of internal profits or losses is divided between the portion attributable to owners of the Company and the non-controlling interests held in the Company that generated the profit or loss.

Intra-group losses between consolidated companies are only eliminated to the extent that they do not have to be written down.

2.3.26 OPERATING SEGMENTS

IFRS 8 requires the disclosure of information regarding the Group's operating segments:

This standard determines an operating segment as follows:

"An operating segment is a component of an entity:

- that engages in business activities from which it may earn revenues and incur expenses;
- whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and
- for which discrete financial information is available."

NB: In this context, the term "operating results" does not relate to the IFRS definition, but to the results of the various activities and/or operating segments identified by the chief operating decision maker. The "operating results" monitored separately by FREY are the gross margin.

The standard also specifies: "an entity shall disclose information to enable users of its financial statements to evaluate the nature and financial effects of the business activities in which it engages and the economic environments in which it operates."

FREY Group's growth management process requires it to monitor its business activities in a summary manner in terms of both indicators and profitability.

FREY Group therefore presents its segment information as follows:

- three operating segments are identified by the Group's management:
 - property investment (rental income and other income from portfolio assets),
 - property development (development and planning of Retail Parks),
 - other activities (invoicing of services and support activities);
- rents and charges that cannot be re-invoiced are the subject of an allocation between the stabilised assets (delivered or purchased over one year before year-end) and the unstabilised assets (delivered or purchased less than one year before year-end);
- the indicators monitored for each operating segment are as follows:
 - revenue (rental income, sales and fees),
 - expenses that cannot be re-invoiced to tenants,
 - the cost of sales;
- the other items that cannot be allocated on the basis of "discrete financial information" are disclosed on an aggregate basis.

The Group takes the view that each development project and each investment property represents a CGU, and that each CGU can be assigned to one or more operating segments depending on its economic purpose.

INFORMATION AT 31 DECEMBER 2020

At 31 December 2020 (in €K)	Property investment activity	Property development	Other	Total	Of which France	Of which Iberian peninsula
Rental income from stabilised assets	58,426			58,426	40,886	17,540
Non-recoverable expenses on stabilised assets	-3,340			-3,340	-3,340	-
NET RENTAL INCOME FROM STABILISED ASSETS	55,085			55,085	37,545	17,540
Rental income from unstabilised assets	1,081			1,081	1,081	-
Non-recoverable expenses on unstabilised assets	-			-	-	-
NET RENTAL INCOME FROM UNSTABILISED ASSETS	1,081			1,081	1,081	-
Sales		29,727		29,727	29,727	-
Purchase cost of goods sold		-24,965		-24,965	-24,965	-
DEVELOPER'S PROFIT		4,763		4,763	4,763	-
OTHER REVENUE			2,146	2,146	2,146	-
GROSS PROFIT				63,075	45,535	17,540
External services				-5,419	-2,816	-2,603
Payroll expenses				-9,101	-9,029	-72
Other Income and Expenses				-1,257	-1,171	-86
Taxes and duties				-1,477	-674	-803
Amortisation, depreciation and provisions				-3,470	-3,027	-443
PROFIT/(LOSS) FROM RECURRING OPERATIONS				42,351	28,818	13,533
Other operating income and expenses				-9,991	-5,862	-4,129
Value adjustments of investment property				-19,259	-5,256	-14,003
OPERATING PROFIT				13,101	17,700	-4,599
Share of net profit (loss) of associates				-1,827	-1,827	-
OPERATING PROFIT (LOSS) AFTER SHARE OF NET PROFIT (LOSS) OF ASSOCIATES				11,274	15,873	-4,599
Net cost of debt				-9,752	-5,584	-4,168
Value adjustments of financial assets				777	777	-
PROFIT BEFORE TAX				2,299	11,066	-8,767
Income tax				1,406	46	-1,360
NET PROFIT/(LOSS) OF CONSOLIDATED COMPANIES				3,705	11,112	-7,407
Non-controlling interests				-1,337	-2,922	1,585
NET PROFIT GROUP SHARE				2,368	8,190	-5,822

The increase in rental income is due, on the one hand, to the full-year impact of the Portuguese acquisitions and deliveries of Arles and Cesson, which entered the portfolio in 2019, and, on the other hand, to the change in the method of consolidation of FRF companies in 2020.

Property development revenue is mainly from the Calais, Duisans, Strasbourg and Bezannes operations.

The main aggregates of the statement of financial position by operating segment were as follows:

ASSETS

At 31 December 2020 (in €K)	Property investment activity	Property development	Other	Total
Investment property	1,316,247	-	-	1,316,247
Investments in associates	16,840	45	-	16,885
Inventories and work-in-progress	-	40,243	-	40,243

LIABILITIES

At 31 December 2020 (in €K)	Property investment activity	Property development	Other	Total
Investments in associates	-	-	-	-
Non-current financial liabilities	504,532	118	44,549	549,199
Current financial liabilities	26,209	113	1,485	27,807

INFORMATION AT 31 DECEMBER 2019

At 31 December 2019 (in €K)	Property investment activity	Property development	Other	Total	Of which France	Of which Iberian peninsula
Rental income from stabilised assets	39,906			39,906	32,240	7,666
Non-recoverable expenses on stabilised assets	-1,947			-1,947	-1,488	-459
NET RENTAL INCOME FROM STABILISED ASSETS	37,959			37,959	30,752	7,207
Rental income from unstabilised assets	3,657			3,657	3,657	-
Non-recoverable expenses on unstabilised assets	-169			-169	-169	-
NET RENTAL INCOME FROM UNSTABILISED ASSETS	3,488			3,488	3,488	-
Sales		13,612		13,612	13,612	-
Purchase cost of goods sold		-11,538		-11,538	-11,538	-
DEVELOPER'S PROFIT		2,074		2,074	2,074	-
OTHER REVENUE			2,284	2,284	2,284	-
GROSS PROFIT				45,805	38,598	7,207
External services				-5,815	-4,498	-1,317
Payroll expenses				-8,784	-8,784	-
Other Income and Expenses				911	897	14
Taxes and duties				-1,640	-844	-796
Amortisation, depreciation and provisions				-1,431	-1,374	-57
PROFIT/(LOSS) FROM RECURRING OPERATIONS				29,046	23,995	5,051
Other operating income and expenses				-2,689	-3,073	384
Value adjustments of investment property				50,088	11,694	38,394
OPERATING PROFIT				76,445	32,616	43,829
Share of net profit (loss) of associates				8,717	8,717	-
OPERATING PROFIT (LOSS) AFTER SHARE OF NET PROFIT (LOSS) OF ASSOCIATES				85,162	41,333	43,829
Net cost of debt				-10,364	-8,761	-1,603
Value adjustments of financial assets				-5,281	-5,281	-
PROFIT BEFORE TAX				69,517	27,291	42,226
Income tax				-10,417	-1,522	-8,895
NET PROFIT/(LOSS) OF CONSOLIDATED COMPANIES				59,100	25,769	33,331
Non-controlling interests				-9,386	-	-9,386
NET PROFIT GROUP SHARE				49,714	25,769	23,945

The main aggregates of the statement of financial position by operating segment were as follows:

ASSETS

At 31 December 2019 (in €K)	Property investment activity	Property development	Other	Total
Investment property	1,094,110	-	-	1,094,110
Investments in associates	57,465	46	-	57,511
Inventories and work-in-progress	-	44,666	-	44,666

LIABILITIES

At 31 December 2019 (in €K)	Property investment activity	Property development	Other	Total
Investments in associates	13	-	-	13
Non-current financial liabilities	382,658	184	45,169	428,011
Current financial liabilities	18,952	114	370	19,436

2.3.27 EARNINGS PER SHARE

Undiluted earnings per share (basic earnings per share) correspond to the net profit attributable to owners of the Company for the financial year attributable to the ordinary shares divided by the weighted average number of shares outstanding during the financial year. The average number of ordinary shares outstanding during the financial year is the number of ordinary shares outstanding at the beginning of the financial year, adjusted for the number of ordinary shares bought back or issued during the financial year.

To calculate diluted earnings per share, the average number of shares outstanding is adjusted, in order to factor in the dilutive effect of equity instruments issued by the Company that are likely to increase the number of shares outstanding.

There were no other securities granting access to FREY's share capital.

2.4 CONSOLIDATION SCOPE

Entities included in consolidation scope	Consolidation method	31/12/2020		31/12/2019	
		% interest	% control	% interest	% control
FREY SIRET No. 398 248 591 00065 1 rue René Cassin – 51430 Bezannes	FC	100.00%	100.00%	100.00%	100.00%
SCI Seclin 01⁽²⁾ SIRET No. 382 460 707 00021 1 rue René Cassin – 51430 Bezannes	NC	-	-	100.00%	100.00%
SNC IF Gestion et Transactions SIRET No. 494 334 477 00028 1 rue René Cassin – 51430 Bezannes	FC	100.00%	100.00%	100.00%	100.00%
SASU Frey Aménagement et Promotion SIRET No. 500 202 049 00028 1 rue René Cassin – 51430 Bezannes	FC	100.00%	100.00%	100.00%	100.00%
SNC IF Chêne Vert SIRET No. 502 925 084 00043 1 rue René Cassin – 51430 Bezannes	FC	100.00%	100.00%	100.00%	100.00%
SCI IF Bener⁽²⁾ SIRET No. 518 272 075 00020 1 rue René Cassin – 51430 Bezannes	NC	-	-	100.00%	100.00%
SNC IF Plein Sud SIRET No. 512 278 409 00028 1 rue René Cassin – 51430 Bezannes	FC	100.00%	100.00%	100.00%	100.00%
SNC IF Bezannes SIRET No. 512 278 334 00028 1 rue René Cassin – 51430 Bezannes	FC	100.00%	100.00%	100.00%	100.00%
SCI PAI 01⁽²⁾ SIRET No. 520 281 957 00024 1 rue René Cassin – 51430 Bezannes	NC	-	-	100.00%	100.00%
SCI PAI 02 SIRET No. 522 765 502 00029 1 rue René Cassin – 51430 Bezannes	FC	100.00%	100.00%	100.00%	100.00%
SNC IF Saint Parres SIRET No. 520 914 581 00027 1 rue René Cassin – 51430 Bezannes	FC	100.00%	100.00%	100.00%	100.00%
SAS IF Clos du Chêne SIRET No. 533 187 316 00013 1 rue René Cassin – 51430 Bezannes	FC	100.00%	100.00%	100.00%	100.00%
SNC IF Plein Est SIRET No. 533 350 658 00019 1 rue René Cassin – 51430 Bezannes	FC	100.00%	100.00%	100.00%	100.00%
SNC IF Plein Ouest SIRET No. 533 140 646 00019 1 rue René Cassin – 51430 Bezannes	FC	100.00%	100.00%	100.00%	100.00%
SAS Chanteloup 01 SIRET No. 495 260 952 00033 1 rue René Cassin – 51430 Bezannes	FC	100.00%	100.00%	100.00%	100.00%

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(3) Following the takeover on 28 July 2020, the companies in the FRF divisions were fully consolidated as of 31 December 2020 (vs EA-JV at 31/12/2019).

Entities included in consolidation scope	Consolidation method	31/12/2020		31/12/2019	
		% interest	% control	% interest	% control
SAS Chanteloup 02 SIRET No. 495 271 140 00032 1 rue René Cassin - 51430 Bezannes	FC	100.00%	100.00%	100.00%	100.00%
SCI IF Allondon SIRET No. 790 403 372 00010 1 rue René Cassin - 51430 Bezannes	FC	100.00%	100.00%	100.00%	100.00%
SCI IF Valentine SIRET No. 790 402 242 00016 1 rue René Cassin - 51430 Bezannes	FC	100.00%	100.00%	100.00%	100.00%
SCI Frey Murs 01 SIRET No. 794 375 758 00016 1 rue René Cassin - 51430 Bezannes	FC	100.00%	100.00%	100.00%	100.00%
SAS ZCN Aménagement SIRET No. 800 827 842 00017 1 rue René Cassin - 51430 Bezannes	FC	100.00%	100.00%	99.00%	99.00%
SAS F. Events SIRET No. 800 496 374 00011 1 rue René Cassin - 51430 Bezannes	FC	100.00%	100.00%	100.00%	100.00%
SCI IF Ecopole SIRET No. 807 934 997 00014 1 rue René Cassin - 51430 Bezannes	FC	100.00%	100.00%	100.00%	100.00%
SCI Massonex SIRET No. 508 376 787 00026 1 rue René Cassin - 51430 Bezannes	FC	100.00%	100.00%	100.00%	100.00%
SCI IF ZCN Investissement SIRET No. 810 418 889 00012 1 rue René Cassin - 51430 Bezannes	FC	100.00%	100.00%	100.00%	100.00%
SAS Frey Murs 02 SIRET No. 813 822 640 00013 1 rue René Cassin - 51430 Bezannes	FC	100.00%	100.00%	100.00%	100.00%
SCI Les Sablons 1⁽²⁾ SIRET No. 819 843 368 00013 1 rue René Cassin - 51430 Bezannes	NC	-	-	100.00%	100.00%
SNC Retail Prodev SIRET No. 820 821 908 00010 1 rue René Cassin - 51430 Bezannes	FC	100.00%	100.00%	100.00%	100.00%
SAS FRP III SIRET No. 518 311 337 00027 1 rue René Cassin - 51430 Bezannes	FC	100.00%	100.00%	100.00%	100.00%
SAS La Plaine SIRET No. 823 261 185 00016 1 rue René Cassin - 51430 Bezannes	FC	100.00%	100.00%	100.00%	100.00%
SASU Ecoparc Aménagement SIRET No. 828 134 262 00017 1 rue René Cassin - 51430 Bezannes	FC	100.00%	100.00%	100.00%	100.00%

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(2) The companies SCI Seclin 01 on 10 February 2020 and Frey Durango on 30 June 2020 were dissolved without liquidation through a Universal Transfer of Assets. In addition, IF Bener, SAS PAI 01, SCI Les Sablons 1 and SARL Vensud were also wound up without liquidation through the Universal Transfer of Assets.

(3) Following the takeover on 28 July 2020, the companies in the FRF divisions were fully consolidated as of 31 December 2020 (vs EA-JV at 31/12/2019).

Entities included in consolidation scope	Consolidation method	31/12/2020		31/12/2019	
		% interest	% control	% interest	% control
SARL Vensud⁽²⁾ SIRET No. 328 580 196 00041 1 rue René Cassin - 51430 Bezannes	NC	-	-	100.00%	100.00%
Citizers By FREY SIRET No. 847 878 683 00014 1 rue René Cassin - 51430 Bezannes	FC	100.00%	100.00%	100.00%	100.00%
FOREY Forest Group SIRET No. 882 005 598 00017 1 rue René Cassin - 51430 Bezannes	FC	100.00%	100.00%	-	-
EIG FREY SOLIDARITY SIRET No. 883 984 106 00012 1 rue René Cassin - 51430 Bezannes	FC	100.00%	100.00%	-	-
SL Frey Invest Spain	FC	100.00%	100.00%	100.00%	100.00%
SL Parla Natura Spain	FC	100.00%	100.00%	100.00%	100.00%
Frey Durango⁽²⁾ Spain	NC	-	-	100.00%	100.00%
Parc Vallès Inversiones Inmobiliarias SLU Spain	FC	100.00%	100.00%	100.00%	100.00%
Sociedad Gestora Santa Margarida SLU Spain	FC	100.00%	100.00%	100.00%	100.00%
Eurofund Parc Lleida SL Spain	FC	70.00%	70.00%	70.00%	70.00%
FREYPROP, UNIPESSOAL Lda Portugal	FC	70.00%	70.00%	70.00%	70.00%
Algarve Shopping - Centro Comercial, SA Portugal	FC	70.00%	70.00%	70.00%	70.00%
ALBRP Albufeira Retail Park, Lda Portugal	FC	70.00%	70.00%	70.00%	70.00%
Immoconti - Sociedade Imobiliária, SA Portugal	FC	70.00%	70.00%	70.00%	70.00%
Project Guia, SA Portugal	FC	70.00%	70.00%	70.00%	70.00%
SCCV AAP SIRET No. 515 348 746 00022 1 rue René Cassin - 51430 Bezannes	EA - JV	50.00%	50.00%	50.00%	50.00%
SCI L'Agenaise d'Investissement SIRET No. 750 095 143 00012 1 rue René Cassin - 51430 Bezannes	EA - JV	50.00%	50.00%	50.00%	50.00%
SCI Sopic Frey SIRET No. 517 826 111 00026 1 rue René Cassin - 51430 Bezannes	EA - JV	50.00%	50.00%	50.00%	50.00%
SCI La Patroclienne d'Investissement SIRET No. 803 896 661 00011 1 rue René Cassin - 51430 Bezannes	EA - JV	50.00%	50.00%	50.00%	50.00%
SCI Tervilloise d'Investissement SIRET No. 818 725 392 00018 1 rue René Cassin - 51430 Bezannes	EA - JV	50.00%	50.00%	50.00%	50.00%

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(1) In view of the governance rules defined by its partners, Frey Retail Villebon was consolidated by the equity method in the Group's consolidated financial statements.

(2) The companies SCI Seclin 01 on 10 February 2020 and Frey Durango on 30 June 2020 were dissolved without liquidation through a Universal Transfer of Assets. In addition, IF Bener, SAS PAI 01, SCI les Sablons 1 and SARL Vensud were also wound up without liquidation through the Universal Transfer of Assets.

(3) Following the takeover on 28 July 2020, the companies in the FRF divisions were fully consolidated as of 31 December 2020 (vs EA-JV at 31/12/2019).

Entities included in consolidation scope	Consolidation method	31/12/2020		31/12/2019	
		% interest	% control	% interest	% control
SCI Bonneuil Retail Park SIRET No. 821 629 607 00010 1 rue René Cassin - 51430 Bezannes	EA - JV	50.00%	50.00%	50.00%	50.00%
SAS FRF1⁽³⁾ SIRET No. 538 460 650 00012 1 rue René Cassin - 51430 Bezannes	FC	66.67%	66.67%	66.67%	66.67%
SCI FRF2⁽³⁾ SIRET No. 538 486 143 00018 1 rue René Cassin - 51430 Bezannes	FC	62.08%	62.08%	24.16%	24.16%
SCI IF Cormontreuil 01⁽³⁾ SIRET No. 508 928 314 00022 1 rue René Cassin - 51430 Bezannes	FC	62.08%	62.08%	24.16%	24.16%
SCI FRF 2 Torcy II⁽³⁾ SIRET No. 513 302 703 00022 1 rue René Cassin - 51430 Bezannes	FC	62.08%	62.08%	24.16%	24.16%
SCI FRF 2 La Francheville⁽³⁾ SIRET No. 539 695 783 00016 1 rue René Cassin - 51430 Bezannes	FC	62.08%	62.08%	24.16%	24.16%
SCI FRF 2 Torcy⁽³⁾ SIRET No. 539 682 930 00018 1 rue René Cassin - 51430 Bezannes	FC	62.08%	62.08%	24.16%	24.16%
SCI FRF 2 Narbonne⁽³⁾ SIRET No. 485 096 705 00036 1 rue René Cassin - 51430 Bezannes	FC	62.08%	62.08%	24.16%	24.16%
SCI FRF 2 Le Pontet⁽³⁾ SIRET No. 751 194 861 00017 1 rue René Cassin - 51430 Bezannes	FC	62.08%	62.08%	24.16%	24.16%
SCI FRF 2 Brest Saint-Dié⁽³⁾ SIRET No. 539 681 270 00010 1 rue René Cassin - 51430 Bezannes	FC	62.08%	62.08%	24.16%	24.16%
SCI FRF 2 Seclin⁽³⁾ SIRET No. 788 846 350 00015 1 rue René Cassin - 51430 Bezannes	FC	62.08%	62.08%	24.16%	24.16%
SC FRF 2 Belfort⁽³⁾ SIRET No. 794 430 454 00015 1 rue René Cassin - 51430 Bezannes	FC	62.08%	62.08%	24.16%	24.16%
SCI Zone A⁽³⁾ SIRET No. 488 512 286 00029 1 rue René Cassin - 51430 Bezannes	FC	62.08%	62.08%	24.16%	24.16%
SC FRF 2 Khépri 1⁽³⁾ SIRET No. 800 283 236 00019 1 rue René Cassin - 51430 Bezannes	FC	62.08%	62.08%	24.16%	24.16%
SC FRF 2 Chantepie⁽³⁾ SIRET No. 800 283 285 00016 1 rue René Cassin - 51430 Bezannes	FC	62.08%	62.08%	24.16%	24.16%
SC FRF2 Apollo⁽³⁾ SIRET No. 812 955 680 00010 1 rue René Cassin - 51430 Bezannes	FC	62.08%	62.08%	24.16%	24.16%
Frey Retail Villebon⁽¹⁾ SIRET No. 817 676 240 00010 1 rue René Cassin - 51430 Bezannes	EA - JV	5.00%	5.00%	5.00%	5.00%

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(1) In view of the governance rules defined by its partners, Frey Retail Villebon was consolidated by the equity method in the Group's consolidated financial statements.

(2) The companies SCI Seclin 01 on 10 February 2020 and Frey Durango on 30 June 2020 were dissolved without liquidation through a Universal Transfer of Assets. In addition, IF Bener, SAS PAI 01, SCI les Sablons 1 and SARL Vensud were also wound up without liquidation through the Universal Transfer of Assets.

(3) Following the takeover on 28 July 2020, the companies in the FRF divisions were fully consolidated as of 31 December 2020 (vs EA-JV at 31/12/2019).

2.5 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2020

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NOTE 1 | NOTES TO THE INCOME STATEMENT

1.1 Revenue

Breakdown of revenue by geographic region (in €K)	31/12/2020 12 months	31/12/2019 12 months	31/12/2019 12 months restated*
France	86,619	55,861	65,103
Of which changes is FRF consolidation scope**	9,453	-	9,242
Spain	6,611	6,246	6,246
Portugal	13,988	7,241	17,193
TOTAL	107,218	69,348	88,542

* Accounting for a full year and restatement of income and expenses related to changes in scope.

** 2019: 6-month like-to-like revenue.

Revenue as of 31/12/2020 includes rebilled rental expenses of €15,839 thousand compared to €9,888 thousand as of 31/12/2019. Rebilled rental expenses and underlying rental expenses are recognised under "Revenue" and "Purchases consumed" respectively, Note 1.3. Following an allocation error, rebilled expenses were restated between Spain and Portugal in the 31/12/2019 column.

(In €K)	31/12/2020 12 months	31/12/2019 12 months
Rental income and rebilled taxes	65,630	47,610
Other rebilled rental expenses	9,715	5,842
TOTAL RENTAL INCOME	75,345	53,452
Sales/development activity	29,727	13,612
Other revenue	2,146	2,284
TOTAL REVENUE	107,218	69,348

The increase in Portuguese revenue, although reduced as a result of the application of the rental regulations, is due to the full-year impact of the acquisition of a group of companies holding two neighbouring assets ALBUFEIRA RETAIL PARK and ALGARVE SHOPPING in July 2019.

The change in revenue in France is explained in Section 3.25 above.

Revenue from variable rent accounts for 2.5% of consolidated revenue at 31 December 2020.

1.2 Details on the recognition of long-term contracts according to the percentage of completion method

No off-plan contracts signed were in progress at 31 December 2020.

1.3 Purchases consumed

Details of purchases consumed (in €K)	31/12/2020 12 months	31/12/2019 12 months
Purchase cost of goods sold	24,965	11,538
Recoverable rental expenses*	15,839	9,888
Of which changes is FRF consolidation scope	2,968	-
Non-recoverable expenses on assets*	3,340	2,116
Of which changes is FRF consolidation scope	90	-
External services	5,419	5,816
PURCHASES CONSUMED	49,563	29,358

* See Note 1.1 for the presentation of rebilled and non-recoverable rental expenses presented on separate lines since 2019.

The change in purchases consumed is linked to there being more development projects in 2020 than in 2019 as well as the full-year impact on Portuguese companies and the change in the FRF consolidation scope.

1.4 Payroll expenses

(In €K)	31/12/2020 12 months	31/12/2019 12 months
Salaries and wages	6,594	6,472
Employer contributions	2,507	2,312
TOTAL	9,101	8,784

Headcount – breakdown by category Headcount at year-end	31/12/2020 12 months	31/12/2019 12 months	Change
Employees	21	23	-2
Managers	66	68	-2
TOTAL	87	91	-4

Includes permanent, fixed-term, and work-study contracts.

The increase in payroll expenses is linked to the reduction in restatements for internal fees.

1.5 Other income and expenses

(In €K)	31/12/2020 12 months	31/12/2019 12 months
Income from asset disposals*	3,100	22,914
Expenses related to asset disposals	-	-
Entry fees and compensation received	550	637
Other project-related income	352	199
Miscellaneous income from day-to-day operations	182	76
Book value of assets sold*	-3,996	-22,572
Remuneration of directors	-96	-86
Other project expenses	-	-
Miscellaneous expenses for day-to-day operations	-1,349	-257
OTHER INCOME AND EXPENSES	-1,257	911

* In 2019, two investment properties were sold for €22.9 million.

1.6 Taxes and duties

(In €K)	31/12/2020 12 months	31/12/2019 12 months
Taxes and duties on salaries and wages	122	144
Other taxes and duties: Regional economic tax (CET), property taxes, housing management duties, etc.	1,355	1,496
TOTAL	1,477	1,640

1.7 Allocations to and write-backs of depreciation, amortisation and impairment

(In €K)	31/12/2020 12 months	31/12/2019 12 months
Non-current assets	-1,718	-1,563
Inventories	-	276
Trade receivables*	-1,671	-144
Provisions for liabilities and charges	-80	-
TOTAL	-3,469	-1,431

* Impairment was recorded on arrears of rental receivables deemed to be the most at risk in the current context.

1.8 Other operating income and expenses

(In €K)	31/12/2020 12 months	31/12/2019 12 months
Expenses on discontinued projects	-4,243	-1,156
Impact related to the consolidation scope	301	-1,053
Waivers of rent receivables granted (see 2.2.5)	-6,066	-
Other operating income and expenses	17	-480
TOTAL	-9,991	-2,689

* In 2019, changes in consolidation scope are mainly the result of:

- the acquisition of four Portuguese companies and the Spanish company Eurofund parc Lleida:
 - Controlling interest: negative goodwill (+€1 million) and cost related to business combinations (-€2 million),
 - Disposal of 30% without loss of control: disposal price of €0.6 million resulting in almost zero net profit;
- and the Spanish company Eurofund parc Lleida: acquisition cost (€0.1 million).

In 2020, changes in the consolidation scope result from the change in the percentage of ownership of the FRF group of companies, involving a change in the consolidation method.

Expenses on discontinued projects are mainly related to the discontinuation of the projects MARSEILLE-VALENTINE (13), CORMONTREUIL-ECOPARC (51) and HERBLAY (95).

1.9 Cost of net debt and value adjustments of financial assets

(In €K)	31/12/2020 12 months	31/12/2019 12 months
Interest expense	-6,103	-7,345
Interest expense on lease obligations – finance leases	-740	-842
Interest expense on lease obligations – leases	-122	-30
Financial instrument expenses and income	-2,229	-1,600
Other financial income and expenses	-558	-547
NET COST OF DEBT	-9,752	-10,364
Value adjustment of financial instruments (see 2.3.13)	173	-963
of which Interest rate derivatives	173	-963
of which Convertible bond derivatives	-	-
Other financial income and expenses*	604	-4,318
OTHER FINANCIAL INCOME AND EXPENSES	777	-5,281
TOTAL	-8,975	-15,645

* In 2019, other financial income and expenses are made up of the cash impact of the redemption of OPIRANES of €13 million less the unwinding of the embedded derivative of €8.7 million.

1.10 Income tax

(In €K)	31/12/2020 12 months	31/12/2019 12 months
Consolidated pre-tax profit	2,299	69,517
• Share of net profit (loss) of associates	1,827	-8,717
• Reclassification affecting income tax	-480	-753
INCOME BEFORE TAX AND SHARE OF NET INCOME OF COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD	3,646	60,047
Theoretical income tax rate	33.33%	33.33%
THEORETICAL INCOME TAX	1,215	20,015
Effect on theoretical income tax of:		
Impact of non-taxable sector	-990	-11,127
Permanent differences	-3,163	85
Non-capitalised losses	-696	1,142
Deferred tax rate variance over the financial year	1,270	-5,057
Other	478	4,606
Effective income tax rate	-51.73%	16.09%
EFFECTIVE INCOME TAX	-1,886	9,664
+ Reclassification affecting income tax	480	753
EFFECTIVE INCOME TAX	-1,406	10,417

(In €K)	31/12/2020 12 months	31/12/2019 12 months
Tax payable	1,978	1,761
Deferred tax	-3,384	8,656
TOTAL	-1,406	10,417

In this breakdown, a “-” sign means tax income, while a “+” sign means a tax charge.

1.11 Earnings per share

(In €K)	31/12/2020 12 months	31/12/2019 12 months
Net profit group share	2,369	49,714
Number of ordinary shares outstanding at year-end	24,603,263	24,224,997
Average number of shares taken into account before dilutive impact	24,436,867	19,357,875
Dilutive effect of treasury shares	-15,127	-430,969
Average number of shares taken into account after dilutive impact	24,421,740	18,926,906
UNDILUTED NET EARNINGS PER SHARE	€0.10	€2.57
DILUTED NET EARNINGS PER SHARE	€0.10	€2.57

There are no rights, liens or restrictions relating to the shares.

NOTE 2 | NOTES TO THE STATEMENT OF FINANCIAL POSITION

2.1 Intangible assets

CHANGES AT 31 DECEMBER 2020

Gross values (in €K)	31/12/2019	Increases	Decreases	Reclassification	31/12/2020
Other intangible assets	1,359	85	-	-230	1,214
Intangible assets in progress	-	-	-	-	-
Advances and prepayments on intangible assets	-	711	-	-	711
Amortisation	-985	-162	-	-	-1,147
TOTAL	374	634	-	-230	778

2.2 Property, plant and equipment

CHANGES AT 31 DECEMBER 2020

Gross values (in €K)	31/12/2019	Increases	Decreases	Other changes	31/12/2020
Land*	957	5,058	-	-	6,015
Buildings	7,643	44	-	-	7,687
Other property, plant & equipment	5,934	234	-276	-	5,892
Assets under construction	-	-	-	10	10
Advances and prepayments on property, plant and equipment	-	-	-	-	-
Amortisation	-4,806	-1,569	241	-	-6,134
TOTAL	9,728	3,767	-35	10	13,470
<i>Of which right-of-use – finance lease</i>	<i>3,190</i>	<i>-118</i>	<i>-</i>	<i>-</i>	<i>3,072</i>
<i>Of which right-of-use – operating lease</i>	<i>2,857</i>	<i>-604</i>	<i>-12</i>	<i>-</i>	<i>2,241</i>

* Nearly all land acquisitions correspond to Groupement Forestier FoREY's investment in the timber sector through the acquisition and sustainable management of French forests.

2.3 Investment properties

Values (in €K)	Operated assets	Current assets (including bare land)	Total investment property
31/12/2019	863,643	230,467	1,094,110
Reclassifications			
<i>Inventories</i>	-2,875	-3,194	-6,069
<i>Discontinued projects</i>	-	-2,898	-2,898
<i>Assets held for sale</i>	-17,674	-	-17,674
Acquisitions	-	-	-
Works	6,120	81,176	87,296
Disposals*	-3,959	-	-3,959
Increase in consolidation scope	184,700	-	184,700
Reclassification	4,002	-4,002	-
Value creation	-	-	-
Change in fair value	-22,575	3,316	-19,259
31/12/2020	1,011,382	304,865	1,316,247

* This amount corresponds to the net book value of the assets disposed of and transferred.

The valuation methods used by the independent expert appraisers are set out in Section 3.8 "Investment property". The determining assumption when performing the appraisals is the capitalisation rate. A review of this capitalisation rate and of the impact of any changes to that rate on the valuation of the Company's investment property is set out in Section 3.13 "Management of financial risk".

The value of the investment property acquired under finance leases amounted to €91.30 million at 31 December 2020, compared with €90.60 million at 31 December 2019.

The assets held in Spain represent 8% of investment property, i.e. €103 million at 31 December 2020.

The assets held in Portugal represent 14% of investment property, i.e. €192 million at 31 December 2020.

The value of investment property in progress measured at cost amounted to €46.10 million at 31 December 2020 compared with €35.30 million at 31 December 2019.

The entry into the consolidation scope concerns the buildings owned by companies within the FRF group.

Work on assets under construction mainly concerns the Promenade de Claye-Souilly and Cœur Alsace shopping centre projects.

At the time of initial recognition of a plot of land or property at fair value, the goodwill recorded is called "Value creation". In subsequent years, the change in this goodwill corresponds to the "Change in fair value".

Reconciliation of the change in fair value in the income statement:

(In €K)	Change in fair value	
	31/12/2020	31/12/2019
AMOUNT IN THE INCOME STATEMENT	-19,259	50,088
Value creation	-	-
Delivery of assets	-	1,506
Change in fair value	-19,259	48,582
TOTAL CHANGE IN INCOME STATEMENT	-19,259	50,088

2.4 Investments in associates

CHANGES AT 31 DECEMBER 2020

Gross values (in €K)	31/12/2019	Retained earnings	Dividends	Change in share capital	Changes in consolidation scope	31/12/2020
Associate FRF Group	30,072	-2,071	-239	-	-27,762	-
Other associates	27,439	246	-10,800*	-	-	16,885
SUB-TOTAL ASSETS	57,511	-1,825	-11,039	-	-27,762	16,885
Associate FRF Group	13	2	-3	-	-12	-
Other associates	-	-	-	-	-	-
SUB-TOTAL LIABILITIES	13	2	-3	-	-12	-
TOTAL	57,498	-1,827	-11,036	-	-27,750	16,885

* Distributions from other companies accounted for under the equity method are mainly linked to the result of SOPIC FREY in 2019 for €10.1 million, including the gain on the disposal of its assets.

CHANGES AT 31 DECEMBER 2019

Gross values (in €K)	31/12/2018	Retained earnings	Dividends	Change in share capital	Other changes	31/12/2019
Associate FRF Group	31,107	2,078	-4,149	-	1,036	30,072
Other associates	23,070	6,641	-672	-1,600	-	27,439
SUB-TOTAL ASSETS	54,177	8,719	-4,821	-1,600	1,036	57,511
Associate FRF Group	13	3	-3	-	-	13
Other associates	-	-	-	-	-	-
SUB-TOTAL LIABILITIES	13	3	-3	-	-	13
TOTAL	54,164	8,716	-4,818	-1,600	1,036	57,498

Joint ventures

Joint ventures are entities over which FREY Group exercises joint control.

The groupings take into account the various financial communications used within the Group, but without identifying a company as this would be revealing confidential and strategic information.

The main items relating to the joint ventures' financial position and income statement are set out below. These items include consolidation adjustments and are presented on a fully consolidated basis.

FRF GROUP

FREY's stake in the FRF Group increased to 62.08% in July 2020, implying the change in consolidation method from EA to FC.

Simplified statement of financial position (in €K)	31/12/2019
Investment property	196,025
Other non-current assets	3
Current assets	11,560
TOTAL ASSETS	207,588
Adjusted equity	117,569
Financial liabilities	61,439
Other non-current liabilities	-
Current liabilities	28,580
TOTAL LIABILITIES	207,588

Simplified income statement (in €K)	31/12/2019
Revenue	16,630
Profit/(loss) from recurring operations	13,024
Value adjustments of investment property	-1,895
NET PROFIT/(LOSS)	8,402

OTHER ASSOCIATES

Simplified statement of financial position (in €K)	31/12/2020	31/12/2019
Investment property	241,973	251,906
Other non-current assets	-	3
Current assets	11,277	35,653
TOTAL ASSETS	253,250	287,562
Adjusted equity	80,585	105,730
Financial liabilities	112,653	115,674
Other non-current liabilities	-	-
Current liabilities	60,012	66,158
TOTAL LIABILITIES	253,250	287,562

Simplified income statement (in €K)	31/12/2020	31/12/2019
Revenue	12,582	14,520
Profit/(loss) from recurring operations	11,598	21,199
Value adjustments of investment property	-10,177	1,096
NET PROFIT/(LOSS)	-1,032	19,508

2.5 Other non-current assets

CHANGES AT 31 DECEMBER 2020

Gross values (in €K)	31/12/2019	Increase in consolidation scope	Increases	Decreases	Other changes	31/12/2020
Guarantees and deposits	10,973	-85	15	-2,530	-727	7,646
Other financial investments	134		-	-	-	134
Financial provisions	-1		-	-	-	-1
TOTAL	11,106	-85	15	-2,530	-727	7,779

"Other changes" correspond to the reclassification of guarantees and deposits to less than one year.

2.6 Inventories and work-in-progress

(In €K)	31/12/2020	31/12/2019
Work-in-progress	41,447	45,871
Goods	-	-
Provisions	-1,204	-1,205
TOTAL	40,243	44,666

2.7 Change in net property development inventory

(In €K)	Opening balance	Acquisitions	Disposals	Reclassification	Other	Closing balance
2019	25,107	33,721	-12,641	-1,797	276	44,666
2020	44,666	23,129	-27,406	-146	-	40,243

Almost all disposals are made up of operations in Calais, Duisans, Strasbourg and Bezannes.

The reclassifications concern transfers from "Investment property" to "Inventory".

2.8 Other current assets

(In €K)	31/12/2020	31/12/2019
Loans, deposits and other receivables within one year	7,111	1,435
Advances and prepayments paid on orders	2,753	231
Associates' current accounts	9,660	10,340
Tax receivables	22,244	18,365
Other receivables	7,115	4,346
Prepaid expenses	4,118	4,104
TOTAL	53,001	38,821

The increase in loans and guarantees is linked to the payment of a security deposit of €5.1 million on the bilateral sales agreement for a site.

2.9 Cash and cash equivalents

(In €K)	31/12/2020	31/12/2019
Marketable securities	279	242
Cash	55,882	97,209
TOTAL	56,161	97,451

2.10 Non-current financial liabilities

Changes at 31 December 2020

	Change (in €K)	31/12/2019	Increase in consolidation scope	Increases	Decreases	Reclassification ⁽¹⁾	31/12/2020
cash	Bond issues	-	-	-	-	-	-
	Bank loans	349,596	47,727	152,000	-77,000	267	472,590
	Right-of-use liabilities - finance lease	29,664	-	-	-	-3,506	26,158
	Right-of-use liabilities - operating lease	2,170	-	185	-	-744	1,611
	Others ⁽²⁾	44,916	-	-	-308	-	44,608
	Guarantees and deposits received	4,573	676	2,599	-61	-620	7,167
non cash	Bond issues	-	-	-	-	-	-
	Bank loans	-3,219	-185	-718	30	846	-3,246
	Right-of-use liabilities - finance lease	-	-	-	-	-	-
	Right-of-use liabilities - operating lease	-	-	-	-	-	-
	Guarantees and deposits received	311	-	-	-	-	311
TOTAL		428,011	48,218	154,066	-77,339	-3,757	549,199

(1) This involves the reclassification of liabilities due in less than one year (see Note 2.15) and the reclassification of liabilities related to assets held for sale.

The reclassification of cash bank loans includes reclassifications related to the renegotiation of bank loans for FRF2 TORCY and ZONE A. Signed in December, these loans entered the scope as current then were reclassified as non-current in accordance with the new schedules, i.e. respectively €7 million and €8.7 million.

(2) This is liabilities to other associates in partner companies.

Breakdown by maturity (in €K)	1 to 5 years	> 5 years	Total
Bond issues	-	-	-
Bank loans	351,660	117,685	469,345
Finance lease liabilities	26,158	-	26,158
Right-of-use liabilities	1,491	120	1,611
Guarantees and deposits received	8,206	43,879	52,085
TOTAL	387,515	161,684	549,199

2.11 Employee commitments

(In €K)	31/12/2020	31/12/2019
OPENING BALANCE	679	603
Charges	104	83
Reversals	-	-
Actuarial gains and losses	96	-7
CLOSING BALANCE	879	679

2.12 Deferred tax

(In €K)	31/12/2020		31/12/2019	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
IFRS – Investment property	-	12,827	-783	16,355
PIDR	138	-	126	-
Capitalisation of losses carried forward	1,050	-	1,176	-
Other	170	-46	26	-1,186
TOTAL	1,358	12,781	545	15,169

Reconciliation of deferred tax variances between the statement of financial position and the income statement:

(In €K)	Change in deferred tax	
	31/12/2020	31/12/2019
CHANGE IN THE STATEMENT OF FINANCIAL POSITION	3,202	-8,996
Amount in the income statement	-	-
Increase in consolidation scope	-	237
Impact of hedge financial instruments	-	-
Impact of pension commitments	7	-
Impact of restatement	-	3
TOTAL CHANGE IN THE PERIOD	3,209	-8,656

2.13 Provisions for liabilities and charges

(In €K)	31/12/2019	Increases	Reversals used	Reversals unused	Other Change	31/12/2020
Provisions for litigation	-	-	-	-	-	-
Other provisions for liabilities	18	80	-	-18	-	80
Provisions for retirement benefits (see Section 2.3.21)	679	104	-	-	96	879
Investments in associates*	13	-	-	-	-13	-
TOTAL	710	184	-	-18	83	959

* Corresponds to the securities accounted for using the equity method where the value is negative.

In the context of a tax investigation into a Spanish subsidiary, the Group received a tax recovery notice for €1.70 million (excluding interest and penalties). The Group has disputed the grounds for

this recovery and believes, given the facts of the case, that it can obtain a favourable ruling from the competent Spanish court. No provision was booked at 31 December 2020.

2.14 Other current liabilities

(In €K)	31/12/2020	31/12/2019
Liabilities on acquisitions of fixed assets	82,900	70,620
Customers – Advances and prepayments received	805	604
Social security liabilities	2,938	3,690
Tax liabilities	10,246	10,220
Other liabilities	6,003	3,694
Prepaid income	3,899	6,199
TOTAL	106,791	95,027

In addition to the costs incurred on projects under development, the increase in liabilities on the acquisition of fixed assets is linked to the acquisition of land, provisioned in the accounts but for which the disbursement of €12 million will be effective in 2021.

2.15 Current financial liabilities

Change (in €K)	31/12/2019	Increase in consolidation scope	Increases	Decreases	Reclassification*	31/12/2020
Bond issues	-	-	-	-	-	-
Bank loans	1,661	30,888	-	-3,907	-11,377	17,265
Right-of-use liabilities – finance lease	3,336	-	-	-3,336	3,506	3,506
cash Right-of-use liabilities – operating lease	909	-	21	-853	744	821
Guarantees and deposits received	3,556	1,224	281	-277	620	5,404
Bank overdrafts (liabilities)	-	-	-	-	-	-
Bank overdrafts (cash)	-	-	-	-	-	-
Associates' current accounts	10,091	-	-	-10,080	-	11
Bond issues	-	-	-	-	-	-
Bank loans	-234	-77	1,260	431	-846	534
Right-of-use liabilities – finance lease	-	-	-	-	-	-
non cash Right-of-use liabilities – operating lease	-	-	-	-	-	-
Guarantees and deposits received	-	-	-	-	-	-
Bank overdrafts (liabilities)	117	38	-	111	-	266
Associates' current accounts	-	-	-	-	-	-
TOTAL	19,436	32,073	1,562	-17,911	-7,353	27,807

* This is the reclassification of liabilities maturing within one year (see Note 2.10).

The reclassification of cash bank loans includes reclassifications related to the renegotiation of bank loans for FRF2 TORCY and ZONE A. Signed in December, these loans entered the scope as current then were reclassified as non-current in accordance with the new schedules, i.e. respectively €7 million and €8.7 million.

2.16 Additional information on current and non-current financial liabilities

Breakdown of bank loans and finance lease liabilities before hedging

Net financial debt (in €K)	31/12/2020	31/12/2019
Fixed rate	4,866	6,292
Variable rate	525,763	377,965
TOTAL	530,629	384,257

Unused drawdown rights

At 31 December 2020, the Group had unused drawdown rights of €212 million on corporate lines.

Average interest rate on debt

After taking hedges into account, the average interest rate on the Group's debt based on market conditions at 31 December 2020 (margin included) was 1.48%, compared with 1.73% at 31 December 2019.

This rate of 1.48% breaks down into an average rate of 2.10% on mortgages loans and 1.24% on corporate lines.

Breakdown of nominal value of hedge instruments by maturity

Breakdown by maturity (in €K)	Under 1 year	1 to 5 years	Over 5 years	Total
Financial instruments	3,519	495,582	13,326	512,427

The percentage of financial debt (bank and bonds) not subject to interest-rate fluctuations was 97.5% at 31 December 2020 compared with 91.3% at 31 December 2019.

NOTE 3 | NOTES TO THE STATEMENT OF CASH FLOWS

3.1 Reconciliation of cash on the statement of financial position and the statement of cash flows

The cash and bank overdrafts shown in the consolidated statement of cash flows include the following items:

(In €K)	31/12/2020	31/12/2019
Cash and cash equivalents (Note 2.9)	56,161	97,451
Marketable securities - Other investments	-	-
Bank overdrafts (Note 2.15)	-266	-117
Reclassification of bank overdrafts consisting of short-term financial debt	-	-
TOTAL	55,895	97,334

Bank overdrafts correspond entirely to cash. These liabilities are included in the cash flow from financing activities, in accordance with IAS 7.

At 31 December 2020, the Group had three corporate lines of a total nominal amount of €590 million, €378 million of which had been drawn down.

3.2 Breakdown of the “Change in the working capital requirement related to operations”

(In €K)	31/12/2020	31/12/2019
Inventories (see Note 2.6 and Note 2.7)	10,493	-18,377
Trade receivables	-8,130	21,541
Other receivables	-7,013	-6,929
Trade payables	-3,728	2,158
Other liabilities	-322	575
TOTAL	-8,700	-1,032

The change in trade receivables is mainly due to a development project carried out in late 2018 and paid in 2019. In 2020, the change is mainly due to the impact of the health crisis (see 2.2.5).

In 2020, the change in suppliers is mainly due to a reduction in invoices not received related to the percentage of completion and deliveries of property development projects, as well as a 2019 acquisition transaction paid in 2020.

3.3 Breakdown of “Acquisition of fixed assets”

(In €K)	31/12/2020	31/12/2019
Acquisition of intangible assets	-795	-64
Acquisition of property, plant and equipment (see Note 2.2)	-5,346	-135
Investment property valuation*	-89,107	-151,347
Change in liabilities on acquisitions of fixed assets	12,089	33,942
TOTAL	-83,159	-117,604

* This refers to the acquisition of operated assets and assets under construction (Note 2.3).

In 2020 the change in debts on acquisitions of fixed assets is mainly due to a reduction in invoices not received due to the progress of the work.

3.4 Breakdown of “Changes in consolidation scope”

(In €K)	31/12/2020	31/12/2019
Flows related to equity investments*	-	-98,942
Flows related to changes in ownership percentage	-14,635	-
TOTAL	-14,635	-98,942

* In 2019, this mainly refers to net cash flows from disbursements related to the acquisition of the Portuguese companies. In 2020, this refers to the acquisition of additional equity interests in the FRF sub-tier (2.2.3).

NOTE 4 | OFF-BALANCE SHEET COMMITMENTS

4.1 Lease commitments - Lessee

The total amount of the minimum future payments to be made in relation to finance leases, including the registered office at Bezannes (51), amounted to:

(In €K)	31/12/2020	31/12/2019
Less than one year	4,368	4,311
One to five years	28,257	18,234
More than five years	-	14,391
AMOUNT OF FINANCE LEASE PAYMENTS	32,625	36,936

(In €K)	31/12/2020	31/12/2019
Less than one year	4,329	4,209
One to five years	26,289	17,115
More than five years	-	16,091
PRESENT VALUE OF FINANCE LEASE PAYMENTS	30,618	37,415

At 31 December 2020, annual rents on the basis of signed subleases amounted to €4.50 million, compared with €4.70 million at 31 December 2019.

Taking into account the firm periods of these leases, future payments that the Company expects to receive on non-cancellable sub-lease agreements amount to €7.70 million, compared with €10.60 million at 31 December 2019.

4.2 Other commitments given

(In €K)	31/12/2020	31/12/2019
Mortgage guarantees	133,560	52,921
Pledges of mortgaged assets	4,704	4,704
Deposits and earnest payments	11,228	9,685
Other securities and deposits	680	680

We would remind you that there are bank covenants linked to the financing subscribed by FREY Group (2.3.13).

At time of the acquisition of the shares of PAI 01, the Group undertook to pay to the assignors an earn-out payment supplement corresponding to 50% of the fees potentially

collected by PAI 01 for future rights to be built during the term of its development concession, its extension or its renewal.

There were no commitments given relating to Group companies' interests in joint ventures at 31 December 2020.

4.3 Lease commitments - Lessor

The amount of the minimum future payments to be received in relation to operating leases amounted to:

(In €K)	31/12/2020	31/12/2019
Less than one year	64,509	45,514
One to five years	118,238	80,170
More than five years	17,337	13,873
AMOUNT OF OPERATING LEASE PAYMENTS	200,084	135,557

The increase in lessor lease commitments is linked to the imminent opening of the Promenade de Claye-Souilly and STRASBOURG shopping centres. By way of information, the

taking of possession by lessees after the reporting date on 31 January 2021, increases the amount of the lessor lease commitments by €5 million.

4.4 Other commitments received

(In €K)	31/12/2020	31/12/2019
Bank deposits (leases signed with lessors)	4,551	3,800
Bank deposits (completion of retail units)	7,166	6,081
Residual drawing rights on long-term borrowings	212,000	217,000
Other commitments received in connection with the disposal of assets	-	-

There were no commitments received relating to Group companies' interests in joint ventures at 31 December 2020.

NOTE 5 RELATED ENTITIES

IAS 24 recommends specifying the entities affiliated to the consolidated Group, as well as the nature of the cash flows between those entities and the Group.

The existing relationships between FREY Group and the joint ventures are as follows:

(In €K)	31/12/2020	31/12/2019
Provision of services ⁽¹⁾	278	1,076
Marketing fees ⁽²⁾	25	43
Overheads ⁽³⁾	-	-
Financial expenses	-	-
Net current account interest received ⁽⁴⁾	-	69
TOTAL FRF GROUP	303	1,188
Provision of services ⁽¹⁾	534	649
Marketing fees ⁽²⁾	36	100
Overheads ⁽³⁾	67	3
Net current account interest received ⁽⁴⁾	47	35
TOTAL OTHER ASSOCIATES	684	787

(1) Invoicing by FREY Group of administrative and other services.

(2) Marketing fees invoiced to the joint ventures by FREY Group.

(3) Re-invoicing of the general expenses incurred on behalf of the joint ventures (overheads, telephone expenses, travel expenses, property levy, etc.).

(4) Joint-venture financing relationship.

The main positions with the joint ventures in the statement of financial position are as follows:

(In €K)	31/12/2020	31/12/2019
Trade receivables	-	538
Current accounts	-	357
TOTAL FRF GROUP	-	895
Trade receivables	206	272
Current accounts	9,648	-102
TOTAL OTHER ASSOCIATES	9,854	170

The existing relations between FREY Group and the other affiliated companies are as follows:

- Firmament Participations, with a shareholding of 28.1%: a liquidity agreement was signed in July 2017 between Firmament Participations and FREY, for a half-yearly amount of €10,000. No other flows were recorded during the year except the dividend approved by the General Meeting of 20 May 2020;
- AG Real Estate, shareholder with a stake of 12.7%: an exchange agreement for the shares of Frey Retail Fund 2 was signed in July 2020 between IMMO NATION (controlled by AG Real Estate) and FREY with a view to consolidating the portfolio held by Frey Retail Fund 2 and improving the clarity of the results generated at the Company level. Under the terms of this agreement, IMMO NATION undertook to sell to FREY its entire stake in Frey Retail Fund 2, in exchange for the delivery of 650,000 FREY shares (which were treasury shares) and a cash payment of €21.5 million financed by the property company's own resources. There were no flows with the Group during the year, except for the dividend approved at the General Meeting of 20 May 2020;
- Prédica, with a shareholding of 19.4%: there were no flows between the shareholder and the Group during the year, except for the dividend approved at the General Meeting of 20 May 2020;
- Cardif Assurance Vie, with a shareholding of 11.4%: there were no flows between the shareholder and the Group during the year, except for the dividend approved at the General Meeting of 20 May 2020;
- Sogecap, with a shareholding of 11.4%: there were no flows between the shareholder and the Group during the year, except for the dividend approved at the General Meeting of 20 May 2020;
- Primonial, with a shareholding of 6.9%: there were no flows between the shareholder and the Group during the year, except for the dividend approved at the General Meeting of 20 May 2020;
- Market investors, with a shareholding of 5.1%: there were no flows with the Group during the year, except for the dividend approved at the General Meeting of 20 May 2020.

NOTE 6 | SENIOR EXECUTIVE REMUNERATION

The number of senior executives increased from four to five during the year 2020.

The senior executives received remuneration from the Company amounting to €2.10 million for the 12-month period between 1 January 2020 and 31 December 2020; this remuneration amounted to €1.60 million for the same 12-month period in the previous financial year.

NOTE 7 | STATUTORY AUDITORS' FEES

The amount of the Statutory Auditors' fees paid by FREY Group was as follows:

31 DECEMBER 2020

Amounts (in €)	FCN	Grant Thornton	Other	Total
Parent company	114	123	-	237
Subsidiaries (France and Spain)	90	76	20	186
Ancillary assignments	1	6	-	7
TOTAL	205	205	20	430

31 DECEMBER 2019

(In €K)	FCN	Grant Thornton	Other	Total
Parent company	115	115	-	230
Subsidiaries (France and Spain)	81	37	6	124
Ancillary assignments	-	18	-	18
TOTAL	196	170	6	372

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2.6 EVENTS SUBSEQUENT TO 31 DECEMBER 2020

The Group is not in a position to accurately assess the total impact of the lockdown in November 2020, given the ongoing negotiations initiated since 1 January 2021. As such, no provision related to the second lockdown has been recognized in the financial statements at 31 December 2020. Additional assistance (waivers of future rent receivables net of tax credits) estimated at €2.3 million, may be recognised in 2021.

Following the publication of Decree No. 2021-99 of 30 January 2021 prohibiting the opening of shopping centres of more than 20,000m², none of FREY's French assets has undergone a government-ordered closure.

Since 15 January 2021, Portugal is under a second national lockdown, resulting in the government-ordered closure of the Portuguese asset on the Algarve.



◀ Vallès Park,
Barcelona,
Spain

3

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Financial year ended 31 December 2020

To the Annual General Meeting of FREY shareholders,

OPINION

In accordance with the terms of the assignment entrusted to us by your General Meeting, we have audited the consolidated financial statements of the company FREY for the year ended 31 December 2020, as attached to this report.

In our opinion, the consolidated financial statements, prepared in accordance with IFRS as adopted in the European Union, provide a true and fair view of the consolidated financial position, assets and liabilities and profit or loss of the Group comprising the persons and business units within the consolidation scope.

The opinion formulated above is consistent with the contents of our report to the Audit Committee.

BASIS OF OPINION

Auditing standards

We conducted our audit in accordance with professional standards applicable in France. We believe that our audit provides a reasonable basis for our opinion.

Our responsibilities under these standards are set out in the section entitled "Statutory Auditors' responsibilities in relation to the audit of the consolidated financial statements" herein.

Independence

We carried out our audit assignment in accordance with the independence rules applicable to us under the French Commercial Code, in the period from 1 January 2020 to the date of our report, and in particular we did not provide any services prohibited under paragraph 1, Article 5(1) of Regulation (EU) No. 537/2014.

JUSTIFICATION OF OUR ASSESSMENTS - KEY POINTS OF THE AUDIT

The global Covid-19 crisis has resulted in a particular set of circumstances in terms of auditing the financial statements for this year. Indeed, this crisis and the exceptional measures taken as part of the health crisis have had a number of consequences for businesses, particularly in terms of their operations and funding, as well as increased uncertainty around the future outlook. Some of these measures, such as restrictions on travel and remote working have also affected the internal organisation of businesses and the auditing process.

It is in this complex and evolving context that, pursuant to the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the key points of the audit relating to the risks of material misstatement which, in our professional judgment, were the most significant for the audit of the consolidated financial statements for the year, as well as the responses we have provided to these risks.

These assessments were made within the framework of our audit, which focuses on the consolidated financial statements taken as a whole, and the issuance of the opinion expressed above. We have not expressed an opinion on the elements of these consolidated financial statements in isolation.

Investment property valuation

Risk identified

In the statement of financial position, property has been recognised at a net book value of €1,316 million, representing 84.6% of total assets as at 31 December 2020.

Pursuant to IAS 40, FREY has opted to value and recognise its investment property according to the fair value method, as indicated in Note 3.8 of the notes to the consolidated financial statements.

Due to variations in scope over the period and the estimates inherent in the valuation methods used by property experts to measure investment property at fair value, we considered the valuation of investment property to be a key point in our audit.

Audit procedures implemented in response to the risks identified

We carried out the following procedures:

- assessing the independence and competence of the experts;
- reconciling the values of the property appraisals with the values in the consolidated financial statements;
- through surveys, assessing the consistency of the rental data used by the expert with the various rental statements obtained during our work;
- assessing the documentation provided for the measurement at fair value of ongoing projects;
- assessing the origin of material changes in fair values in the period and reviewing the sensitivity calculations on rates of return.

SPECIFIC VERIFICATIONS

We also performed, in accordance with accepted professional standards in France, the specific verifications required by the statutory and regulatory texts regarding the information about the Group provided in the Board of Directors' management report.

We have no comments to make concerning the fairness of the information and its consistency with the consolidated financial statements.

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OTHER VERIFICATIONS OR INFORMATION RESULTING FROM OTHER STATUTORY AND REGULATORY OBLIGATIONS

Format of presentation of annual financial statements to be included in the annual financial report

In accordance with Section III of article 222-3 of the French Financial Market Authority's General Regulations, the management of your company has notified us of its decision to postpone the application of the single electronic reporting format as defined by Commission Delegated Regulation n° 2019/815 of 17 December 2018, to the financial years beginning 1 January 2021. Consequently, this report does not include a conclusion on compliance with this format in the presentation of the consolidated financial statements intended to be included in the annual financial report referred to in Section I of Article L. 451-1-2 of the French Monetary and Financial Code.

Appointment of Statutory Auditors

We were appointed as Statutory Auditors of FREY by the General Meeting of 30 October 2007 (Grant Thornton) and 29 June 2010 (FCN).

At 31 December 2020, Grant Thornton was in the thirteenth consecutive year of its assignment, and FCN in its eleventh year.

RESPONSIBILITIES OF MANAGEMENT AND THOSE RESPONSIBLE FOR CORPORATE GOVERNANCE IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for preparing the consolidated financial statements, presenting a true and fair view in accordance with IFRS, as adopted in the European Union, and establishing the internal control that it considers necessary to prepare consolidated financial statements without material misstatements, whether due to fraud or error.

When preparing the consolidated financial statements, it is the responsibility of management to assess the Company's ability to continue to operate, to present in these financial statements, where appropriate, the necessary information relating to the continuity of operations and to apply the going concern accounting principle, unless the Company is to be wound up or cease trading.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of the internal control and risk management systems and, where applicable, internal audit, with regard to procedures relating to the preparation and processing of accounting and financial information.

The consolidated financial statements have been approved by the Board of Directors.

RESPONSIBILITIES OF THE STATUTORY AUDITORS IN RELATION TO THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Audit objective and approach

We are responsible for preparing a report on the consolidated financial statements. Our objective is to obtain reasonable assurance that the consolidated financial statements taken as a whole do not contain any material misstatements. Reasonable assurance corresponds to a high level of assurance, but does not guarantee that an audit performed in accordance with the standards of professional practice can systematically detect any material misstatement. Misstatements may arise due to fraud or error and are considered material if it can reasonably be expected that they, taken individually or as a whole, may influence the economic decisions that account users take based on them.

As specified by Article L. 823-10-1 of the French Commercial Code, our assignment to certify the financial statements does not consist in guaranteeing the viability or quality of the management of your company.

In the context of an audit conducted in accordance with the professional standards applicable in France, the Statutory Auditor exercises its professional judgement throughout this audit. In addition, he/she:

- identifies and assesses the risks that the consolidated financial statements contain material misstatements due to either fraud or error, defines and implements audit procedures to address these risks, and collects the elements that it regards as a sufficient and appropriate basis for its opinion. The risk of failing to detect a material misstatement due to fraud is higher than for a material misstatement due to error, as fraud may involve collusion, forgery, deliberate omissions, misrepresentation or circumvention of internal control;
- duly notes the internal control relevant to the audit in order to define audit procedures appropriate for the circumstances, and not with the aim of expressing an opinion on the effectiveness of the internal control;
- assesses the appropriateness of the accounting methods used and the reasonableness of accounting estimates made by management, as well as the information concerning them provided in the consolidated financial statements;
- assesses the appropriateness of management's application of the going concern accounting principle and, depending on the elements gathered, the existence or otherwise of material uncertainty related to events or circumstances likely to bring into question the Company's ability to continue as a going concern. This assessment is based on the elements gathered up to the date of its report, although it should be remembered that subsequent circumstances or events could jeopardise the continuity of operations. If it concludes that there is material uncertainty, it draws the attention of readers of its report to the information provided in the consolidated financial statements about this uncertainty or, if this information is not provided or is not relevant, formulates a certification with reservations or a refusal to certify;
- assesses the overall presentation of the consolidated financial statements and assesses whether the consolidated financial statements reflect the underlying transactions and events in such a way as to give a true and fair view thereof;
- with regard to financial information relating to the entities included in the consolidation scope, collects elements that it deems sufficient and appropriate to express an opinion on the consolidated financial statements. It is responsible for managing, overseeing and conducting the audit of the consolidated financial statements and the opinion expressed on these financial statements.

Audit Committee's report

We submit a report to the Audit Committee outlining the scope of the audit work and the work programme implemented, as well as the conclusions arising from our work. We also disclose, where appropriate, any material weaknesses of internal control that we have identified with respect to the procedures relating to the preparation and processing of accounting and financial information.

Among the elements disclosed in the report to the Audit Committee are the risks of material misstatement that we consider to have been most important for the audit of the consolidated financial statements for the year and which therefore constitute the key points of the audit, which it is our responsibility to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537-2014 confirming our independence, within the meaning of the rules applicable in France as set forth in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the Code of Professional Ethics for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks to our independence and the safeguards applied.

Neuilly-sur-Seine and Reims, 15 March 2021

The Statutory Auditors

Grant Thornton
French member of Grant Thornton International
Amandine Huot-Chailleux
Partner

FCN
Jean-Michel François
Partner



◀ Shopping Promenade
Arles-Montmajour®
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CORPORATE FINANCIAL STATEMENTS BY FREY SA

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Financial year ended 31 December 2020

4.1 STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2020

ASSETS

(In €)	Gross	Amort./Depr./Prov.	31/12/2020	31/12/2019
Intangible assets	887,004	576,113	310,891	398,278
Property, plant and equipment	216,106,501	14,315,102	201,791,399	181,818,262
Equity investments	223,565,909	3,900,000	219,665,909	154,940,303
Other financial investments	6,434,278	31,111	6,403,167	11,357,647
FIXED ASSETS	446,993,692	18,822,326	428,171,366	348,514,489
Work-in-progress	5,061,679		5,061,679	4,723,932
Advances and prepayments paid on orders	3,067		3,067	7,564
Trade receivables	10,533,540	786,059	9,747,481	
Other receivables	421,083,958	5,982,124	415,101,834	403,879,683
Marketable securities (treasury shares)	288,949		288,949	1,971,786
Cash	6,628,905		6,628,905	49,404,541
CURRENT ASSETS	443,600,097	6,768,183	436,831,914	470,526,064
Prepaid expenses	410,158		410,158	151,082
Loan issue costs to be amortised	3,418,817		3,418,817	3,455,559
Bond redemption premiums				
ACCRUALS	3,828,975		3,828,975	3,606,641
GRAND TOTAL	894,422,765	25,590,509	868,832,256	822,647,195

LIABILITIES

(In €)	31/12/2020	31/12/2019
Share capital	61,508,158	60,562,493
Issue, merger and contribution premiums	398,128,466	424,726,621
Legal reserve	1,721,250	1,721,250
Other reserves	612	612
Retained earnings	-14,499,485	-4,498,744
Net profit/(loss) for the year	21,866,472	-10,000,742
EQUITY	468,725,472	472,511,490
Provisions for liabilities	18,943	18,015
PROVISIONS FOR LIABILITIES AND CHARGES	18,943	18,015
Convertible bonds		
Other borrowings and financial debt	382,279,991	307,282,083
Advances and prepayments received on orders in progress	66,937	47,664
Trade payables	3,197,556	3,414,926
Liabilities for non-current assets	8,743,253	7,963,169
Tax and social security liabilities	2,599,209	2,815,436
Other liabilities	3,007,932	28,508,764
LIABILITIES	399,894,878	350,032,042
Prepaid income	192,962	85,647
GRAND TOTAL	868,832,256	822,647,195

4.2 INCOME STATEMENT AT 31 DECEMBER 2020

(In €)	France	Export	31/12/2020	31/12/2019
Net revenue	17,015,612		17,015,612	13,565,588
Other income	5,535,027		5,535,027	4,150,276
OPERATING INCOME	22,550,640		22,550,640	17,715,864
Purchase of raw materials and other supplies			-1,904,007	-428,007
External costs			-10,694,445	-10,555,492
Tax and duties			-1,562,741	-1,469,829
Payroll expenses			-5,007,621	-5,172,004
Operating liabilities			-5,273,898	-5,874,321
Other operating expenses			-896,284	-148,837
OPERATING EXPENSES			-25,338,996	-23,648,490
OPERATING RESULTS			-2,788,356	-5,932,627
JOINT OPERATIONS (LOSS)			-454,602	
Financial income			37,595,419	14,985,072
Financial expenses			-14,554,047	-24,649,324
NET FINANCIAL INCOME/(EXPENSE)			23,041,372	-9,664,252
PRE-TAX PROFIT (LOSS)			19,798,414	-15,596,878
Non-recurring income			14,639,357	18,532,259
Non-recurring expenses			-12,332,185	-12,951,251
NET NON-RECURRING INCOME/(EXPENSE)			2,307,172	5,581,008
Income tax or tax credit			-239,114	15,128
NET PROFIT/(LOSS)			21,866,472	-10,000,742

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4.3 SIGNIFICANT EVENTS

OPERATIONS

- In January 2020, FREY sold a unit in Saint-Quentin (02);
- In February 2020, FREY sold its asset located in Bayonne (64).

CAPITAL INCREASE

- In June 2020, FREY carried out a capital increase for a gross amount of €9.7 million, issue premium included, by issuing 378,266 new shares. The share capital was thus increased to €61.5 million.

BORROWING AND CORPORATE CREDIT LINES

- In July 2020, FREY signed a one-year extension on its loan of €70 million, which was partially accepted until 2025 by two lenders for a total of €50 million and another for its loan of €100 million until 2026;
- In November 2020, FREY signed a corporate line for €70 million for a period of five years, with the option of extending for two years;
- New issue costs were capitalized for an amount of €0.6 million.

SHARES

- In July 2020, the company purchased AG Real Estate's stake in the FRF2 investment vehicle. This transaction was remunerated by the delivery of 650,000 FREY treasury shares and by a cash payment of €20.2 million.

SECURITIES AND EQUITY INVESTMENTS

- In February 2020, FREY subscribed to the share capital of FOREY;
- In June 2020, in response to the health crisis and in order to sustain the economic activity of the Group's lessor companies, FREY SA became a member of an economic interest group;
- As of July 2020, following the buyback of AG Real Estate shares, SA FREY held 62.08% of the shares in FRF2;
- FAP sold its interests in the subsidiaries IF BENER and LES SABLONS 1 to FREY with a view to carrying out the TUPS operations in 2020;
- As of 2020, following the universal transfer of assets of SCI LES SABLONS 1, FREY directly owned FRP III;
- The asset transfer of SCI SECLIN 01 was completed in February 2020 with retroactive tax effective as of 1 January 2019.

Following the unilateral decision of SA3M, Société d'Aménagement de Montpellier Méditerranée Métropole, in June 2020, to cease the development of the "ODE A LA MER" project, led by our subsidiary SCI IF ECOPOLE, the FREY Group challenged this decision and initiated legal proceedings to obtain reimbursement of the costs incurred prior to this decision by SA3M and compensation for the losses suffered. At the closing date, we do not believe the outcome of the legal action taken by the FREY Group to be unfavourable and, consequently, have not recognised an impairment of equity securities of our subsidiary or current account advances.

subsidiaries, FREY established the EIG Frey Solidarity to help lessees to maintain the economic activity of the Group's lessee companies over the long term. This measure, introduced during the first lockdown, involves the pooling of efforts to support lessees with rent discounts and payment schedules.

The total receivables sold by the subsidiaries to the EIG Frey Solidarité amounted to €2.6 million, of which €0.8 million for FREY SA (*i.e.* €0.6 million in rent discounts and €0.2 million in rent receivable payment schedules).

FREY SA's share in the loss of the EIG Frey Solidarity in respect of financial year 2020 amounted to €0.5 million. As is the case for the losses of the transparent subsidiaries, this amount was recognized as a current account impairment at 31/12/2020 at FREY SA. In order to avoid the asymmetry of presentation expected in 2021, arising on the one hand from the recognition of the allocation of the EIG income to the specific line "joint operation" provided for in the chart of accounts, and on the other hand, from the reversal of the provision for impairment in financial income, the provision recognized at 31 December 2020 was presented on the line "joint operations (loss)" of the income statement.

The rent receivable payment schedules granted by the EIG (for a period of twenty-four months from 2021) amounted to a total of €0.7 million. These recovery prospects are not in question.

On 28 October 2020, another lockdown was announced with new restrictions imposed on retailers. The 2020 revenue does not take into account the consequences of the second lockdown, which will impact that of the financial year 2021 (see Post-closing events).

IMPACTS RELATED TO THE COVID-19 EPIDEMIC

The Covid-19 epidemic emerged in China at the end of 2019. It spread across the whole of the European continent in the course of 2020. In order to limit the spread of the virus, on 16 March 2020 the President of the French Republic announced the closure of so-called "non-essential" businesses. A large majority of the Company's tenants have therefore been forced to close their doors. In light of these events, with its wholly-owned

DIVIDENDS

At the General Meeting of 20 May 2020, the shareholders voted to distribute a dividend of €1.5 per share, with the option of receiving payment in new shares in the Company for up to 30% of the dividend, *i.e.* a dividend paid of €35,294,969, with the treasury shares held on the distribution date not giving rise to dividends.

4.4 ACCOUNTING RULES AND METHODS

PRINCIPLES AND GENERAL CONVENTIONS

The annual financial statements are prepared in accordance with the rules specified by ANC Regulation 2014-03 of 5 June 2014, relating to the general chart of accounts, ANC Regulation 2016-07 of 4 November 2016 and generally accepted accounting principles in France.

Generally accepted accounting principles have been applied in compliance with the principle of prudence and in accordance with the following basic assumptions:

- consistency of methods;
- independence of financial years;
- going concern.

The financial statements are prepared in euros.

The balance sheet total for the financial year before allocation of earnings is of €868,832,256 and the net accounting profit is €21,866,472.

The financial year ran for a 12-month period from 1 January 2020 to 31 December 2020.

The basis used for assessing the information provided in the financial statements is the historical cost method.

The main accounting policies used are as follows.

NON-CURRENT ASSETS

Intangible assets and property, plant and equipment

These items are measured at their acquisition cost, which is the purchase price plus ancillary purchase costs.

Interest on loans specifically relating to the acquisition or to the production of non-current assets has not been capitalised.

Amortisation and depreciation charges are calculated on a straight-line basis according to the useful life of the asset:

● Software	2 to 3 years
● Fixtures and equipment	3 to 5 years
● Office and IT equipment	3 to 5 years
● Furniture	3 to 10 years
● Fixtures	20 years
● Buildings – structures	35 years
● Buildings – façades	25 years
● Buildings – general fixtures	20 years

Assets (land + completed buildings) held by FREY are the subject of expert appraisals at each year-end.

The market value is determined by independent expert appraisers. It corresponds to the price at which an asset or a property right could be sold at the time of the appraisal under normal supply and demand conditions.

The market value is determined as follows:

- for land, by reference to the market prices recorded on the market for property complexes that are equivalent in type and location (comparative method) and by reference to the potential market value of the property complex calculated by estimating the difference between the sale price and the planner cost (investment property cost method or planner's balance sheet method);
- for buildings under construction, by using the Discounted Cash Flow method involving calculating the market value of a building through discounting;
- for assets leased under a construction lease, by discounting the forecast net income over the term of the construction lease and determining the residual contractual value at the end of the lease;
- and, for completed buildings, by capitalising the net income depending on the yields observed on the market (capitalisation method) and by the discounted cash flow method (discounting of future rents).

The net income is determined by deducting the actual and potential rents (on vacant premises) and the property charges that cannot be recovered from tenants depending on the leases concerned, as well as the charges relating to vacant premises, determined on the basis of an estimated re-leasing period. In the event that a site has a structural vacancy, these deductions would be accompanied by the loss of the corresponding potential income.

The company records provisions for write-downs of its asset portfolio as soon as the book value determined by reference to the appraisal value, excluding stamp duty (market value) proves to be lower than the net book value. This impairment test enables the consistency between the net book value and the recovery value (appraisal value) to be confirmed.

Financial assets / related receivables and/or current accounts

Financial assets are recorded at their acquisition cost.

The subsidiaries and equity investments table presents the characteristics of the associated securities and receivables held.

The losses of the transparent subsidiaries for which FREY in its capacity as manager will propose allocation to a shareholder's current account and an impairment loss is recorded in the current account at each closing date.

A value-in-use for the securities is estimated by management and determined for each subsidiary on a case-by-case basis.

This value is defined on the basis of a multi-criteria approach taking into account the proportionate share of net assets, prospective income and long-term development. The market value of the assets held by the subsidiaries or sub-subsidiaries is taken into account.

A provision on investments is established where the value in use is lower than the book value of the securities.

If the securities' value-in-use becomes negative, the receivables held against the subsidiary concerned are also impaired, and a provision for liabilities and charges may also be recorded, if necessary.

TREASURY SHARES

The treasury shares held as part of a free share allocation plan are presented in marketable securities and are the subject of a provision for charges, where applicable, when the allocation conditions have been fulfilled. In the absence of a specific allocation or objective, they are recognised as financial assets.

Shares held under the liquidity agreement (delegation to the Board of Directors granted by the General Meeting of 20 May 2020 for a period of 18 months under the conditions provided for in Articles L. 22-10-62 *et seq.* of the French Commercial Code) are recorded at their acquisition cost in financial investments. Gains and losses on the disposal of these securities are charged to other financial income or expenses.

When the inventory value at 31 December is lower than the purchase price, a provision for impairment is recognised.

The terms and conditions determined by the General Meeting are as follows:

- maximum purchase price set at €55 per share;
- total shares held by the company on any given date may not exceed 10% of the total share capital at that date.

Accordingly, the shares may be purchased, held, and exchanged or transferred, where applicable, *via* any means, and in accordance with the applicable stock market regulations and the market practices accepted and published by the AMF.

RECEIVABLES AND LIABILITIES

Receivables and liabilities are recorded at their nominal value.

A provision for write-downs is established where this value is higher than the book value.

INVENTORIES

Land and property in inventory are measured at their acquisition cost or at their external purchase cost excluding any other financial charges.

Provisions for impairment and/or reversals of provisions for impairment are recorded in order to take account of the economic value of each asset, which is determined by independent expert appraisers.

FINANCIAL DEBT

Bank debt consists of redeemable loans and lines usable through draw-downs. Subsequent draw-downs are recorded at their nominal value in the financial statements, while the residual borrowing capacity amounts to an off-statement of financial position commitment.

The issue costs of bank loans are deferred via a reclassification of expenses and then amortised over the term of the financing.

TERM DEPOSITS

Releasable deposits are included within "Cash".

The value of term deposits is measured at the subscription amount and a provision may be recorded on the interest receivable, where applicable.

REVENUE

Revenue consists of income from the land business, the sale of land and buildings for development projects, the re-invoicing of works and the provision of ancillary services. These services correspond to the annual invoices issued to its subsidiaries by FREY SA for services and advice provided in the financial, legal, human resources, strategy and Senior Management fields.

Significant entry fees are recognised in other income and are taken to prepaid income for the portion relating to lease annuities subsequent to the financial year, and to be recovered over the term of the lease.

At 31 December 2020, they amounted to €189 thousand.

RECOGNITION OF THE PROFIT OR LOSS FROM PROPERTY TRANSACTIONS

The revenue and profit or loss from all property transactions are recognised in accordance with the completion method.

RECLASSIFICATION OF EXPENSES

Reclassified expenses primarily consist of the re-invoicing to tenants of the expenses and taxes relating to the property investment company's properties, the amortisation of loan issue costs and amounts re-invoiced to subsidiaries.

NON-RECURRING INCOME AND EXPENSES

Non-recurring income and expenses include items that are not related to the Company's ordinary business activities, as well as items of an exceptional nature in view of their amount.

FINANCIAL INSTRUMENTS

The purpose of the financial instruments used is to hedge interest rate risk. These instruments are Swaps and participating collars, the use of which guarantees a fixed interest rate. They are not recognised in the financial statements when they are arranged, but constitute off-statement of financial position commitments. Conversely, the difference between the interest rate paid or received pursuant to these agreements is recognised in financial income or expense for the financial year.

A provision for financial liabilities and charges on unrealised losses on qualified financial instruments in an isolated open position is established at the end of each financial year, if applicable.

CORPORATE INCOME TAX

As a result of opting for REIT tax arrangements, and therefore for the calculation of the tax for the financial years beginning from 1 January 2009, two business segments have been identified, one of which is subject to corporate income tax, and the other of which is exempt.

The exempt segment includes the expense and income inherent to the benefit of operating lease transactions and includes the dividends received from the REIT subsidiaries and the results of the disposal of assets.

The taxable segment includes all other transactions and the dividends received from the non-REIT subsidiaries.

COMMITMENTS FOR PENSIONS AND RETIREMENT BENEFITS

The estimated pension commitments at 31 December 2020 amounted to €327 thousand, compared with €227 thousand at 31 December 2019.

Retirement benefits are paid to the employees of French companies at the time when they retire, depending on their seniority and their salary upon retirement. These benefits are in the defined-benefit scheme category.

FREY Group companies have calculated retirement benefits based on the assumption of voluntary departure, in accordance with the property development sector collective-bargaining agreement.

The main parameters used for the actuarial valuation of these commitments at 31 December 2020 are as follows:

- retirement age calculated on the basis of a contribution period of 41 years capped at age 67;
- change in salaries 1.5%;
- employer contribution rate 36% to 50%;
- discount rate 0.39%.

Actuarial assumptions other than the discount rate have not been changed.

4.5 ADDITIONAL INFORMATION

AVERAGE HEADCOUNT

Employee headcount for the financial year: 30.23 people.

Employee headcount for the previous financial year: 27.72 people.

SENIOR EXECUTIVE REMUNERATION

The senior executives received €1,404 thousand in remuneration from the Company for the financial year; this remuneration amounted to €1,263 thousand for the previous financial year.

IDENTITY OF CONSOLIDATING ENTITY

FREY is the parent company of the FREY consolidation group.

RELATED-PARTY TRANSACTIONS

Cash and cash equivalents

On 1 December 2010, FREY entered into a cash pooling agreement with each of its subsidiaries to centrally manage the Group's cash. As a result of these various agreements, the Company reported current-account assets amounting to €413,032 thousand at 31 December 2020 and liabilities amounting to €1,311 thousand.

The return on these current accounts generated financial income of €4,515 thousand for FREY and financial expense of €68 thousand.

Financial income from participating loans to subsidiaries amounted to €2,388 thousand.

The company also presents a current account contribution for the economic interest group in the amount of €629 thousand which is not remunerated.

Provision of services

FREY provided the following services on behalf of its subsidiaries during the 2020 financial year:

Accounting assistance

The corresponding income in the corporate financial statements amounted to €362 thousand for the 2020 financial year.

Management fees

The corresponding income in the corporate financial statements amounted to €3,564 thousand for the 2020 financial year.

Rental management

The Group's rental management services (pooling of invoices and management of the cash received) are provided by IF Gestion & Transactions, a subsidiary of FREY. The corresponding expenses amounted to €370 thousand for FREY, compared with invoiced rents amounting to €8,975 thousand.

Transactions performed with related parties are ordinary transactions for our Group, which are entered into under normal conditions, and for which no further details are provided herein.

EVENTS AFTER THE REPORTING DATE

At the beginning of January 2021, letters were sent to certain tenants proposing support for the rents of November 2020, under various conditions and in application of the decree of 19 December 2020.

At the closing date, it is impossible for us to definitively assess the financial impact of the credit to be extended because we are awaiting feedback from the tenants.

The decree of 30 January 2021 on the closures of shopping centres over 20,000 m² had no impact on the FREY Group given that its sites are considered to be "open-air" and are not referred to in Article 37.

In January 2021, FREY became the first real estate company to adopt the status of "Entreprise à mission", which consists of putting retail at the service of the collective interest by developing a business that is essential to urban diversity and social ties, the local economy and the environmental transition.

4.6 NOTES TO THE STATEMENT OF FINANCIAL POSITION

NOTE 1 | STATEMENT OF NON-CURRENT ASSETS

(In €)	31/12/2019	Increases	Reclassifications	Decreases	31/12/2020
INTANGIBLE ASSETS	862,052	24,952			887,004
Land ⁽¹⁾	22,290,106			2,190,700	20,099,406
Buildings, fixtures and fittings ⁽¹⁾	116,010,290			10,290,751	105,719,539
Other property, plant & equipment	4,622,112	22,727			4,644,839
Assets under construction ⁽²⁾	58,615,332	26,562,859		246,414	84,931,778
Advances and prepayments		710,939			710,939
PROPERTY, PLANT AND EQUIPMENT	201,537,841	27,296,525		12,727,865	216,106,501
Equity investments ⁽³⁾	53,013,301	69,627,620		4,072,477	118,568,444
Receivables from equity investments	105,777,002	24,248		853,784	104,947,466
Other financial investments ⁽⁴⁾	11,407,647	12,389,972		17,313,341	6,484,278
<i>Of which liquidity agreement</i>	<i>756 044</i>	<i>59,193</i>		<i>66,578</i>	<i>748.659</i>
<i>Of which Banque Transatlantique treasury shares⁽⁵⁾</i>	<i>9,439,101</i>	<i>7,232,769</i>		<i>16,671,870</i>	
FINANCIAL INVESTMENTS	170,197,949	82,041,841		22,239,603	230,000,187
TOTAL	372,597,842	109,363,318		34,967,467	446,993,693

(1) In 2020, FREY sold plots located in Amiens, its asset located in Bayonne and a unit in Saint-Quentin.

(2) Development of the Claye-Souilly project (77).

(3) Acquisition of AG Real Estate's stake in the FRF2 investment vehicle.

In 2020, FREY acquired SECLIN 01, IF BENER and LES SABLONS 01 and acquired a stake in FOREY. This new company was created in 2020 and is entirely dedicated to the acquisition of forests.

Following the universal transfer of assets of LES SABLONS 1, the company directly holds the shares of FRP III.

(4) Payment of a security deposit for the SAINT-OUEN project.

(5) Purchase of treasury shares and sale of 650,000 shares as part of the buyback of FRF2 shares.

Retail investments (P.22)

FRF2	19,358,742	41,577,403			60,936,145
FRP III		28,038,177			28,038,177
FOREY		9,990			9,990
SECLIN 01	4,050,537			4,050,537	
IF BENER	9,900	50		9,950	
LES SABLONS 1	9,990	2,000		11,990	
Dormant companies	29,584,132				29,584,132
TOTAL	53,013,301	69,627,620		4,072,477	118,568,444

NOTE 2

STATEMENT OF DEPRECIATION, AMORTISATION AND PROVISIONS
ON NON-CURRENT ASSETS

(In €)	31/12/2019	Charges	Decreases	31/12/2020
INTANGIBLE ASSETS	463,774	112,339		576,113
Land				
Buildings, fixtures and fittings	10,535,849	3,582,229	1,430,974	12,687,104
Technical facilities, machinery and tools	34,382	7,030		41,412
Other property, plant & equipment	1,146,933	439,653		1,586,586
PROPERTY, PLANT AND EQUIPMENT	11,717,164	4,028,912	1,430,974	14,315,102
TOTAL	12,180,939	4,141,251	1,430,974	14,891,215

NOTE 3

STATEMENT OF OTHER PROVISIONS

(In €)	31/12/2019	Charges	Reversals unused	Reversals used	31/12/2020
Provisions for liabilities and charges	18,015		18,015		
Provisions for foreign exchange losses		91,801	72,858		18,943
Provisions for customer loans		31,111			31,111
Provisions for property, plant and equipment ⁽¹⁾	8,002,413			8,002,413	
Provisions for equity investments	3,900,000				3,900,000
Provisions for bad debts	501,414	625,298	340,652		786,059
Provisions for impairment of current accounts ⁽²⁾	2,352,518	5,982,124		2,352,518	5,982,124
TOTAL	14,774,361	6,730,334	431,525	10,354,931	10,718,237

(1) Impairment of the asset located in Bayonne.

(2) Impairment of which €2,836 thousand relating to losses of transparent subsidiaries (for the year) and the balance relating to other subsidiaries.

NOTE 4 | **STATEMENT OF RECEIVABLES AND LIABILITIES**

Statement of receivables (in €)	31/12/2020			31/12/2019
	Gross amount	Up to 1 year	Over 1 year	
Receivables from equity investments	104,947,465	24,248	104,923,217	105,777,002
Loans	31,111	31,111		
Other financial investments	6,403,167	6,297,424	105,743	11,357,647
<i>Of which concerning related entities</i>				
Trade receivables	10,533,540	9,462,111	1,071,429	11,039,972
<i>Of which concerning related entities</i>	4,307,949	4,307,949		6,184,483
Personnel and related accounts	20,305	20,305		21,158
Social security and similar bodies	2,768	2,768		12,572
Income tax	13,963	13,963		15,128
State - Value-added tax	4,361,569	4,361,569		5,968,606
Other taxes and duties				
Group and associates ⁽¹⁾	413,661,252	413,661,252		399,020,866
<i>Of which concerning related entities</i>	413,661,252	413,661,252		399,020,866
Miscellaneous debtors	3,024,101	3,024,101		1,193,872
<i>Of which concerning related entities</i>				183,331
Prepaid expenses	410,158	170,830	239,328	151,082
<i>Of which concerning related entities</i>	17,145	17,145		38,949
TOTAL	543,409,399	437,069,681	106,339,717	534,557,903

Statement of liabilities (in €)	31/12/2020				31/12/2019
	Gross amount	At 1 year at most	At more than one year and no more than 5 years	At more than 5 years	
Bond issues					
With credit institutions					
• Less than one year at inception ⁽¹⁾	228,447,795	228,447,795			153,477,445
• More than one year at inception	151,350,000	850,000	50,500,000	100,000,000	152,350,000
Guarantees and deposits received	2,482,196	500,513	1,281,787	699,895	1,454,638
Trade payables	3,197,556	3,197,556			3,414,926
<i>Of which concerning related entities</i>	342,390	342,390			135,368
Personnel and related accounts	673,438	673,438			914,231
Social security and similar bodies	455,842	455,842			510,904
State - Income tax					
State - Value-added tax	1,291,596	1,291,596			1,239,230
State - Other taxes and duties	178,333	178,333			151,071
Liabilities for non-current assets	8,743,253	8,743,253			7,963,169
<i>Of which concerning related entities</i>	128,379	128,379			778,634
Group and associates ⁽¹⁾	1,311,026	1,311,026			26,784,567
<i>Of which concerning related entities</i>	1,311,020	1,311,020			26,784,567
Other liabilities	1,696,906	1,696,906			1,724,197
Prepaid income	192,963	60,653	120,260	12,049	85,647
TOTAL	400,020,904	247,406,911	51,902,047	100,711,944	350,070,026

(1) Presentation within one year in the absence of agreement to the contrary, but no payment or reimbursement required within one year.

NOTE 5 | FINANCIAL POSITION AND FINANCIAL DEBT

Bank debt

At 31 December 2020, the outstanding amount of credit drawn by the Company was €379.4 million, consisting of long-term loans repayable within six years.

The average interest rate on the debt, after including the interest rate hedges and with a 3-month Euribor of 0.545% at 31 December 2020, was 1.26%.

Cash investments

The company manages its excess cash *via* investments in the form of term accounts or deposits.

NOTE 6 | ACCRUED EXPENSES

Accrued expenses included in the following statement of financial position headings (in €)	31/12/2020	31/12/2019
Loans and financial debt from credit institutions (accrued interest)	447,795	477,445
Trade payables	2,074,897	1,979,976
Liabilities relating to non-current assets	8,411,251	6,371,828
Personnel and related accounts	992,959	1,299,259
Tax and social security liabilities	884,124	1,123,945
Other liabilities	20,749	174,930
TOTAL	12,831,775	11,427,383

NOTE 7 | DEFERRED INCOME

Deferred income included in the following statement of financial position headings (in €)	31/12/2020	31/12/2019
Trade receivables ⁽¹⁾	6,348,309	8,925,185
State - Value added tax	1,723,787	1,370,665
Accrued interest receivable	2,605,706	
Other deferred income	1,664,405	474,664
TOTAL	12,342,207	10,770,514

(1) Of which €4,277 thousand relates to billing of fees.

NOTE 8 | DEFERRED EXPENSES

At 31 December 2020, loan issue costs under the Corporate items amounted to €3,419 thousand. These expenses are amortised over the term of the credit.

NOTE 9 | PREPAID EXPENSES AND INCOME

At 31 December 2020, prepaid expenses were €410 thousand, compared with €151 thousand at 31 December 2019. They relate exclusively to operating expenses.

At 31 December 2020, prepaid income amounted to €193 thousand, compared with €86 thousand at 31 December 2019. This income corresponds to entry fees.

NOTE 10 | COMPOSITION OF SHARE CAPITAL

	Number	Nominal value
Shares comprising the share capital at the start of the year	24,224,997	€2.50
Shares issued during the year	378,266	€2.50
Shares redeemed or cancelled during the year		
SHARES COMPRISING THE SHARE CAPITAL AT THE END OF THE YEAR	24,603,263	€2.50

At 31 December 2020, the Company held:

- 4,737 of its own shares with a book value of €142 thousand as part of the liquidity agreement set out in the significant events for the financial year at the beginning of these notes.
This book value was determined on the basis of the share price at 31 December 2020.
- 10,390 shares with a book value of €289 thousand purchased as part of the Employee Free Share Allocation Plan approved by the Board of Directors;
- No shares vested without defined allocation.

NOTE 11 | CHANGE IN SHAREHOLDERS' EQUITY

(In €)	31/12/2019	Allocation of earnings	Dividends paid	Capital increase	31/12/2020
Share capital	60,562,493			945,665	61,508,158
Issue premium	424,726,621		-35,294,969	8,696,814	398,128,465
Regulated reserves	612				612
Legal reserve	1,721,250				1,721,250
Other reserves					
Retained earnings	-4,498,744	-10,000,742			-14,499,485
Profit/(loss) 31/12/2019	-10,000,742	10,000,742			
Profit/(loss) 31/12/2020		21,866,471			21,866,471
TOTAL	472,511,490	21,866,471	-35,294,969	9,642,479	468,725,472

NOTE 12 | BREAKDOWN OF INCOME TAX AT 31 DECEMBER 2020

(In €)	Profit before tax	Tax credit	Net profit/(loss)
Profit from recurring operations	20,139,655	-239,114	19,900,541
Net non-recurring income/(expense)	1,965,930		1,965,930
TOTAL	22,105,585	-239,114	21,866,471

4.7 NOTES TO THE INCOME STATEMENT

NOTE 13 | REVENUE

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Revenue for the financial year ended 31 December 2020 amounted to €17,015,612 and broke down as follows:

(In €)	31/12/2020	31/12/2019
Rental income	8,975,201	7,432,803
Provision of intra-group services	3,926,344	5,464,682
Off-plan sales (land and buildings)	2,698,746	364,997
Re-invoicing of work	1,215,167	125,115
Entry fees	46,604	53,202
Rental management fees	128,732	97,969
Miscellaneous income	24,817	26,820
TOTAL	17,015,612	13,565,588

The increase in rents is due to the *pro rata temporis* effect of the delivery of the Shopping Promenade® in Arles in 2019.

The drop in intra-group services is due to the drop in revenue from the various entities.

The off-plan contract is for the sale of the unit located in Saint-Quentin and the re-invoicing of works concerns lessees' works on the Claye-Souilly site.

NOTE 14 | FINANCIAL INCOME

(In €)	31/12/2020	31/12/2019
Financial income from equity investments ⁽¹⁾	13,131,980	2,628,196
Interim dividends (FRF2)		3,865,600
Dividends (details p 23)	80,863	46,269
Current account interest	4,514,505	4,867,789
Interest on participating loans	2,387,998	1,295,431
Reversal of financial impairment	72,858	
Reversal of write-downs of financial assets	2,352,518	2,018,349
Merger bonus (SECLIN 01)	12,546,315	
Disposal of shares ⁽²⁾	2,474,381	
Miscellaneous (o/w interest on term deposits)	34,000	263,437
TOTAL	37,595,418	14,985,072

(1) In 2019, Sopic realized a significant capital gain following the sale of its land and construction leases. This sum was distributed in 2020 to the two partners.

(2) Sale of shares in a Spanish company LRAR ESPANA.

NOTE 15 | FINANCIAL EXPENSES

(In €)	31/12/2020	31/12/2019
Loan interest	-3,240,497	-2,840,607
Other financial expenses - hedges	-1,139,927	-711,756
Current account interest	-68,020	-321,376
Interest on bonds	-	-2,415,371
OPIRNANE redemption premium	-	-13,547,597
Share of net profit/(loss) from transparent subsidiaries	-2,366,427	-2,436,495
Universal transfer of assets of Les Sablons 1 and IF BENER	-341,242	-
Financial write-down charges ⁽¹⁾	-5,527,521	-2,376,122
Disposals of shares ⁽²⁾	-1,870,412	-
TOTAL	-14,554,046	-24,649,324

(1) Impairment of which €2,836 thousand relating to losses of transparent subsidiaries and the balance relating to other subsidiaries.

(2) Sale of shares in a Spanish company LRAR ESPAÑA.

NOTE 16 | NET NON-RECURRING INCOME

Net non-recurring income/(expense) for the financial year ended 31 December 2020 totalled €2,307,172 and broke down as follows:

(In €)	Expenses	Income
Value of property, plant and equipment and intangible assets disposed of ⁽¹⁾	-11,296,891	1,848,997
Price adjustment on the sale of FREYPROP shares	-	1,163,558
Disposals of FREY shares	-	2,616,776
Shares held for employees	-989,272	989,272
Penalties/Tax adjustments/Disputes/Bonuses	-9,600	18,340
Transfers and reversals of asset write-downs ⁽²⁾	-36,422	8,002,413
TOTAL	-12,332,185	14,639,357

(1) Sale of the assets Bayonne (64), ST Quentin (02).

(2) Impairment and reversal of the Bayonne asset (64).

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4.8 OTHER INFORMATION

OFF-BALANCE SHEET COMMITMENTS

Commitments given

	31/12/2020	31/12/2019
Deposits and earnest payments	€4,408 thousand	€5,560 thousand

Commitments received

	31/12/2020	31/12/2019
Bank deposits (leases signed with lessors)	€1,443 thousand	€1,377 thousand
Bank deposits (completion of retail units)	€3,473 thousand	€4,640 thousand

At 31 December 2020, the Company also had a residual draw-down right of €212 million on its financing signed with its financial partners.

Covenants

All of the covenants included in the loan documents signed by FREY SA were complied with at 31 December 2020.

Consolidated ratios	LTV including stamp duty	ICR	Collateralised debt
Relevant debt	€378.0 million	€378.0 million	€378.0 million
Required ratios	<= 60.0%	>= 2	< 20.0%
Ratios at 31/12/2020	32.4%	6.4	10.3%

FINANCIAL INSTRUMENTS

Hedge type	Start date	Initial amount	Mark-to-Market	Provisions on statement of financial position	Expiry date
BNP SWAP	25/07/2019	€120,000 thousand	€2 thousand	No	25/07/2022
CADIF SWAP	24/05/2017	€25,000 thousand	-€306 thousand	No	24/05/2022
CACIB SWAP	24/05/2017	€25,000 thousand	-€302 thousand	No	24/05/2022
CAP CACIB	01/07/2020	€34,067 thousand	-€233 thousand	No	01/01/2025
CIC SWAP	29/12/2017	€50,000 thousand	-€912 thousand	No	30/12/2022
CIC SWAP	23/12/2016	€8,352 thousand	-€26 thousand	No	23/12/2021
CAP CIC	01/07/2020	€34,030 thousand	-€204 thousand	No	01/01/2025
LCL SWAP	28/07/2017	€50,000 thousand	-€781 thousand	No	28/07/2022
CAP LCL	01/07/2020	€34,067 thousand	-€239 thousand	No	02/01/2025
CAP SG	01/07/2020	€34,067 thousand	€158 thousand	No	02/01/2025
SWAP Seclin	29/04/2014	€5,968 thousand	-€19 thousand	Yes	01/04/2021

Free share allocation plans in effect within the Company at 31 December 2020

The table below shows the free share allocation plans in effect within the Company at 31 December 2020:

	Plan No. 4	Plan No. 5	Plan No. 6	Plan No. 7	Plan No. 8	Plan No. 9	Plan No. 10	Plan No. 11	Plan No. 12
Date of General Meeting	23/06/16	23/06/16	23/06/16	23/06/16	20/06/18	20/06/18	20/06/18	20/06/18	20/06/18
Date of Board Meeting	06/07/16	22/09/16	10/05/17	10/05/17	20/06/18	20/06/18	07/03/19	10/07/19	02/04/20
Total number of shares allocated free of charge of which:	3,348	2,635	4,101	31,020	41,826	1,301	35,502	4,567	36,197
<i>Corporate officers</i>									
• François Vuillet-Petite	788	-	4,101	-	4,672	146	4,348	-	4,348
• Pascal Barboni	-	2,635	-	4,101	4,672	73	4,831	-	4,831
• Sébastien Eymard	-	-	-	6,792	4,672	73	4,831	-	4,831
• François Anglade									3,382
Date shares vested	06/07/18	22/09/18	10/05/19	10/05/19	20/06/20	20/06/20	07/03/21	10/07/21	02/04/22
Retention period ends	06/07/20	22/09/20	10/05/21	10/05/21	20/06/22	20/06/22	07/03/23	10/07/23	02/04/24
Number of shares vested at 31 December 2020	3,348	2,635	4,101	30,187	36,282	1,049	0	0	0
Cumulative number of shares cancelled or lapsed	0	0	0	833	5,544	252	3,007	0	0
Free shares allocated and outstanding at 31 December 2020	0	0	0	0	0	0	32,495	4,567	36,197

SUBSIDIARIES AND EQUITY INVESTMENTS

	Share capital	Equity	Percentage of share capital held	Net book value of securities	Revenue Excl. Tax	Net profit of last financial year
1. Subsidiaries (interest over 50%)						
SNC IF GT	€10,000	-€684,934	99.00%	€9,900	€5,241,589	-€694,934
SASU FAP	€3,757,500	-€5,839,310	100.00%	€3,757,500	€1,848,445	-€695,758
SL Frey Invest	€100,000	-€3,892,598	100.00%	€1	€287,000	-€306,677
SNC IF Plein Sud	€10,000	€802,607	99.00%	€9,900	€2,682,698	€792,607
SNC IF Bezannes	€10,000	€35,358	99.00%	€9,900	€393,007	€25,358
SNC IF Saint Parres	€10,000	€53,536	99.00%	€9,900	€0	-€115,039
SNC IF Plein Ouest	€10,000	-€4,006	99.00%	€9,900	€763,256	-€14,006
SNC IF Plein Est	€10,000	€879,052	99.00%	€9,900	€2,808,956	€869,052
SAS IF Clos du Chêne	€10,000,000	€10,031,629	100.00%	€16,252,450	€62,523	€388,822
SCI Frey Murs O1	€10,000	€1,833	99.00%	€9,900	€0	-€8,167
SCI IF ValentinE	€10,000	-€1,789,732	99.90%	€9,990	€0	-€1,799,732
SCI IF AllondoN	€10,000	-€65,382	99.90%	€9,990	€0	-€75,382
SCI IF Ecopole	€500,000	€307,347	99.00%	€495,000	€0	-€192,652
SCI IF ZCN Investissement	€10,000	€519,507	99.00%	€9,900	€8,338,596	€509,507
SAS La Plaine	€10,000	-€684,384	99.00%	€9,900	€3,318,704	€170,462
SASU Frey Murs O2	€10,000	€122,460	100.00%	€10,000	€0	€155,662
SASU FRP III	€4,804,727	-€7,306,728	100.00%	€28,038,177	€3,054,516	€855,546
SA Freyprop	€2,000,000	€669,173	70.00%	€1,400,000	€0	-€4,244,022
GF Forey	€10,000	-€41,288	99.90%	€9,990	€20,624	-€51,288
SAS Frey Retail Fund 1	€1,736,904	€1,798,568	66.67%	€1,583,961	€274,851	€25,703
SNC Frey Retail Fund 2	€80,127,244	€88,271,054	62.08%	€60,936,145	€0	€4,834,722
2. Equity investments (0% to 50% interest)						
SCI Sopic Frey	€244,340	€326,279	50.00%	€154,336	€0	€81,940
SCI Agenaise d'Investissement	€6,000	-€5,773,927	50.00%	€3,000	€2,253,896	-€319,694
SCI PI	€10,000	€59,869	50.00%	€5,000	€453,306	€49,869
SC Frey Retail VilleboN	€6,161,684	€39,232,421	5.00%	€1,846,005	€8,557,399	€2,312,316
SCI Tervilloise d'Investissement	€10,000	-€15,341	50.00%	€5,000	€435,208	-€25,341
SAS Citizers	€5,000	-€646,137	0.20%	€10	€543,747	-€584,983

DIVIDENDS RECEIVED

SAS Frey Retail Fund 1 (Subject to corporation tax)	€80,863
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STATEMENT OF LOANS AND ADVANCES GRANTED TO SUBSIDIARIES

Loans

1. Subsidiaries (interest over 50%)

SL Frey Invest	€4,843,465
SA Freyprop	€100,100,000

Current accounts

2. Subsidiaries (interest over 50%)

SASU FAP	€59,950,687
SNC IF Plein Sud	€23,889,753
SL Frey Invest	€102,619,043
SNC IF Bezannes	€804,345
SNC IF Saint Parres	€14,075,942
SNC IF Plein Ouest	€10,295,703
SNC IF Plein Est	€34,009,729
SAS IF Clos du Chêne	€28,665,943
SCI Frey Murs 01	€114,111
SCI IF Valentine	€6,359,001
SCI IF Allondon	€9,227,184
SCI IF Ecopole ⁽¹⁾	€10,301,420
SNC IF Gestion & Transactions	€1,476,410
SCI IF ZCN Investissement	€74,637,461
SAS La Plaine	€21,612,119
SASU Frey Murs 02	€1,126,306
SCI Sopic	€5,515
GF Forey	€5,205,498

3. Equity investments (1% to 50% interest)

SCI Agenaise d'Investissement	€5,434,225
SCI La Patroclienne d'Investissement	€492,589
SC Frey Retail Villebon	€1,807,419
SAS Citizers	€226,487
SCI Tervilloise d'Investissement	€695,299

(1) Following the unilateral decision of SA3M, Société d'Aménagement de Montpellier Méditerranée Métropole, in June 2020, to stop the development of the "ODE À LA MER" project, the FREY Group challenged this decision and initiated legal proceedings to obtain compensation for losses suffered. At the date hereof, the procedure is under investigation.



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STATUTORY AUDITORS' REPORT ON THE CORPORATE FINANCIAL STATEMENTS

Financial year ended 31 December 2020

To the Annual General Meeting of FREY shareholders,

OPINION

In accordance with the terms of the assignment entrusted to us by your General Meeting, we have audited the annual financial statements of the company FREY for the year ended 31 December 2020, as attached to this report.

In our opinion, in accordance with French accounting principles and methods, the annual financial statements provide a true and fair view of the financial position, assets and liabilities and profit or loss of the Company for the financial year.

The opinion formulated above is consistent with the contents of our report to the Audit Committee.

BASIS OF OPINION

Auditing standards

We conducted our audit in accordance with professional standards applicable in France. We believe that our audit provides a reasonable basis for our opinion.

Our responsibilities under these standards are set out in the section entitled "Statutory Auditors' responsibilities in relation to the audit of the annual financial statements" herein.

Independence

We carried out our audit assignment in accordance with the independence rules applicable to us under the French Commercial Code, in the period from 1 January 2020 to the date of our report, and in particular we did not provide any services prohibited under paragraph 1, Article 5(1) of Regulation (EU) No. 537/2014.

JUSTIFICATION OF OUR ASSESSMENTS - KEY POINTS OF THE AUDIT

The global Covid-19 crisis has resulted in a particular set of circumstances in terms of auditing the financial statements for this year. Indeed, this crisis and the exceptional measures taken as part of the health crisis have had a number of consequences for businesses, particularly in terms of their operations and funding, as well as increased uncertainty around the future outlook. Some of these measures, such as restrictions on travel and remote working have also affected the internal organisation of businesses and the auditing process.

It is in this complex and evolving context that, pursuant to the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the key points of the audit relating to the risks of material misstatement which, in our professional judgment, were the most significant for the audit of the annual financial statements for the year, as well as the responses we have provided to these risks.

These assessments were made within the framework of our audit, which focuses on the annual financial statements taken as a whole and the issuance of the opinion expressed above. We have not expressed an opinion on the elements of these annual financial statements in isolation.

Valuation of equity investments, related receivables and current accounts

Risk identified

At 31 December 2020, equity investments were recorded in the balance sheet at a net value of €119 million, while related receivables and current accounts amounted to €513 million, representing a total of 73% of the total balance sheet. They are recognised at their acquisition date at their acquisition cost and depreciated on the basis of their value in use.

As indicated in the section entitled "Financial assets, related receivables and/or current accounts" of the notes, value in use is estimated by management using a multi-criteria approach that includes the proportionate share of revalued net asset value and prospective profit margins.

When it estimates the value in use of these securities, management is required to exercise its judgement when choosing which elements to consider according to the investments concerned: depending on the case, these elements may correspond to historic (revalued net position) or provisional elements.

Given the weight of equity investments, related receivables and current accounts in the statement of financial position, the diversity of the models used and the estimates inherent to the valuation methods, we considered the valuation of the equity investments, related receivables and current accounts to be a key point of our audit.

Audit procedures implemented in response to the risks identified

We duly noted the process for determining the value in use of the equity investments and current accounts. Our work also consisted of:

- duly noting the valuation methods used and the assumptions underlying the determination of the value in use of the equity investments and current accounts, which includes an assessment of the reasonableness of the estimates of the fair values of the investment property (the main underlying assets) used by management;
- calculating the proportionate share of the revalued net asset value (excluding stamp duty) on the basis of source data taken from the audited financial statements of the subsidiaries (and sub-subsidiaries), targeted reviews and analytical procedures;
- assessing the risk of non-recovery of current accounts in debit;
- assessing the provisional margins for development projects.

With this objective, we, in particular:

- duly noted the process of valuing the underlying property assets (mainly investment property operated by subsidiaries and equity investments), assessed the property appraisals and corroborated the assumptions and valuation methods underlying the valuations and implemented by the independent experts;
- assessed the assumptions underlying cash flow projections for the margins of property development projects;
- verified the provisioning of losses by transparent subsidiaries for the year, for which a current account allocation is expected.

Assessment of tangible operating assets

Risk identified

At 31 December 2020, €202 million in operating assets (land and buildings) are shown on the statement of financial position, representing 23.2% of the total. They are recognised at their acquisition date at their acquisition cost, depreciated on a straight-line basis over the useful lives defined for each depreciable component and, where applicable, written down on the basis of their value in use.

As indicated in the section entitled "Intangible assets and property, plant and equipment" in the notes, the value in use is based on the market values determined by independent experts.

Due to the estimates inherent in the valuation methods used by property experts to assess the value in use of the tangible operating assets, we considered this to be a key point in our audit.

Audit procedures implemented in response to the risks identified

In particular, we ascertained that the depreciation methods previously defined for each component were complied with and that additional provisions were made for impairment if necessary.

With this objective, we, in particular:

- assessed the consistency of depreciation recognised by component in accordance with defined depreciation plans;
- corroborated the assumptions and valuation methods underlying the valuations implemented by the independent experts;
- compared the net book values of the operating assets with the appraisal values excluding stamp duty;
- verified, where applicable, that impairment was correctly provisioned.

SPECIFIC VERIFICATIONS

We have also performed, in accordance with accepted professional standards in France, the specific verifications provided for by the statutory and regulatory texts.

Information in the management report and in other documents about the financial situation and annual financial statements provided to the shareholders

We have no comments to make concerning the fairness and consistency with the annual financial statements of the information provided in the management report of the Board of Directors and in the documents on the financial situation and the annual financial statements provided to the shareholders.

We confirm that the information relating to payment periods pursuant to Article D. 441-6 of the French Commercial Code is fair and consistent with the annual financial statements.

Information relating to corporate governance

We certify that the information required by Articles L. 225-37-4, L. 22-10-10 And L. 22-10-9 of the French Commercial Code is included in the section of the management report dedicated to corporate governance.

Concerning the information provided in accordance with the provisions of Article L. 22-10-9 of the French Commercial Code on remuneration and benefits paid or allocated to the corporate officers as well as commitments given in their favour, we have verified their consistency with the financial statements or with the data used in the preparation of these financial statements and if necessary, with data collected by your Company from companies under its control that are within the consolidation scope. On the basis of this work, we confirm the accuracy and fairness of this information.

We verified that the information relating to the elements that your company considered likely to have an impact in the event of a takeover or exchange offer, provided pursuant to the provisions of Article L. 22-10-11 of the French Commercial Code, complies with the documents from which they were taken and which were communicated to us. On the basis of this work, we have no comments to make concerning this information.

Other information

As required by law, we have ensured that the various disclosures concerning the acquisition of stakes and controlling interests and the identity of holders of the share capital or voting rights has been provided to you in the management report.

OTHER VERIFICATIONS OR INFORMATION RESULTING FROM OTHER STATUTORY AND REGULATORY OBLIGATIONS

Format of presentation of annual financial statements to be included in the annual financial report

In accordance with Section III of article 222-3 of the French Financial Market Authority's General Regulations, the management of your company has notified us of its decision to postpone the application of the single electronic reporting format as defined by Commission Delegated Regulation n° 2019/815 of 17 December 2018, to the financial years beginning 1 January 2021. Consequently, this report does not include a conclusion on compliance with this format in the presentation of the annual financial statements intended to be included in the annual financial report referred to in Section I of Article L. 451-1-2 of the French Monetary and Financial Code.

Appointment of Statutory Auditors

We were appointed as Statutory Auditors of FREY by the General Meeting of 30 October 2007 (Grant Thornton) and 29 June 2010 (FCN).

At 31 December 2020, Grant Thornton was in the twelfth consecutive year of its assignment, and FCN in its eleventh year.

RESPONSIBILITIES OF MANAGEMENT AND THOSE RESPONSIBLE FOR CORPORATE GOVERNANCE IN RESPECT OF THE ANNUAL FINANCIAL STATEMENTS

Management is responsible for preparing the annual financial statements, presenting a true and fair view in accordance with the French accounting principles and methods and establishing the internal control that it considers necessary to prepare annual financial statements without material misstatements, whether due to fraud or error.

When preparing the annual financial statements, it is the responsibility of management to assess the Company's ability to continue to operate, to present in these financial statements, where appropriate, the necessary information relating to the continuity of operations and to apply the going concern accounting principle, unless the Company is to be wound up or cease trading.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of the internal control and risk management systems and, where applicable, internal audit, with regard to procedures relating to the preparation and processing of accounting and financial information.

The annual financial statements have been approved by the Board of Directors.

RESPONSIBILITIES OF THE STATUTORY AUDITORS IN RELATION TO THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS

Audit objective and approach

We are responsible for preparing a report on the annual financial statements. Our objective is to obtain reasonable assurance that the annual financial statements taken as a whole do not contain any material misstatements. Reasonable assurance corresponds to a high level of assurance, but does not guarantee that an audit performed in accordance with the standards of professional practice can systematically detect any material misstatement. Misstatements may arise due to fraud or error and are considered material if it can reasonably be expected that they, taken individually or as a whole, may influence the economic decisions that account users take based on them.

As specified by Article L. 823-10-1 of the French Commercial Code, our assignment to certify the financial statements does not consist in guaranteeing the viability or quality of the management of your company.

In the context of an audit conducted in accordance with the professional standards applicable in France, the Statutory Auditor exercises its professional judgement throughout this audit. In addition, he/she:

- identifies and assesses the risks that the annual financial statements contain material misstatements due to either fraud or error, defines and implements audit procedures to address these risks, and collects the elements that it regards as a sufficient and appropriate basis for its opinion. The risk of failing to detect a material misstatement due to fraud is higher than for a material misstatement due to error, as fraud may involve collusion, forgery, deliberate omissions, misrepresentation or circumvention of internal control;
- duly notes the internal control relevant to the audit in order to define audit procedures appropriate for the circumstances, and not with the aim of expressing an opinion on the effectiveness of the internal control;
- assesses the appropriateness of the accounting methods used and the reasonableness of accounting estimates made by management, as well as the information concerning them provided in the annual financial statements;
- assesses the appropriateness of management's application of the going concern accounting principle and, depending on the elements gathered, the existence or otherwise of material uncertainty related to events or circumstances likely to bring into question the Company's ability to continue as a going concern. This assessment is based on the elements gathered up to the date of its report, although it should be remembered that subsequent circumstances or events could jeopardise the continuity of operations. If it concludes that there is material uncertainty, it draws the attention of readers of its report to the information provided in the annual financial statements about this uncertainty or, if this information is not provided or is not relevant, formulates a certification with reservations or a refusal to certify;
- assesses the overall presentation of the annual financial statements and assesses whether the annual financial statements reflect the underlying transactions and events in such a way as to give a true and fair view thereof.

Audit Committee's report

We submit a report to the Audit Committee outlining the scope of the audit work and the work programme implemented, as well as the conclusions arising from our work. We also disclose, where appropriate, any material weaknesses of internal control that we have identified with respect to the procedures relating to the preparation and processing of accounting and financial information.

Among the elements disclosed in the report to the Audit Committee are the risks of material misstatement that we consider to have been most important for the audit of the annual financial statements for the year and which therefore constitute the key points of the audit, which it is our responsibility to describe in this report.

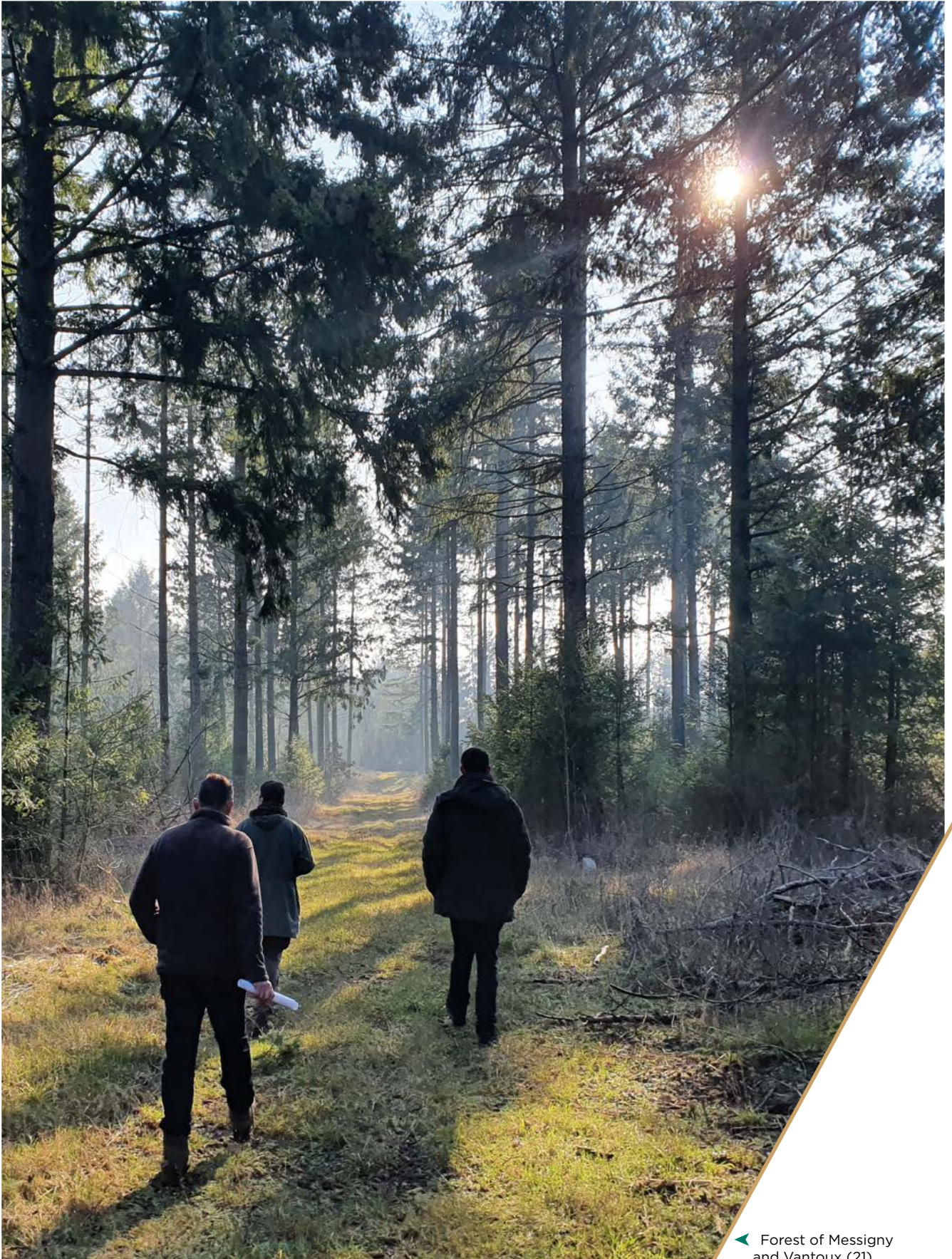
We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537-2014 confirming our independence, within the meaning of the rules applicable in France as set forth in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the Code of Professional Ethics for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks to our independence and the safeguards applied.

Neuilly-sur-Seine and Reims, 15 March 2021

The Statutory Auditors

Grant Thornton
French member of Grant Thornton International
Amandine Huot-Chailleux
Partner

FCN
Jean-Michel François
Partner



◀ Forest of Messigny and Vantoux (21)

6

FREY: A COMMITTED AND RESPONSIBLE PLAYER

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Since 2007, FREY, a pioneer in eco-friendly retail parks (with its Greencenter® concept) and inventor of a new generation of "Feel Good" open-air shopping centres (Shopping Promenade®), has committed, every day, to creating a more responsible society that is environmentally friendly and socially beneficial to its ecosystem and stakeholders.

In early 2020, the Group implemented this approach by setting itself the goal of achieving carbon neutrality by the year 2030, with three significant commitments: investing €35 million to acquire and operate sustainably managed forests in France, intended to supply the French timber construction industry, using wood extensively as a biosourced material for the construction of its projects, and publishing each year the financial impact of its carbon footprint on its profitability (net result group share - carbon).

Further evidence of this commitment, on 29 January 2021, at an Extraordinary General Meeting, FREY shareholders unanimously approved the resolution to enable it to adopt the status of a "Entreprise à mission"⁽¹⁾, in accordance with Law No. 2019-486 of 22 May 2019, known as the "PACTE" Law.

6.1 "ENTREPRISE À MISSION"

6.1.1 RAISON D'ÊTRE

The Group has defined as its raison d'être **"To put retail at the service of the collective interest"**.

"It is a great source of pride for the men and women of FREY to embody this raison d'être, and it is also a great responsibility and a great challenge that we wish to share with all our stakeholders."

Antoine Frey - Chairman and CEO

The Group's raison d'être is broken down into three main objectives:

1. to make retail a driver for urban diversity

To do this, FREY is strengthening its commitment to building mixed living spaces that are useful to society through a dual objective:

- rolling out across 100% of its projects of more than 20,000m² GLA the programmatic/functional mix by combining commercial activities with other uses, such as housing, offices, co-working, public services, health centres, non-profit, cultural or sports venues, third-party locations, urban agriculture, etc,
- in order to adapt this program to the real needs of the area, carrying out 100% of projects over 20,000m² GLA in a "placemaking" approach based on a diagnosis of local needs, co-construction work with local stakeholders and inhabitants, and work on site management from design to operation;

2. revaluing the role of retail in creating social ties and building local economic resilience

Long attentive to the conviviality and the usefulness of its sites, FREY is reinforcing its commitment, in particular, by setting itself the objective of:

- from now on dedicating at least 10% of the surface areas of its projects, and by 2025 at least 10% of the surface areas of its assets, to social and solidarity activities, to local craftsmen and independent traders, and to agricultural functions or locally engaged shops (local farmers' markets, such as the one established in the heart of the Shopping Promenade® in Strasbourg-Vendenheim),

- deploying across 100% of its assets of more than 50,000m² GLA a community recycling concept (Social Market®) and a community centre concept (Social Club®),
- turning 100% of its assets by 2025 into places dedicated to street art, bringing together the work of local, national and international artists, and promoting this approach by developing events based on this artistic heritage,
- through the signing of a charter, committing by 2022 to 100% of its suppliers and service providers meeting social (particularly in terms of integration) and environmental objectives;

3. making retail an accelerator of the environmental transition

At the heart of its DNA since its creation, FREY's environmental commitment is going a step further in terms of the following objectives, each contributing to achieving carbon neutrality by 2030:

- investing €35 million by 2030 in the acquisition and exploitation of sustainably managed French forests in order to supply the French wood industry and to integrate this biosourced material in 100% of its projects,
- engaging retailers in a responsible and sustainable approach, by signing a green lease with 100% of its future tenants from 2022 and 100% of the tenants in its portfolio by 2030.

6.1.2 THE MISSION COMMITTEE

FREY has set up a Mission Committee, which is separate from FREY's corporate bodies and responsible for monitoring the implementation of the mission, taking into account the interests of stakeholders directly linked to the Group's business.

It is made up of seven members:

- **Nathalie Palladitcheff, Chair of the Mission Committee**, Chairwoman and Chief Executive Officer of Ivanhoë Cambridge, is responsible for ensuring the Company's growth and development;

(1) A "Entreprise à mission" is a company that has a "raison d'être", social, environmental and societal objectives, which constitute its "Mission". It can thus combine economic performance and a contribution to the general interest. Including a mission in its Articles of Association is a powerful act, which formally commits the managers and shareholders to deploying the necessary resources to deliver this mission.

- **Clémence Bechu**, Director of development at the urban planning and architecture agency Bechu & Associés.

Associate director of Development at Bechu & Associés, Clémence Bechu holds an Advanced Master's in Management Science (MSG) from the University of Dauphine Paris and a Master's degree in international project management from ESCP;

- **Christophe Garot**, Managing Director France of Bopro, a Sustainable Development consultancy. With a university and technical background and experience of more than 20 years working in the commercial real estate sector;
- **Robert Herrmann**, politician and former President of the Eurometropolis of Strasbourg, Robert Herrmann was an elected local official from 1989 to 2020. Deputy Mayor but also General Councillor and finally President of the Eurométropole de Strasbourg. Today, he is self-employed in business and management consulting;
- **Elisabeth Laville**, Founder of the consulting agency Utopies, graduated from HEC in 1988, she spent several years in

strategic planning for two advertising agencies before creating Utopies in 1993. She has since been recognized as one of Europe's Sustainable Development experts;

- **François Lemarchand**, member of the Board of Directors of FREY as an independent director.

In 1976, he founded the family-owned holding company Mercator SA, which he still chairs. Founder and former Chairman of Nature et Découvertes, François Lemarchand also created the "François Lemarchand" foundation and is involved in other foundations that focus on ecology and philanthropy;

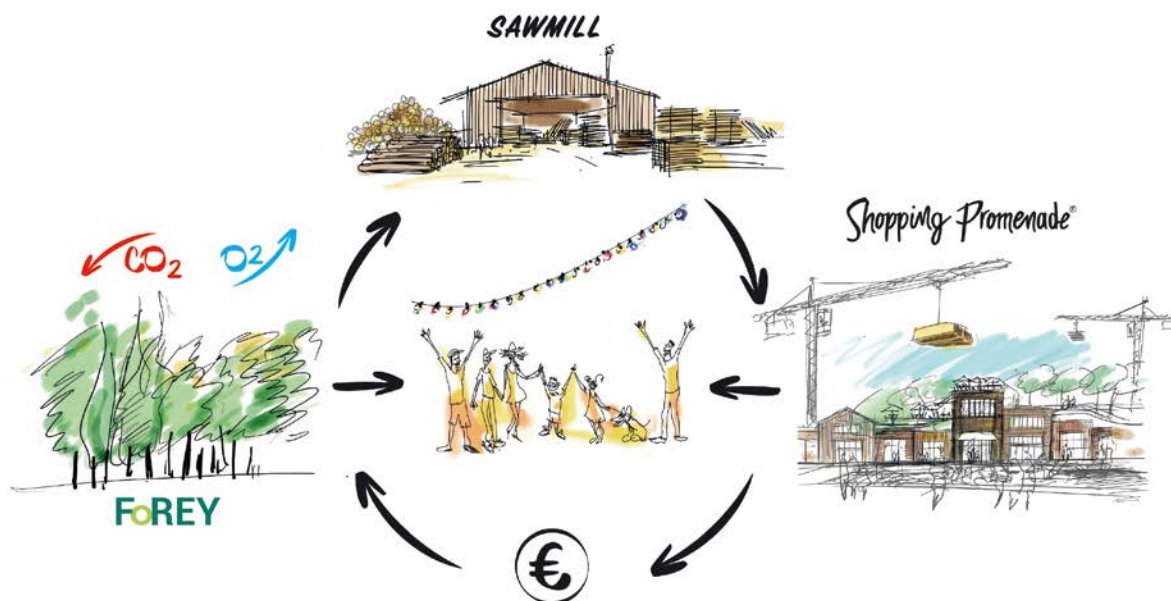
- **Carine Stoeffler**, Risk Manager at FREY, holder of a Diploma in Accounting and Financial Studies (DECF) from the Institut Centre Europe in Strasbourg, Carine Stoeffler joined FREY in 2009 to become Accounting Director, then Head of Reporting and Consolidation. With a wealth of knowledge of the Group and its operations, Carine Stoeffler became Risk Manager in November 2019.

6.2 FoREY

At the heart of the Group's Zero Carbon strategy and an integral part of the 3rd pillar of the Group's *raison d'être* "To make retail an accelerator of the environmental transition", FREY created the forestry consortium FoREY at the beginning of 2020, with an investment capacity of €35 million by 2030 for the acquisition and exploitation of sustainably managed French forests.

The objective of this Group is threefold:

- to supply the French construction timber industry;
- to secure the supply of construction timber for our projects;
- to contribute to the "carbon sink" effect.



In 2020, FoREY acquired three French forests, in Côte d'Or, Haut-Rhin and Charente, representing an area of 540 hectares with 2,000 trees already planted and 650m³ wood harvested.

The operational part of the strategy was also implemented with a first structure built entirely in wood by the Group on the Salaise-sur-Sanne site (38), and a massive integration of wood into the OPEN project in Saint-Genis-Pouilly (01).

6.3 NET RESULT GROUP SHARE - CARBON

For the first time on the occasion of its 2019 results, FREY published net income group share - carbon.

This indicator quantifies the theoretical financial impact of the Group's carbon footprint on its profitability.

FREY's 2020 carbon net income is -€4.0 million, after deduction of the 2020 Group's carbon expense of €6.4 million.

In 2019, the Group's carbon net income was €42.8 million, after deducting a carbon expense of €6.9 million.

In these calculations, the total carbon cost corresponds to total annual Group emissions multiplied by an internal carbon price of €25 per tonne.

	On 2020 results		On 2019 results	
Corporate emissions	1,408	T eq. CO ₂	1,408	T eq. CO ₂
Wholly-owned asset portfolio m ²	415,410	m ²	387,766	m ²
Emissions from wholly-owned asset portfolio	154,829	T eq. CO ₂	144,525	T eq. CO ₂
Financial flows - development	84,937,994	€	110,190,000	€
Development emissions	100,173	T eq. CO ₂	129,954	T eq. CO ₂
TOTAL ANNUAL EMISSIONS	246,409	T EQ. CO₂	275,887	T EQ. CO₂
SIMULATED CARBON PRICE: €25	€6,410,230		€6,897,179	

Net result group share before impact	€2.4 million	€49.7 million
Net result group share - carbon	- €4.0 million	€42.8 million

GENERAL METHODOLOGY

The Company's methodology is as follows:

- the scope in question takes into account the impact of:
 - the use of FREY offices ("Corporate emissions"),
 - the operation of the assets ("Emissions from portfolio held", including the responsibilities of FREY and the tenants as well as the impact of visitors' travel), and
 - the construction of assets ("Development emissions", excluding improvements to the scope of tenants due to lack of data availability);
- the FREY Group's carbon footprint was produced using the bilan carbone® methodology based on available emission factors;
- the underlying assumptions for calculating input data and the emissions factors used result in high levels of uncertainty which are commonly seen when using this methodology, including around 38% in the case of visitor travel, which produces nearly 50% of total annual emissions.

DETAILS ON THE CALCULATION OF THE 2020 CARBON EMISSIONS AND THE ASSOCIATED NET RESULT GROUP SHARE - CARBON

Details on the calculation of the 2020 carbon emissions and the associated net result group share - carbon:

- given the difficulty of accurately assessing the impact of the health crisis and the closures of certain businesses on the visitor rate for the sites owned by the Group in 2020, the decision was made to keep the 2019 rate. Indeed, applying an unreliable adjustment could only increase the level of uncertainty.

6.4 FINANCIAL RISKS RELATED TO THE EFFECTS OF CLIMATE CHANGE

The financial risks inherent to the effects of climate change are considered limited in the short term.



◀ Shopping Promenade
Arles-Montmajour®
Arles (13)

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**LIMITED ASSURANCE REPORT BY
ONE OF THE STATUTORY AUDITORS
BASED ON SELECTED CONSOLIDATED
NON-FINANCIAL INFORMATION
PRESENTED IN THE 2020 UNIVERSAL
REGISTRATION DOCUMENT**

Financial year ended 31 December 2020

To the Annual General Meeting of FREY shareholders,

In our capacity as FREY's Statutory Auditors, we hereby present our limited assurance report on a selection of consolidated non-financial information (hereinafter the "Information") for the financial year ended 31 December 2020 presented in the Universal Registration Document, on which we carried out specific work at the Company's request.

The Information selected by the Company and presented in Chapter 6.3 of the 2020 Universal Registration Document is:

- corporate emissions;
- portfolio emissions;
- development emissions;
- total annual emissions.

COMPANY'S RESPONSIBILITY

It is the Board of Director's responsibility to produce Information in accordance with the Company's procedures (see the "Framework"), the significant portions of which are presented in the Universal Registration Document and available from the Company's registered office on request.

INDEPENDENCE AND QUALITY CONTROL

Our independence is determined by the provisions of article L. 822-11-3 of the French Commercial Code and the Code of Ethics for the profession. Moreover, we have implemented a quality control process which includes documented policies and procedures aimed at ensuring compliance with ethical rules, professional standards and the relevant legal and regulatory texts.

STATUTORY AUDITORS' RESPONSIBILITY

It is our responsibility, on the basis of our work and as requested by the Company, to express an opinion with supporting arguments with a limited assurance conclusion as to the true and fair nature of the Information selected by the Company and presented in the Universal Registration Document.

NATURE AND SCOPE OF WORK

Our work described below was conducted in accordance with the professional standards of the *Compagnie nationale des Commissaires aux Comptes* relevant to this assignment and in accordance with international standard ISAE 3000 (Assurance engagements other than audits or reviews of historical financial information). We conducted work that has enabled us to assess the accuracy of Information:

- we assessed the appropriateness of the Framework in terms of its relevance, comprehensiveness, reliability, neutrality and understandability, taking into account best practices within the industry;
- we familiarised ourselves with internal control and risk management procedures implemented by the entity and assessed the collection process implemented by the entity to produce comprehensive and accurate Information;
- we conducted interviews with those individuals in the Company responsible for preparing the Information for the purposes of rolling out and applying the Framework;
- for the selected quantitative Information we implemented:
 - analytical procedures to verify the proper consolidation of any data collected as well as the consistency of any changes over time,
 - detailed tests on the basis of sampling, aimed at verifying the proper use of definitions and procedures and reconciling the data from documentary sources.

We exercised our professional judgement in our work, enabling us to reach a conclusion of limited assurance; a higher level of assurance would have required more extensive verification work.

MEANS AND RESOURCES

We called on Sustainable Development and corporate social responsibility experts to assist us with our work.

CONCLUSION

In the course of our work, we did not identify any significant anomalies that might call into question the non-financial performance statement's compliance with applicable regulatory provisions or the fact that the information, taken as a whole, is presented fairly, in accordance with the Framework.

Neuilly-sur-Seine, 15 March 2021

One of the Statutory Auditors

Grant Thornton

French member of Grant Thornton International

Amandine Huot-Chailleux

Partner



◀ Clos du Chêne
Montévrain (77)

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RELATED-PARTY TRANSACTIONS

8.1 RELATED-PARTY TRANSACTIONS 196

8.2 STATUTORY AUDITORS' SPECIAL
REPORT ON RELATED-PARTY
AGREEMENTS 196

8.1 RELATED-PARTY TRANSACTIONS

All transactions between SA FREY and related parties are detailed in the special report of the Statutory Auditors for the past three financial years, namely:

- the special report for the financial year ended 31 December 2020 can be found in this section of the 2020 Universal Registration Document;
- the special report for the financial year ended 31 December 2019 can be found in the “Related-party transactions” section of the 2019 Universal Registration Document;
- the special report for the financial year ended 31 December 2018 can be found in the “Related-party transactions” section of the 2018 Registration Document.

On this matter we also refer you to Section 2.5.5 of the consolidated financial statements as at 31 December 2020, which is included in the section entitled “Consolidated financial statements” of this Universal Registration Document.

8.2 STATUTORY AUDITORS' SPECIAL REPORT ON RELATED-PARTY AGREEMENTS

Annual General Meeting to approve the financial statements for the financial year ended 31 December 2020

To the shareholders of FREY,

As your Company's Statutory Auditors, we hereby present our report on related-party agreements.

Our role is to provide you, on the basis of the information given to us, with the characteristics, the essential terms and conditions and justification for the Company of the agreements brought to our attention, or which we have discovered as part of our assignment. We are not required to issue an opinion on whether or not these agreements are useful or warranted and it is not part of our duties to verify the existence of other agreements. Under the terms of Article R.225-31 of the French Commercial Code, it is your responsibility to assess the benefits resulting from these agreements prior to their approval.

Where applicable, it is also our responsibility to provide shareholders with the information required by Article R.225-31 of the French Commercial Code in relation to the implementation during the financial year just ended of agreements already approved by the General Meeting.

We have carried out the procedures we deemed necessary in the light of the professional standards of the *Compagnie Nationale des Commissaires aux Comptes* relative to this assignment. These procedures consisted in verifying that the information we were given was consistent with the source documents from which they were taken.

AGREEMENTS SUBMITTED FOR APPROVAL BY THE GENERAL MEETING

Pursuant to Article L. 225-40 of the French Commercial Code, we have been notified of the following agreements entered into in the financial year just ended and pre-approved by your Board of Directors.

Frey Retail Fund 2 share exchange agreement

Person concerned:

AG Real Estate, non-voting member represented by Marc Van Begin, with commercial ties to IMMO NATION.

Nature and purpose:

Share exchange agreement signed on 28 July 2020 By IMMO NATION and your company.

Terms:

Sale to FREY by IMMO NATION of its entire stake in Frey Retail Fund 2 in exchange for the delivery of 650,000 FREY shares (which were held in treasury by FREY) and a cash payment of €20,282,890 financed by the property company's own resources.

Why it is in your Company's interest:

The agreement was signed with a view to consolidating the portfolio held by Frey Retail Fund 2 and improving the clarity of the results generated by FREY.

Pre-approval by the Board of Directors:

7 July 2020.

Shareholder agreements entered into by the shareholders of Frey Retail Fund 1 and Frey Retail Fund 2 respectively

Persons concerned:

Prédica, director represented by Magali CHESSE and CREDIT AGRICOLE ASSURANCES, non-voting member represented by David Ferreira, both with commercial ties to the OPCI CAA COMMERCES 2.

Nature and purpose:

Two shareholders' agreements signed on 28 July 2020 by FREY and the CAA COMMERCES 2 OPCI concerning the subsidiaries Frey Retail Fund 1 and Frey Retail Fund 2.

Terms:

The purpose of these agreements was to govern relations between shareholders within the two vehicles, following the departure of IMMO NATION and the takeover by FREY. They cancel and replace the agreements in place to date. The expiry date for each of the agreements was kept at 31 December 2024.

Why it is in your Company's interest:

The agreements were signed with a view to consolidating the partnership established between FREY and the CREDIT AGRICOLE ASSURANCES group for the management of the portfolio held by Frey Retail Fund 1 and Frey Retail Fund 2.

Pre-approval by the Board of Directors:

7 July 2020.

AGREEMENTS PREVIOUSLY APPROVED BY THE GENERAL MEETING

Pursuant to Article R.225-30 of the French Commercial Code, we have been advised that the following agreements and commitments authorised in previous financial years continued to apply during the financial year just ended.

Performance agreement

Persons concerned

Antoine Frey, Aude Frey, Inès Frey, Thomas Riegert and Jean-Noël Dron.

On 28 July 2017, SCA Firmament Participations and FREY SA signed a promotion agreement, under which SA FREY wants SCA Firmament Participations, which is the leading shareholder of SA FREY and a member of its Board of Directors, to actively help promote the performance of FREY Group and participate in discussions on its development. Under this agreement, Firmament Participations receives remuneration of €20,000 before tax each year.

Partnership agreement

Persons concerned: Cardif Assurance Vie, director of SA FREY, represented by Nathalie ROBIN, with commercial ties to the firm BNPP PARIBAS REIM, which itself manages the OPCI BNP PARIBAS DIVERSIPIERRE.

On 6 November 2019, OPCI BNP PARIBAS DIVERSIPIERRE (through its subsidiary, DVP EUROPEAN CHANNEL) and FREY signed a partnership agreement with a view to OPCI BNP PARIBAS DIVERSIPIERRE obtaining a stake in the share capital of the Company holding the ALGARVE SHOPPING and ALBUFEIRA commercial complex located in the south of Portugal. This OPCI is managed indirectly by Cardif Assurance Vie, which is itself a director of FREY.

The agreement concerned the sale by FREY to the OPCI BNP PARIBAS DIVERSIPIERRE of 30% of the shares of its Portuguese subsidiary, FREYPROP, UNPESSOAL, LDA, which owns the aforementioned ALGARVE SHOPPING and ALBUFEIRA assets.

This partnership was entered into for a period of ten years.

Neuilly-sur-Seine and Reims, 15 March 2021

The Statutory Auditors

Grant Thornton
French member of Grant Thornton International
Amandine Huot-Chailleux
Partner

FCN
Jean-Michel François
Partner



Green 7
Salaise-sur-Sanne (38)

9

INFORMATION ON EMPLOYEES AND PAY POLICY

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INFORMATION ON SOCIAL AND SOCIETAL ISSUES

Scope adopted

All Group employees (on permanent, fixed-term or work-study contracts), excluding replacement fixed-term contracts, interns and temporary workers present between 1 January and 31 December 2020.

Reference period

It begins on 1 January 2020 and ends on 31 December 2020.

Key indicators

Gender equality: 47 women and 40 men

99% permanent contracts – 1% work-study contracts

Absenteeism rate: 0.70%

9.1 EMPLOYMENT

TOTAL WORKFORCE AND BREAKDOWN OF EMPLOYEES BY CATEGORY, GENDER AND AGE AT 31 DECEMBER 2020

At the end of 2020, FREY had 87 employees.

“Support” includes financial, legal and human resources staff, as well as assistants and technical personnel (maintenance, reception, etc.).

Workforce at year-end	2016	2017	2018	2019	2020
Managers	50	60	61	68	66
Non-managers	24	21	24	23	21
TOTAL	74	81	85	91	87

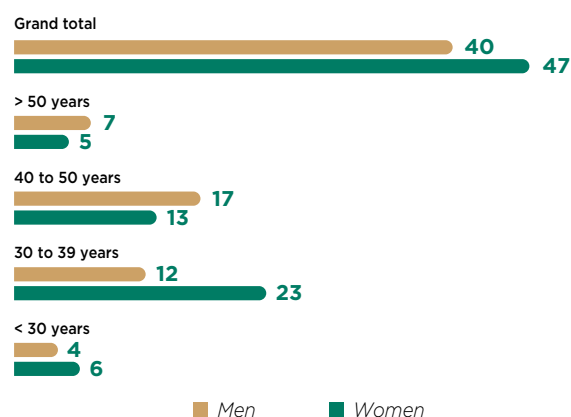
Workforce at year-end	2016	2017	2018	2019	2020
Senior management	8	8	8	10	10
Operational staff	34	40	46	46	38
Support staff	32	33	31	35	39
TOTAL WORKFORCE	74	81	85	91	87

Workforce at year-end	2016	2017	2018	2019	2020
Fixed-term contracts	2	1	0	0	0
Permanent contracts	69	79	84	90	86
Work-study contracts	3	1	1	1	1
TOTAL WORKFORCE	74	81	85	91	87

Average age	Sum of ages of total workforce
	Total workforce

The average age at 31 December 2020 was 40.

AGE PYRAMID – FREY GROUP – DECEMBER 2020



Age category	Women	Men	Total
< 30	6	4	10
30 -39	23	12	35
40 -50	13	17	30
> 50	5	7	12
GRAND TOTAL	47	40	87

RECRUITMENT AND REDUNDANCIES

In 2020, FREY recruited 4 new employees and 8 staff members left the Company. Of these 4 recruitments, 2 were for positions created during 2020, with a turnover rate excluding job creation of 5.56%.

Since 2015, FREY has used professional training and apprenticeship contracts to encourage the employment of young people and also to train staff specifically for both support and operational services.

Recruitment	New positions	Replacements	Total
Permanent contracts	2	2	4
Fixed-term contracts	-	-	-
Work-study contracts	-	-	-
GRAND TOTAL	2	2	4

Departures	Contracts ending	Resignations	Contracts terminated	Trial period terminated	Retirement	Total
Permanent contracts	-	3	4	-	1	8
Fixed-term contracts	-	-	-	-	-	-
Professional training contracts	-	-	-	-	-	-
GRAND TOTAL	-	3	4	-	1	8

9.2 CHANGE IN AVERAGE SALARY

Workforce on a like-for-like basis	This is the number of people employed throughout 2020 on permanent or fixed-term contracts, excluding interns and temporary workers.
Average salary excluding bonuses on a like-for-like basis	$\frac{\text{Sum of gross salaries for the 2020 workforce}}{\text{2020 workforce}}$
Change in average salary excluding bonuses on a like-for-like basis	$\frac{\text{Change in average salary excluding bonuses on a like-for-like basis (2020-2019)}}{\text{Average salary excluding bonuses on a like-for-like basis in 2019}}$

The average salary excluding bonuses on a like-for-like basis changed as follows:

Change in average salary	2016	2017	2018	2019	2020
	3.72%	4.92%	6.93%	3.44%	6.40%

9.3 WORK ORGANISATION

WORKING WEEK

The length of the Company's working week is set at 37.50 hours for all FREY non-manager employees.

Overtime is paid on the hours on top of the statutory working time of 35 hours/week, in accordance with applicable legislation, partly offset by time off in lieu of overtime pay.

7% of the workforce, *i.e.* six people, have chosen part-time employment, working between 21% and 97% of the working time of a full-time employee (151 hours 67).

As from 1 January 2018, management employees are subject to a flat-rate agreement of 218 days per annum.

ABSENTEEISM

Absenteeism rate	$\frac{\text{Number of days' absence}}{\text{Theoretical number of days}}$
-------------------------	--

Absenteeism includes absences due to illness, whether occupational or not, and any work- or commute-related accidents.

Absenteeism is calculated over full-year 2020. Absences are counted in business days.

TABLE OF EVOLUTION OF ABSENTEEISM

Absenteeism trend	2016	2017	2018	2019	2020
	0.64%	0.75%	2.13%	1.56%	0.70%

WORK ACCIDENTS, PARTICULARLY THEIR FREQUENCY AND SEVERITY, AND OCCUPATIONAL ILLNESSES

Two work accidents were reported in 2020 but did not result in any lost days.

Two accidents were recorded in 2019 resulting in five lost days.

9.4 EMPLOYEE RELATIONS

The human scale of the Group's various entities allows for a one-to-one relationship between staff and management.

A Social and Economic Committee has been in place in IF Gestion et Transactions and Frey Aménagement et Promotion since 2018 and in FREY since 2019.

No collective bargaining agreement or agreement with unions was signed in financial year 2020.

100% of the workforce is covered by a collective labour agreement, specific to the country in which the employee works.

Internal communication has been improved since late 2015 with the distribution of a quarterly newsletter.

9.5 CAREER AND REMUNERATION MANAGEMENT

The individual Annual Performance Appraisals, implemented in December 2012, were further developed in 2015 with the inclusion of formal individual goals and precise elements to assess performance factors, particularly managerial performance. The Group also does a follow-up appraisal designed to help managers support their teams in carrying out actions agreed at the appraisal.

Thus, at least once every year, employees and managers meet for an individual appraisal that is an opportunity to specifically review achievements, performance factors, goals, potential and possible training requirements.

The first Professional Appraisals were held in 2015, both for current employees and those returning from special leave; they now continue pursuant to applicable regulations and provide an opportunity to periodically review each employee's career aspirations and their relevance to the Company's requirements, as well as any training needed to support identified development prospects. In doing so, managers are assisted by HR to ensure the quality of appraisals and their contribution to each employee's individual development.

Since 2015, FREY has implemented a performance-based remuneration system, taking into account collective performance factors as well as individual performance as assessed during the aforementioned Appraisals.

All FREY employees are concerned and so each employee, without exception, is eligible for variable remuneration.

Each employee's performance is reviewed annually by HR appraisal and Remuneration Committees.

With this goal in mind the Group-wide bonus scheme was renewed in 2018, benefiting all staff who have at least three months' seniority.

As part of this scheme, individual bonuses are determined on 31 December each year.

Since 2015, employees who so wish receive meal vouchers, with half of the cost being covered by FREY.

The Welfare and Healthcare Cost contracts were fully reviewed during the last quarter of 2016 and are regularly brought into line with contractual and regulatory changes, in particular to comply with regulations governing so-called 'responsible' contracts.

FREY pays 85% of contributions for non-executives and 65% for executives specifically for Healthcare Cost contracts.

9.6 WELL-BEING AT WORK

FREY has identified all the risks in the workplace. Given the Company's tertiary activity these are mainly limited to business trips, psychosocial risks and musculoskeletal disorders. In 2019, awareness-raising measures were implemented to encourage the adoption of the correct posture at work and adapted equipment was offered.

FREY Group pays particular attention to managing its fleet of vehicles and, via the automotive charter included in the internal rules of procedure, makes employees aware of the need to respect the Highway Code.

FREY Group also supports employee well-being, and in particular installed a gym at head office in 2012, where three sports coaches lead seven weekly sessions (paid for in full by the employer) and subsidises membership for employees in Paris:

- strengthening exercises;
- pilates: balance and good posture are the core concepts of this sport which is based on breathing and correct body posture;
- yoga.

In order to facilitate work-life balance and to benefit its employees, FREY Group subsidises childcare places at local nurseries.

FREY Group also constantly monitors employee working conditions and the following improvements have been made:

- ergonomic office chairs for all employees;
- soundproofing for open spaces and meeting rooms;
- area for eating and rest equipped with household appliances and television;
- fully-equipped gym;
- showers.

Each year, FREY Group organises an end-of-year party for employees, their spouses and children, and an annual seminar including lectures, training and recreational activities to promote reflection, greater perspective and team-building.

9.7 TRAINING

Average number of training hours per employee (a training day is seven hours long)	Number of training hours
	Workforce trained in 2020
Training rate	Number of people trained
	Average 2020 workforce

The Company's current training plan is mainly based on dialogue between employees and managers at annual performance appraisals, reflecting FREY's organisational and developmental challenges. The Group offers each employee the chance to make proposals regarding the type of training s/he feels is needed to properly do his/her job or grow within the Group.

In 2020, 883 hours of training, including coaching, took place. Almost 58% of staff have benefited from training, receiving an average of 18 hours per employee, on topics relating not only

to the continuous adaptation to workstations but also skills development or personal development. The cost of this training represents 0.88% of the Group's total payroll. The training plan was heavily impacted by the health situation.

In 2020, training hours for employees on work-study contracts (apprenticeships and professional training contracts) came to 553 hours.

9.8 EQUAL OPPORTUNITIES

The Group aims to promote equality and create a working environment free from discrimination based on age, gender, disability, origin, ethnicity or any other criteria.

The percentage of women in the Company rose slightly in 2020 to 54.6% (from 52% in 2019).

FREY Group continually works with recruitment firms and temp agencies that are very mindful of diversity and equal opportunity.

9.9 PROMOTION OF AND COMPLIANCE WITH THE PROVISIONS OF THE ILO FUNDAMENTAL CONVENTIONS

FREY, as an employer of Spanish and French staff, complies with the Labour Code provisions of both these countries as well as the fundamental conventions of the International Labour Organisation, in particular:

- elimination of discrimination in employment and occupation;
- elimination of forced or compulsory labour;

- effective abolition of child labour;
- respect for freedom of association and the right to collective bargaining.

The service providers with which FREY works are governed by French and Spanish law; none of these companies are located in countries that have not ratified the ILO fundamental conventions.



◀ **SuperGreen**
Terville - Thionville (57)

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ADDITIONAL INFORMATION

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10.1 INFORMATION ABOUT THE COMPANY

10.1.1 INFORMATION ON THE COMPANY

Company name

The Company's name since June 2009 has been: FREY.

Registered office

Parc d'Affaires TGV Reims Bezannes

1 rue René Cassin

51430 Bezannes

Tel.: 00 33 3 51 00 50 50

FREY'S LEI Code

969500JTN8BU5BW6UW36

Website

FREY's website is: <https://frey.fr>.

We draw the reader's attention to the fact that, unless otherwise stated in this Universal Registration Document, the information featured on this website is not part of this document.

Registration office and number

The Company is registered in the Reims Trade and Companies Register under number 398 248 591.

The Company's APE code is 6820 B: Leasing of land and other property assets.

Date of incorporation and term

The Company has been registered with the Reims Commercial Court since 15 September 1994. The Company's term is set at 99 years from the date of its registration in the Trade and Companies Register, *i.e.* until 14 September 2093, unless the Company is dissolved early or its term extended.

Legal form and applicable law

The Company, which is subject to French law, is governed by its Articles of Association as well as the legal and regulatory provisions regarding commercial companies in the French Commercial Code.

FREY is a public limited company with a Board of Directors and a "Entreprise à mission".

The Company's shares are admitted to trading on the regulated Euronext Paris market, Compartment B (ISIN: FR0010588079).

Name of reporting entity	FREY
Explanations of changes to the name of the reporting entity	FREY
Description of the entity's operations and main activities	FREY Group has been developing next-generation outdoor shopping centres for over 35 years. Planner, developer, investor and manager, FREY is a property investment company specialising in major urban renewal projects as well as developing and managing outdoor shopping centres. Its Shopping Promenade®, outdoor shopping areas, offer a comprehensive range of services, combining shopping and leisure activities to create an "enhanced experience" for the whole family. Through its unique expertise, FREY has become a French leader renowned in this resilient category of assets in this deep market (creation, extension and renovation) and perfectly aligned with the expectations of consumers, retailers and local authorities. Another key pillar of FREY's expertise: the large mixed-use urban developments it is working on with the support of its dedicated subsidiary, CITIZERS
Address of entity's registered office	1 rue René Cassin - 51430 Bezannes
Country of incorporation	France
Entity address	1 rue René Cassin - 51430 Bezannes
Main establishment	1 rue René Cassin - 51430 Bezannes
Legal form of the entity	FREY is a public limited company with a Board of Directors and a "Entreprise à mission"
Name of parent entity	FREY
Name of the parent company	FREY

10.1.2 ARTICLES OF ASSOCIATION

1. Corporate purpose - Purpose - Mission (Article 2)

1.1 Corporate purpose

The purpose of the Company, both in France and internationally is to:

- acquire and/or build, directly or indirectly, alone or as an association, partnership, grouping or company created with any other persons or companies, all types of land, buildings, property assets and rights to lease them, manage, rent, lease and develop all land, buildings, property assets and rights, furnish all property developments to lease them, and exercise any other activities related or connected with the aforementioned activity;
- participate, by any means available, in all transactions that may relate to its corporate purpose *via* the purchase of any interests and equity investments, by any means and in any form whatsoever, in any French or international company, particularly *via* acquisitions, the creation of new companies, or subscriptions or purchases of securities or corporate rights, contributions, mergers, partnerships, joint ventures, or economic interest groups or other, as well as the administration, management and control of these interests and equity investments;
- and, generally speaking, conduct all real estate and financial transactions that could potentially, directly or indirectly, relate to its corporate purpose or any similar or associated purposes that may facilitate the realisation of or support the extension or development of its corporate purpose, including through the selective disposal of its assets, particularly *via* sales.

1.2 Purpose - Mission

The Company's *raison d'être* is to put retail at the service of the collective interest. The Company also intends to generate a positive and significant social, societal and environmental impact through its activities.

In particular, the social and environmental objectives that the Company sets itself the task of pursuing within the framework of its activity, within the meaning of point 2 of Article L. 210-10 of the French Commercial Code, are as follows:

- make retail a vehicle for urban diversity and social cohesion;
- make retail a vehicle of local economic resilience;
- make retail a vehicle for ecological transition;
- make FREY a company that serves the collective interest.

As part of this process, the Board of Directors undertakes to take into consideration (i) the social, societal and environmental consequences of its decisions on all of the Company's stakeholders, and (ii) the consequences of such decisions on the environment.

2. Provisions of the Company's Articles of Association, charter or bylaws concerning the members of the Board of Directors

On this point, reference is made to the information provided in Section 1.6 "Corporate governance" of the management report reproduced herein.

3. Rights attached to the shares (Articles 9 to 11)

Article 9 - Form of shares

Fully-paid up shares are registered or held in bearer form, at the option of the shareholder.

However, any shareholder other than a natural person who comes to hold, directly or indirectly (within the meaning of Article L. 233-3 of the French Commercial Code), a percentage of the Company's dividend rights at least equal to that referred to in Article 208 C II (b) of the French General Tax Code (relevant shareholder) must necessarily register all the shares for which they are the registered owner and ensure that the entities they control within the meaning of Article L. 233-3 of the French Commercial Code list all the shares they own in registered form.

Any relevant shareholder who fails to comply with this obligation no later than the third working day prior to the date of any Company Shareholders' General Meeting, would see their voting rights, directly or indirectly (within the meaning of Article L. 233-3 of the French Commercial Code), capped at the applicable General Meeting to one-tenth of the shares they hold respectively. The aforementioned relevant shareholder shall recover all voting rights attached to the shares they hold, directly or indirectly (within the meaning of Article L. 233-3 of the French Commercial Code), at the next Shareholders' General Meeting, subject to regularisation of their situation by registering all the shares they hold, directly or indirectly (within the meaning of Article L. 233-3 of the French Commercial Code) in registered form, no later than the third working day prior to this General Meeting.

Shares are registered in an account under the conditions and formalities provided for by applicable legal and regulatory provisions.

The Company is authorised to invoke at any time the provisions set out by Articles L. 228-2 et seq. of the French Commercial Code in relation to the identification of holders of securities conferring, with immediate or future effect, the right to vote in its own shareholders' meetings.

Article 10 - Sale and transfer of shares

The shares may be transferred and traded freely. Their sale is completed in accordance with legal and regulatory provisions.

The transfer of shares occurs by inter-account transfer according to the conditions and formalities provided for by applicable legislation.

Article 11 - Rights and obligations attached to the shares

a) General rights

The rights and obligations attached to the share shall be transferred to any owner thereof. Ownership of a share automatically implies agreement to be bound by the Company's Articles of Association and the decisions taken at General Meetings.

Each share entitles the holder to a share in the Company's assets, profits and liquidations dividend in proportion to the capital it represents.

Shareholders are held liable for no more of Company liabilities than the amount of their contributions.

Each share entitles the holder thereof to voting rights and representation at Shareholders' General Meetings, as well as the right to be informed on the Company's performance and to obtain disclosure of certain Company documents at the times and under the conditions set out in the law and Articles of Association.

Each share entitles its holder to one vote. There is no entitlement to double voting rights for shareholders whose securities have been registered for any particular period of time.

Heirs, creditors or beneficiaries of a shareholder may not call for the affixing of seals on the assets and valuables of the Company, or call for a division or sale by auction thereof, or interfere in any manner whatsoever in its administration; for the exercise of their rights, they shall be bound by the statements of corporate assets and liabilities and decisions of the General Meeting.

Whenever it is necessary to possess a certain number of shares in order to exercise a right, it shall be up to holders that do not possess such number to group together and, if necessary, to purchase or sell the requisite number of shares or rights.

Pursuant to Article L. 228-35-10 of the French Commercial Code, the Company may demand the redemption of all of its own non-voting preference shares or of certain categories thereof, with each category being determined by its date of issue.

b) Withholding tax referred to in Article 208 C II (b) of the French General Tax Code

Any relevant shareholder whose specific situation or that of their partners makes the Company liable for the withholding tax (Withholding Tax) referred to in Article 208 C II (b) of the French General Tax Code (shareholder subject to withholding tax) shall be required to compensate the Company for the withholding tax due as a result of the distribution of dividends, reserves, premiums, other income or 'income deemed distributed' within the meaning of the French General Tax Code.

Any relevant shareholder is deemed to be a shareholder subject to withholding tax. If a shareholder declares they are not a shareholder subject to withholding tax, they must prove this to the Company by providing no later than five (5) working days prior to the distributions payment date a satisfactory and unconditional legal opinion from a firm of lawyers of international repute and with recognised expertise in the field of French tax law stating that they are not a shareholder subject to withholding tax and the distributions payable to them do not make the Company liable for the Withholding Tax.

In the event that the Company holds, directly or indirectly, a percentage of the dividend rights at least equal to that provided for in Article 208 C II (b) of the French General Tax Code in one or more real estate investment companies referred to in Article 208 C of the General Tax Code (REIT Subsidiary) and where the REIT Subsidiary, due to the situation of the shareholder subject to withholding tax, would have paid the Withholding Tax, the shareholder subject to withholding tax shall, as appropriate, compensate the Company either for the amount paid as compensation by the Company to the REIT Subsidiary as payment of the Withholding Tax by the REIT or, in the absence of compensation paid to the REIT Subsidiary by the Company, for an amount equal to the Withholding Tax paid by the REIT Subsidiary multiplied by the percentage of dividend rights of the Company in the REIT Subsidiary, so that other Company shareholders shall not financially bear any part of the Withholding Tax paid by any of the REITs in the chain of interests due to the shareholder subject to withholding tax (Additional Compensation). The amount of Additional Compensation shall be borne by each of the shareholder subject to withholding tax in proportion to their respective dividend entitlements divided by the total dividend entitlement of shareholder subject to withholding tax.

The Company shall be entitled to offset its claims for damages against any shareholder subject to withholding tax on the one hand, and the amounts to be paid by the Company thereto, on the other hand. Therefore, amounts deducted from Company profits exempt of corporate income tax pursuant to Article 208 C II of the French General Tax Code due, for each share held by said shareholder subject to withholding tax, to be paid to it in application of the aforementioned distribution decision or of a share buyback, will be reduced by virtue of said offsetting, in the amount of the Withholding Tax owed by the Company for the distribution of such amounts and/or the Additional Compensation.

The amount of any compensation owed by a shareholder subject to withholding tax shall be calculated so that the Company is placed, after payment thereof and taking into account any taxation which may be applicable, in the same situation as if the Withholding Tax had not become due.

The Company and the Relevant shareholders shall cooperate in good faith in order to take all necessary steps to limit the amount of Withholding Tax owed or owing, and of compensation that has resulted or would result as a consequence.

c) Dividends paid to certain shareholders

In the event where (i) it is established, after a distribution of dividends, reserves or premiums, other income or 'income deemed distributed' within the meaning of the French General Tax Code deducted from Company profits or a REIT Subsidiary exempt from income tax pursuant to Article 208 C II of the French General Tax Code, that a shareholder was a shareholder subject to withholding tax on the date of payment of said amounts and where (ii) the Company or the REIT Subsidiary should have paid the Withholding Tax in respect of amounts thus paid, without such amounts having been offset as per Article 11.b above, the shareholder subject to withholding tax will be required to pay the Company as compensation for damage suffered by the latter, an amount equal to, firstly, the Withholding Tax which would have been paid by the Company for each Company share that it held on the day of payment of the relevant distribution (dividends, reserves or premiums, other income or 'income deemed distributed' within the meaning of the French General Tax Code) and, secondly, if applicable, the amount of Additional Compensation (Indemnity).

The calculation of Indemnity shall take into account any penalties applied by the tax authorities and any taxation that would be applicable to the Indemnity in order that the Company be placed in the same situation as if the Withholding Tax had not become due.

If applicable, the Company shall be entitled to proportionally offset against its claim for damages any amounts that may be paid later to this shareholder subject to withholding tax without prejudice, if applicable, to the prior application on said amounts of the offsetting provided for under the fourth sub-paragraph of Article 11.2 above. In the event that, after such offsetting, the Company remains a creditor of the aforementioned shareholder subject to withholding tax with respect to the Indemnity, the Company shall be entitled to further offset any amounts that may subsequently be paid to this shareholder subject to withholding tax until said debt is finally extinguished.

4. Terms and conditions for amending shareholders' rights

The Company's Articles of Association do not stipulate any particular rules derogating from ordinary company law.

5. Shareholders' General Meetings (Articles 16 to 23)

Collective decisions by the shareholders are taken at General Meetings, which are either ordinary, extraordinary or special according to the nature of the decisions which they have been called to take.

The decisions taken by General Meetings are binding on all shareholders, including absentee and dissenting shareholders and those lacking legal capacity.

Notice and location of General Meetings

General Meetings shall be called by the Board of Directors or, failing that, the Statutory Auditors, or by a court officer in accordance with the law.

The meetings take place at the registered office or any other place specified in the notice of meeting.

General Meetings are called in accordance with applicable legal and regulatory provisions.

If the meeting has been unable to deliberate due to lack of the required quorum, the second meeting – deferred if necessary – shall be called pursuant to applicable laws and regulations.

Agenda

The party calling the meeting draws up the meeting agenda.

One or more shareholders who together hold shares representing at least the required amount of share capital and acting in accordance with the terms and conditions and within the time frame specified by law may request items to be added to the draft resolutions on the agenda of the General Meeting by registered letter with acknowledgement of receipt.

The Works Council may also request the inclusion of draft resolutions on meeting agendas.

The meeting may only discuss matters that are on the agenda. Nevertheless, it may, under any circumstances, remove one or several members of the Supervisory Board and replace them.

Admission to meetings – Powers

Any shareholder is entitled to attend General Meetings and deliberations personally or by proxy, regardless of the number of shares held but providing their shares are fully paid up.

Should a shareholder not personally attend the meeting, they may be represented at General Meetings under the conditions and in the manner provided for by applicable laws and regulations.

The right to attend, participate and/or be represented at General Meetings is subject to the shareholder proving their capacity as a Company shareholder under the conditions, time limits and in the manner provided for by applicable laws and regulations.

Two members of the Works Council, appointed by the Council under the conditions laid down by law, may attend General Meetings. They must, upon request, be heard at all proceedings requiring the unanimous approval of shareholders.

Attendance sheet – Committee – Minutes

General Meetings are chaired by the Chairman of the Board of Directors or, in his absence, by a Board member duly authorised for that purpose by the Board. Failing this, the Meeting elects its own Chairman. Where the meeting is called by the Statutory Auditors or a court officer, the meeting is chaired by the person or persons responsible for calling it.

The duty of tellers shall be performed by the two shareholders with the largest number of shares, attending and accepting the duty in their own name or acting as proxies.

Together the Chairman of the Meeting and the tellers form the Meeting Committee. The Meeting Committee then designates a Secretary who may be chosen from outside the shareholders.

An attendance sheet is drawn up in accordance with legal provisions.

The minutes are drafted and copies or extracts of proceedings are issued and certified by the Chairman of the Board of Directors, by a member of the Board of Directors or the Secretary of the Meeting.

Ordinary General Meeting

It meets at least once a year, within the applicable legal and regulatory time periods, to approve the financial statements for the previous financial year.

Its deliberations are only valid if the shareholders present, represented or voting by post own, on first call, at least a fifth of shares with voting rights. No quorum is required on second call.

It requires a majority of votes of present or represented shareholders, including shareholders who voted by post.

Extraordinary General Meeting

The deliberations of the Extraordinary General Meeting are only valid if the shareholders present or represented own or having cast a postal vote, on first call, at least a quarter, and on second call a fifth of shares with voting rights. Failing this latter quorum, the second meeting can be deferred to a date up to two months after the one on which it had been scheduled; for this second deferred Meeting, the same quorum of one fifth of shares is required.

It requires a two-thirds majority of votes of present or represented shareholders, including shareholders who voted by post.

Special meetings

If there are several classes of shares, no changes can be made to the rights of the shares of one of these categories, without a requisite vote of an Extraordinary General Meeting open to all shareholders and, in addition, without the requisite vote of a Special Meeting open only to owners of shares of the relevant class.

The deliberations of the Special Meetings are only valid if the shareholders present or represented own, on first call, at least a third, and on second call a fifth of shares of the relevant class.

Failing this latter quorum, the second meeting can be deferred to a date up to two months after the one on which it had been scheduled, with the same quorum of one fifth of shares.

Otherwise they are called and held under the same conditions as Extraordinary General Meetings subject to specific provisions applicable at Meetings of holders of non-voting preference shares.

6. Provisions of the Company's Articles of Association, charter or bylaws that may delay, postpone or prevent a change of control

No other provision of the Company's Articles of Association would have the effect of delaying, deferring or preventing a change of control.

7. Crossing thresholds (Article 10.3)

Any person, acting alone or in concert, who, directly or indirectly or *via* companies it controls within the meaning of Article L. 233-3 of the French Commercial Code, holds (i) a fraction of the share capital, voting rights or securities equating to or in excess of 2% or a multiple of this percentage, or (ii) any legal threshold referred to in Article L. 233-7 of the French Commercial Code, shall be obliged to notify any crossing of these thresholds within

the timeframe, terms and conditions and provisions provided for by Articles L. 233-7 et seq. of the French Commercial Code.

In the absence of disclosure in the aforementioned conditions, unreported shares in excess of the fraction are deprived of voting rights for any shareholders' meeting that may be held within a two-year period from the date it is properly reported. In these same circumstances, voting rights attached to such shares for which proper notification has not been made, may not be exercised or delegated by the defaulting shareholder. Pursuant to the provisions of Section VI of Article L. 233-7 of the French Commercial Code, and by way of exception to the first two sub-paragraphs of Article L. 233-14 of said French Commercial Code, shares exceeding the fraction that should have been notified shall be deprived of voting rights if failure to notify is acknowledged and recorded in the minutes of the General Meeting at the request of one or more shareholders holding 5% of the Company's share capital or voting rights.

In addition to the aforementioned disclosure requirements, there are also requirements that may be borne by the person who crossed one of these thresholds under the provisions of the French Commercial Code, the General Regulations of the French Financial Markets Authority or Euronext Rules applicable to the market on which the securities issued by the Company are recorded at the transaction date.

8. Changes in the share capital (Article 7)

Legal provisions govern changes in share capital, as the Company's Articles of Association do not stipulate any specific provisions in that respect.

10.1.3 SHARES IN THE CAPITAL OF SA FREY SUBJECT TO PLEDGES

Name of pure registered shareholder	Beneficiaries	Inception date of pledge	Expiry date of pledge	Condition for exercise of pledge	Number of FREY shares pledged
Firmament Participations	Caisse d'Épargne Grand Est Europe	24/04/2017	Until complete repayment of sums due	In the event of non-payment	1,400,000
		20/05/2019			1,400,000
	CIC-EST	19/04/2017			500,000
	LCL & CIC-EST	14/06/2018			593,013
	CIC-EST	18/11/2019			235,000
	SG	20/11/2019			300,000
TOTAL					4,428,013

10.1.4 EXCEPTIONAL EVENTS AND LITIGATION

With the exception of the ongoing dispute with the Société d'Aménagement de Montpellier Méditerranée Métropole presented in paragraph 1.1.1.7 of the URD and in Note 2.2.4 to the consolidated financial statements, at the date hereof, there exists no governmental, legal or arbitration proceedings, nor any

proceedings of which the Company is aware, which are pending or with which it is threatened, which are likely to have or have had a significant impact on the financial position during the last twelve months or on the profitability of the Company and/or the Group.

10.2 INFORMATION FROM THIRD PARTIES, EXPERT STATEMENTS, DECLARATIONS OF INTEREST

The Company appointed as independent experts for the purpose of carrying out a valuation of the Company's assets:

- Patrick Colomer (Chartered Surveyor MRICS and Appraiser to the Paris Court of Appeal) (Colomer & Expertises);
- Patrice Roux (MRICS – ERV) (Cushman & Wakefield);
- Christopher Adam (MRICS) (Jones Lang LaSalle Expertises).

Patrick Colomer, Patrice Roux and Christopher Adam are well-known in the property sector and in this respect have all the skills required to implement the appraisal requested by the Company.

Neither Patrick Colomer nor Patrice Roux nor Christopher Adam have any material interest in the Company that would affect their independence.

Insofar as the Company is aware, the information pertaining to these appraisals has been accurately reproduced and no facts have been omitted which would render the information inaccurate or misleading.

This summary has been reproduced in full with the agreement of Patrick Colomer, Patrice Roux and Christopher Adam.

Report of the independent experts

Condensed report according to the guidelines of the French Financial Markets Authority (AMF) on behalf of FREY

I. Context of the assignment

Pursuant to the Ethics Code for Real Estate Investment Trusts (REIT) published in July 2008 after consultation with the French Financial Markets Authority, the REIT must use an independent and external property appraisal expert to conduct an appraisal of its assets preferably every six months or at an earlier date if substantial changes are made either to the property itself or to the relevant property markets.

The task that FREY (hereinafter referred to as "the Principal") has entrusted to the Appraisal Department of each company (hereinafter referred to as "the Appraiser") consists of appraising the market value every six months of part of the property assets of the Principal and its constituent companies: FRV, FRF1, FRF2 Torcy, FRF2 Torcy II, FRF2 Le Pontet, FRF2 Khepri 1, FRF2 Chantepie, FRF2 Apollo, Zone A, IF CORMONTREUIL 01, AI, PAI 02, PI, TI, IF Plein Sud, IF Plein Est, IF Plein Ouest, FRP III, La Plaine, Chanteloup 01, Chanteloup 02, IF Clos du Chêne, IF Chêne Vert, Massonex, ZCN Investissement, Bonneuil Retail Park, Rive de la Garonne, Frey Aménagement et Promotion, Parc Vallès Inversions, Algarve shopping – Centro Comercial, ALBRP Albuferia Retail Park, Immoconti and SA FREY.

II. Appraisal conditions and criteria

We confirm that our appraisals were conducted independently and declare we are free from any conflict of interests with FREY.

The usage methods retained by the Appraisal Department of our company are the methods most frequently used by the profession.

The professional ethics and appraisal methods applied by the Appraiser are those set out in:

- the charter of Property Appraisal, published by the French Institute of Property Appraisal (IFEI) in partnership with the leading recognised professional organisations.

This charter implies respect for the rules of ethics, methodology and privacy of the profession of Appraiser.

As is the rule for an Appraiser, the latter formally undertakes to respect, under all circumstances, the confidentiality of information collected or provided during the assignment.

All employees are bound by professional secrecy and the obligation of absolute discretion in all aspects relating to the facts, data, surveys and decisions that they have gained knowledge of in conducting their business.

They are prohibited from any written or oral disclosure on these topics and from issuing any documents to third parties without written consent from the Principal;

- the seventh edition of the "Red Book" of the Royal Institution of Chartered Surveyors (RICS) effective on 2 May 2011, in particular pursuant to the requirements of Section PS6 "Practice Statement" titled "Valuation reports" and Section UK PS3 titled "Valuation of Loan Facilities";
- the "Blue Book" listing all the European Standards approved by TEGoVA (The European Group of Valuers' Associations).

As a property appraiser, the Appraiser declares they are primarily engaged in property asset appraisal and they have the experience, skills and organisation required to perform their duties (see IAS 40 \$75 e).

They state that the terms of their assignment as specified in the engagement letter are consistent with the COB working group's report dated 3 April 2000 on property asset appraisals for public companies (Barthès de Ruyter report).

They state that the appraisal methods used are consistent with the recommendations of said report.

The surveys and research, based on which all our estimates are made, are carried out by General Practice Chartered Surveyors conducting the investigations required for estimation.

Our study is based on the rules described below, unless expressly waived in our report.

1. Pollution risks and conditions

In the absence of specific instructions to conduct a study of the structure, to test the operation of technical equipment or to carry out an environmental assessment, our estimates are based on the following presumptions:

- that no material that is deleterious, hazardous or that could endanger the property's stability has been used during construction;
- that the property has been constructed in accordance with applicable regulations and legislation;

iii) that the site is materially suitable for construction or, if applicable, reconstruction, and that no special or unusual additional costs would be incurred during the laying of foundations and construction of infrastructure;

iv) that no form of pollution affects the property complex and subsoil;

v) however, we take into account the general apparent state of the asset as determined during our visit, together with any defects that may have been reported to us. These elements are mentioned in our report.

2. Ownership and occupation

We rely on the information you have provided regarding the type of ownership, its extent, the tenure of the property, the authorised use(s) and any other information.

We presume this information is accurate, up-to-date and comprehensive. We assume that your legal advisors are able to confirm the trustworthiness of the information described in our report and that the property under estimate is unimpaired for selling purposes. We would be perfectly willing to review the report prepared by your legal advisors on property ownership in order to determine whether it can affect our estimate.

We have not consulted property ownership or inspected land management and we therefore assume that, apart from the items mentioned in our report, the property is not burdened with registrations, mortgages or pledges of any kind, nor any particular rights or easements. We assume that repairs included in the leases are the responsibility of the tenants.

Our conclusions therefore assume that the properties are in good standing with regard to applicable laws and regulations.

3. Urban planning and roads

We have orally interviewed the local authorities responsible for urban planning and roads, and we assume that the information thus collected is accurate. No deed or planning certificate was required. Unless expressly stated otherwise, we have been informed that there is no urban planning or road construction project which could lead to a forced sale or directly affect the property.

4. Surface areas

We did not carry out any surface area measurements.

The surface areas specified are those that were provided by the managers of the property and which we presume to be accurate.

5. Equipment and materials

We include in our appraisal the equipment, fixtures and fittings normally deemed to be part of the property's installations, and which would remain attached to the building in the event of sale or rental. We exclude any items of equipment and materials as well as their specific bases and mounts, furniture, vehicles, inventory and operating implements, as well as tenants' fixtures and fittings.

We have not conducted detailed inspection or tests on materials and capital goods, therefore no assurances can be given concerning their effectiveness, efficiency, safety and suitability for any use that is made of them or concerning their overall condition.

6. Maintenance status of assets

We noted the overall condition of each asset during our visits. Our assignment does not include a technical component with regard to property structure.

The assets were appraised on the basis of information provided by the Company whereby no hazardous material was used in their construction.

7. Properties under construction

For properties under construction, we state the construction phase attained and expenditure already incurred as well as future expenses at the date of the estimate, such as these projections were given to us. We took into account the contractual commitments of the parties involved in the construction as well as any estimated expenses collected from the professional advisors working on the project.

However, we give no guarantee as to the adequacy of these planned expenses for the completion of the project nor as to their engagement.

For recently completed properties, we do not take account of detentions, pending construction expenses, fees, or any other expenditure for which an undertaking has been made.

8. Appraisal date

Property values may vary significantly over a relatively short period of time. If you wish to sell the property in whole or in part, or to accept the registration of the property as security for a loan after the date of the estimate, we highly recommend that you request a new appraisal from our firm.

9. Transaction and other costs

In our estimates, we do not take into account transaction costs, nor liable for any tax that may be payable in the event of a disposal, nor a mortgage or any other financial registration for this type of property. Our estimates are exclusive of VAT.

10. Confidentiality

The Estimate and report are drawn up for the stated purpose and for the personal and exclusive use of FREY and all its subsidiaries to which they are sent, for their professional advisors, as well as for any person or institution whom the Appraisers have been previously informed of in writing as having an interest in the appraisal. No third party may rely on the estimate without express written permission from the Appraiser concerned, and in any event no liability shall be incurred as regards any third party.

In all cases, our report may only be disclosed to third parties in full, unless otherwise agreed with our Company to disclose excerpts.

11. Exclusions

We excluded from our considerations any reference to a specific prospective buyer who, because of particular interest or circumstances, may wish to purchase the property or the Company.

Although we have examined the general effects of taxation on market value, we have not taken into account any liability to tax that may occur during an existing or future disposal, and at no point have we deducted income tax, Value Added Tax, or any other type of taxation.

The amount of the estimate stated in this report excludes VAT. We have not conducted a survey to determine whether the disposal of the property would be subject to VAT or not.

12. Use of data or documents provided by FREY

Our assignment is to find any information in these documents or data relevant to our appraisal. We have not carried out a legal or accounting audit of said documents, as this is the responsibility of other professionals.

III. Methodology used for appraisals

The appraisal methods used were selected independently by the Appraiser (see below), according to the type of property estimated, the market in which the property is registered and the type of prospective purchaser.

The Appraiser used one or two appraisal methods (capitalisation and/or DCF). They considered that a direct comparison method was not relevant in the case of rented property assets and was therefore less appropriate.

COMPARISON METHODS

This method involves starting directly from transaction references made on the property market for properties with characteristics and location comparable to that of the appraised property.

In some cases, these methods can be used to appraise a property or interest by assigning it a value derived from the analysis of sales of similar or related properties. Depending on the type of property, the measures chosen may be the unit or surface area (car park, bedroom, bed, chair, etc.).

However, in the present case of leased properties this method appeared less significant, as it is more often used for unoccupied buildings which are mostly new and generally put up for sale on the users' market rather than that of investors.

INCOME CAPITALISATION METHODS

Income capitalisation methods can be used to apply an *ad hoc* rate of return to an actual or potential rental income (if vacant premises exist the rate of return is applied on the market rental value, net of costs).

Several capitalisation methods can be used by the Appraiser depending on whether the building is leased at market terms (capitalisation of net income in perpetuity), below (Expiry & Reversion if rent caps have been lifted) or above market rental value (Hardcore – Top Slice).

1. Capitalization in perpetuity

Supposing a property is rented under current market terms, this method consists of capitalising the actual net rent received at an adequate rate of return.

2. Term Capitalization & Reversion

Like capitalisation in perpetuity, this method is suitable for leased properties. It distinguishes between the rental flows received during the closed lease periods and those received after possible deadlines or the end of leases.

Initially the rent, net of all expenses non-recoverable by the lessor, is capitalised at an appropriate rate of return until the 'Expiry' of the next possible lease expiration.

In addition, on "Reversion", and if uncapping conditions allow it or if there is a high risk of the tenant departing, or other potential reversion, the market rental value is capitalised in perpetuity, while being updated for the remaining closed period.

In the case of the departure of the tenant, the following are deducted, if applicable: a rental vacancy period and related vacancy costs, a rent-free period, maintenance work, fees to re-market the property to be leased again, etc.

Likewise, in the event of specific lease terms, such as the implementation of progressive rent over several years, this method allows very precise management of different layers.

3. Discounted Cash Flow

This method is based on the principle that for any investor the cost of an investment must match the discounted amount of income that can be expected from it.

The value of the asset is presumed to equal the discounted amount of net income expected by the investor, or rather the expected financial flows (revenues and expenditure), which include resale at the end of the ownership period.

By signing this condensed report, each Appraiser does so on their own account and only for their own appraisal.

4. Comments on the appraisals with respect to IFRS 13

The IFRS 13 accounting standard ("International Financial Reporting Standards") was approved by EU Regulation No. 1255/2012 on 11 December 2012. IFRS 13 applies to IFRSs that require or permit appraisals at fair value or the disclosure of information on fair value.

The IFRS standard defines a Fair Value hierarchy based on inputs selected by the appraiser according to three levels.

Level 1 is an appraisal for which the inputs used are certain and perfectly measurable. Level 2 involves appraisals whose inputs are measurable in light of a significant number of transactions. Inputs should only need minor adjustments. Level 3 corresponds to appraisals whose main inputs are subject to substantial adjustments due to the lack of completely comparable information.

As part of this appraisal of all FREY's property assets, fair value is deemed to be the market value and equates to the property with the "highest and best use" for each asset in question.

We considered that all of the fair values of the asset portfolio are Level 3 due to the contamination of unobservable inputs used in our appraisals.

Patrick Colomer

Appraiser to the Paris Court of Appeal
Chartered Surveyor MRICS
On behalf of Colomer Expertises

Patrice Roux

MRICS – REV
Director
On behalf of Cushman & Wakefield

Christopher Adams

MRICS
Chairman
On behalf of Jones Lang LaSalle Expertise

10.3 RESEARCH AND DEVELOPMENT, PATENTS, TRADEMARKS AND LICENSES

FREY and its subsidiaries do not own any patents. In the course of their business, none of the Group's companies has entered into a licence agreement covering patents owned by third parties.

To date, the Group's trademark portfolio includes:

- 27 French trademarks registered with the French National Industrial Property Institute (INPI);
- three Spanish trademarks registered with the Copyright Office;
- 13 trademarks registered in the European Union with the Office for International Registration.

FREY also owns eighty-two (82) internet domain names.

These trademarks and domain names mainly cover company names, outdoor shopping centre logos, and the "Greenpark", "Greencenter" and "Shopping Promenade" concepts.

No Group company has granted a licence on any of the portfolio brands.

In the course of its business FREY is contractually allowed to use the intellectual property rights of third parties for commercial purposes, within the limits of the rights it has been granted to promote its asset portfolio and investments.

FREY is thus expressly authorised to use the "Valorpark" label and logo at:

- **Clos du Chêne** in Montévrain (77), certified in 2008 and then in 2015 for the extension;
- **Parc des Moulins** in Soissons (02), certified in 2010;
- **Green 7** in Salaise sur Sanne (38) certified in 2012;
- **O'Green** in Agen-Boé (47), certified in 2015;
- **Be Green** in Troyes – Saint-Parres-aux-Tertres (10) certified 2015;
- **SuperGreen** in Thionville – Terville (57), certified in 2016;
- **Woodshop** (formerly called Maisonément) in Cesson (77), acquired by FREY in 2016 and certified in 2008;
- **Shopping Promenade Cœur Picardie** in Amiens (80), certified in 2017.

FREY is also authorised to use the "BREEAM" Construction logo for its certified assets:

- **Shopping Promenade Arles-Montmajour** (BREEAM Construction - Very Good).

FREY is also authorised to use the "BREEAM" In Use logo for its certified assets:

- **Algarve Shopping** in Albufeira in Portugal;
- **Shopping Promenade Cœur Picardie** in Amiens (80);
- **SuperGreen** in Thionville – Terville (57).

Finally, FREY is authorised to use the "HQE" Aménagement logo for those of its operations that have been awarded that certification:

- **Aire des Moissons** in Troyes – Saint-Parres-aux-Tertres (10);
- **Zone Commerciale Nord** in Strasbourg-Vendenheim (67).

FREY is also authorized to use the HQE™ Commercial Buildings logo for its assets that have received certification:

- **Be Green** in Troyes – Saint-Parres-aux-Tertres (10);
- **Cap Émeraude** in Dinard – Pleurtuit (35);
- **Clos du Chêne** in Montévrain (77);
- **Espace Leman** in Thonon-les-Bains (74);
- **Green 7** in Salaise-sur-Sanne (38);
- **O'Green** in Agen-Boé (47).
- **Parc des Moulins** in Soissons (02);
- **Shopping Promenade Cœur Picardie** in Amiens (80);
- **SuperGreen** in Thionville – Terville (57).

By virtue of its real estate investment activities FREY does not have a research and development policy. An Innovation Department is responsible for scoping and coordination:

- of rolling out new services offered to stores and visitors;
- of transformation strategies (digital and Sustainable Development).

Furthermore, the Company does not consider itself dependent on any trademark, patent or licence for its business or profitability.

10.4 MATERIAL CONTRACTS

As at the date of this document, no contracts (other than contracts entered into in the ordinary course of business) containing provisions under which any of the FREY Group entities has any obligation or commitment which is material for the Group, have been entered into by FREY or any other Group entity.

10.5 PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

Person responsible for the Universal Registration Document

Antoine Frey,
Chairman and Chief Executive Officer
1 rue René Cassin
51430 Bezannes

10.6 STATEMENT BY THE PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

"I hereby certify that the information in this Universal Registration Document is, to my knowledge, accurate and does not omit anything which could change that view.

I certify that, to my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and results of the Company and of all consolidated companies and that the management report in the chapter entitled "Management report intended for the Annual Ordinary General Meeting" in this document accurately details the business performance, results and financial position of the Company and of all consolidated companies, and that it describes the main risks and uncertainties they face".

Bezannes, 9 April 2021

Antoine Frey
Chairman and Chief Executive Officer

10.7 STATUTORY AUDITORS

10.7.1 PRINCIPAL STATUTORY AUDITORS

GRANT THORNTON

French member of GRANT THORNTON INTERNATIONAL

Represented by Amandine Huot-Chailleux

29 rue du Pont – 92200 Neuilly-sur-Seine

Date first appointed: General Meeting of 30 October 2007

Current term of office expires: Annual Ordinary General Meeting to approve the financial statements for the financial year ending 31 December 2024.

FCN

Represented by Jean-Michel François

45 rue des Moissons - 51100 Reims

Date first appointed: General Meeting of 29 June 2010

Current term of office expires: Annual Ordinary General Meeting to approve the financial statements for the financial year ended 31 December 2021.

10.7.2 ALTERNATE STATUTORY AUDITORS

FCF

Represented by Nathalie Drouard

45 rue des Moissons - 51100 Reims

Date first appointed: General Meeting of 29 June 2010

Current term of office expires: Annual Ordinary General Meeting to approve the financial statements for the financial year ended 31 December 2021.

10.7.3 STATUTORY AUDITORS 'FEES

	FCN		Grant Thornton		Safir Audit		EY France*
	Financial year ended 31/12/2020	Financial year ended 31/12/2019	Financial year ended 31/12/2020	Financial year ended 31/12/2019	Financial year ended 31/12/2020	Financial year ended 31/12/2019	Financial year ended 31/12/2020
Audit							
• Audit of financial statements							
<i>Issuer</i>	€113,995	€114,591	€122,914	€115,421	-	-	-
<i>Subsidiaries</i>	€89,904	€80,708	€76,170	€74,182	€5,818	€5,583	€13,818
• Ancillary assignments	€1,250	-	€6,243	€17,925	-	-	-
SUB-TOTAL	€205,149	€195,299	€205,327	€207,528	€5,818	€5,583	€13,818
Other services							
• Legal, fiscal, labour	-	-	-	-	-	-	-
• Information technology	-	-	-	-	-	-	-
• Internal audit	-	-	-	-	-	-	-
• Other (if > 10% of audit fees)	-	-	-	-	-	-	-
SUB-TOTAL	-	-	-	-	-	-	-
TOTAL	€205,149	€195,299	€205,327	€207,528	€5,818	€5,583	€13,818

* EY France is the statutory auditor for certain FRF companies falling within the scope of full consolidation as of 31/12/2020.

10.8 DOCUMENTS AVAILABLE TO THE PUBLIC

During the validity period of this Universal Registration Document, material versions of the following documents (or copies thereof) may be consulted at the Company's registered office: 1 Rue René Cassin - 51430 Bezannes:

- the Company's Memorandum and Articles of Association;
- the historical financial information of the Company and its subsidiaries for the two financial years preceding the publication of this Universal Registration Document;

- all reports, letters and other documents, historical financial information, valuations and statements prepared by an expert at the Company's request, some of which are included or referred to in this Universal Registration Document.

Regulated information, as defined by the French Financial Markets Authority's General Regulations, is also provided on the Company's website (www.frey.fr).

CROSS-REFERENCE TABLE

The cross-reference table below can be used to identify the information required under annexes 1 and 2 of Delegated Regulation (EC) no. 2019/980 of 14 March 2019 in accordance with the URD framework.

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on PEFC certified paper produced from sustainably managed forest.



Public limited company (*Société Anonyme et Société à Mission*) with a share capital of €61,508,157.50
Registered office: 1, rue René Cassin - 51430 Bezannes - France
398 248 591 REIMS Trade and Companies Registry
ISIN: FR0010588079