

**UNIVERSAL
REGISTRATION
DOCUMENT
2021**

including the annual financial report
(New version of the Registration Document)

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www.frey.fr



The Universal Registration Document was filed on 25 March 2022 with the French Financial Markets Authority (*Autorité des marchés financiers* - AMF) 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 this Universal Registration Document:

- the consolidated financial statements of the Group at 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 "Statutory Auditors' report 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 consolidated financial statements of the Group on 31 December 2020 and the report from FREY's Statutory Auditors on the said consolidated financial statements presented in the Chapters "Consolidated financial statements" and "Statutory Auditors' report on the consolidated financial statements" of the Universal Registration Document filed on 9 April 2021 with the French Financial Markets Authority under reference D.21-0282 (the "2020 Universal Registration Document") on pages 111 and 153;
- the special report prepared by FREY's Statutory Auditors on the related-party agreements and undertakings for the financial year ended 31 December 2020, which are set out in the Chapter entitled "Related-party transaction" (page 195) of the 2020 Universal Registration Document;
- a review of FREY Group's financial position and results for the financial year ended 31 December 2020 taken from the Chapter entitled "management report" of the 2020 Universal Registration Document (pages 14-33);
- 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 2019 Registration Document, the 2020 Universal Registration Document and this 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).



MEETING WITH ANTOINE FREY

« With its status as a B Corp™ certified “*Entreprise à Mission*”, a first in France for a listed company, FREY is driven by a committed vision for a more responsible economy and society.

And as we know just how the retail is essential to urban diversity, social link, local economic resilience and environmental transition, the FREY’s mission is restoring retail as a service for the common good.

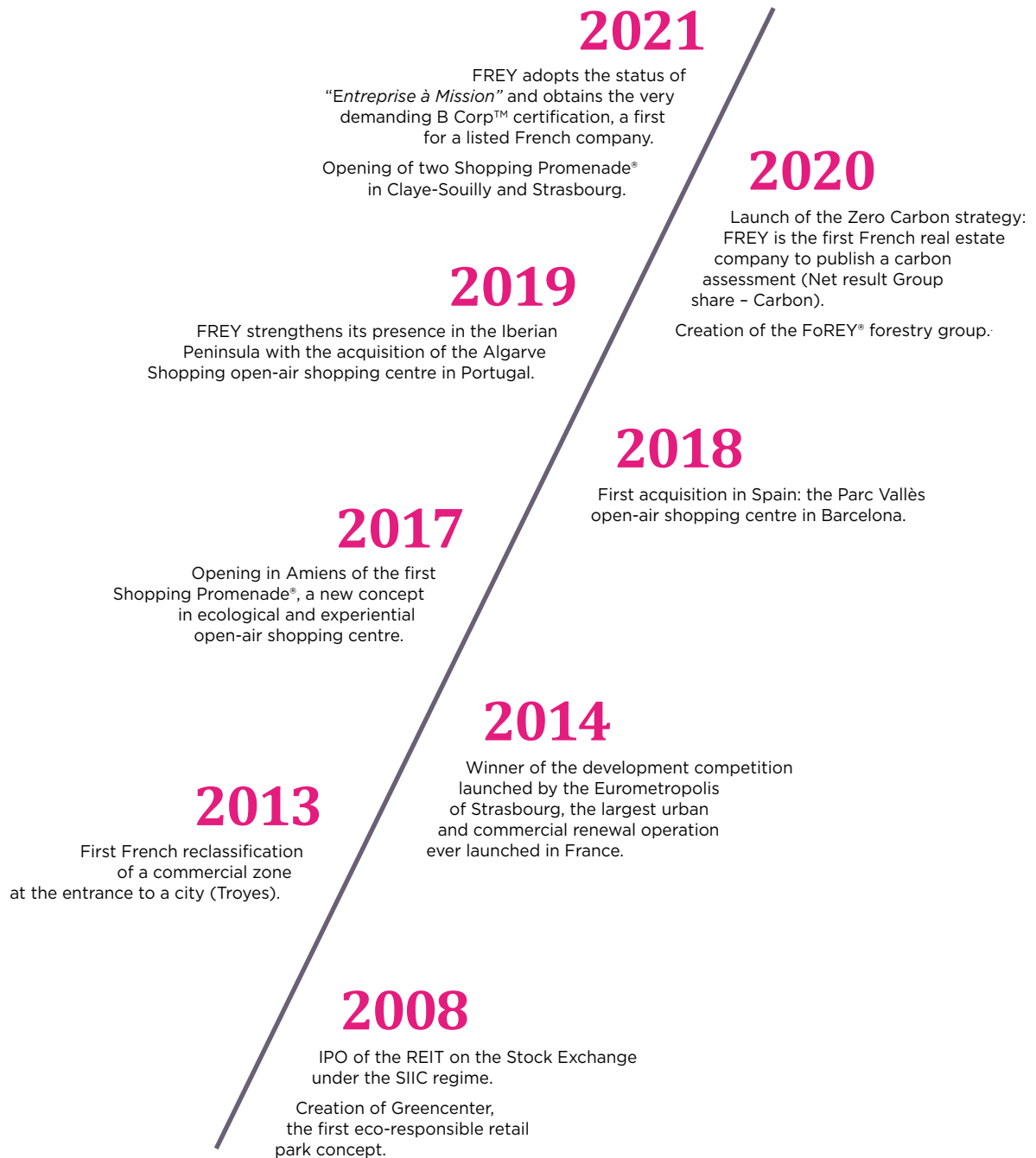
We are thus giving all our stakeholders the guarantee of the level of excellence of our ESG commitments but also to always develop, invest and manage a sustainable retail. »

ANTOINE FREY,

Chairman and Chief Executive Officer



HISTORY OF THE GROUP



KEY FIGURES

ECONOMIC PORTFOLIO⁽¹⁾

€1,423m / +14%

ANNUALISED RENTAL INCOME⁽¹⁾

€80.6m / +36%

PROFIT FROM RECURRING OPERATIONS⁽²⁾

€53.0m / +25%

NET PROFIT - GROUP SHARE

€65.4m / +2,662%

GOING CONCERN NAV PER SHARE

€32.7 / +2,5%

LTV INCLUDING STAMP DUTY

32.2% / -20 bps

PROPOSED DIVIDEND PER SHARE

€1.60 / +6,7%

(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 annualised rental income are discussed in Section 1.1.1.5 of the management report.

(2) The profit/(loss) from recurring operations does not take into account the impact of the health crisis, amounting to €6.1 million, presented in the line item "Waivers of rent receivables granted" of 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 2021 and 31 December 2020, prepared in accordance with IFRS and certified by the Statutory Auditors.

CONDENSED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2021 AND 31 DECEMBER 2020

Assets (in €m)	Consolidated data - IFRS	
	31/12/2021	31/12/2020
Goodwill	5.9	11.1
Investment property	1,487.9	1,316.2
Equity interests in associates	14.6	16.9
Other non-current assets	38.7	23.4
NON-CURRENT ASSETS	1,547.1	1,367.6
Inventories	36.3	40.2
Cash and cash equivalents	84.5	56.2
Other current assets	74.8	75.1
CURRENT ASSETS	195.6	171.5
Assets held for sale	12.8	17.7
TOTAL ASSETS	1,755.5	1,556.8

Liabilities (in €m)	Consolidated data - IFRS	
	31/12/2021	31/12/2020
EQUITY	966.3	822.4
Long-term financial liabilities	658.5	549.2
Other non-current liabilities	40.9	24.7
TOTAL NON-CURRENT LIABILITIES	699.4	573.9
Short-term financial liabilities	15.5	27.8
Other current liabilities	74.3	121.6
TOTAL CURRENT LIABILITIES	89.8	149.4
Liabilities related to a group of assets held for sale	-	11.1
TOTAL LIABILITIES	1,755.5	1,556.8

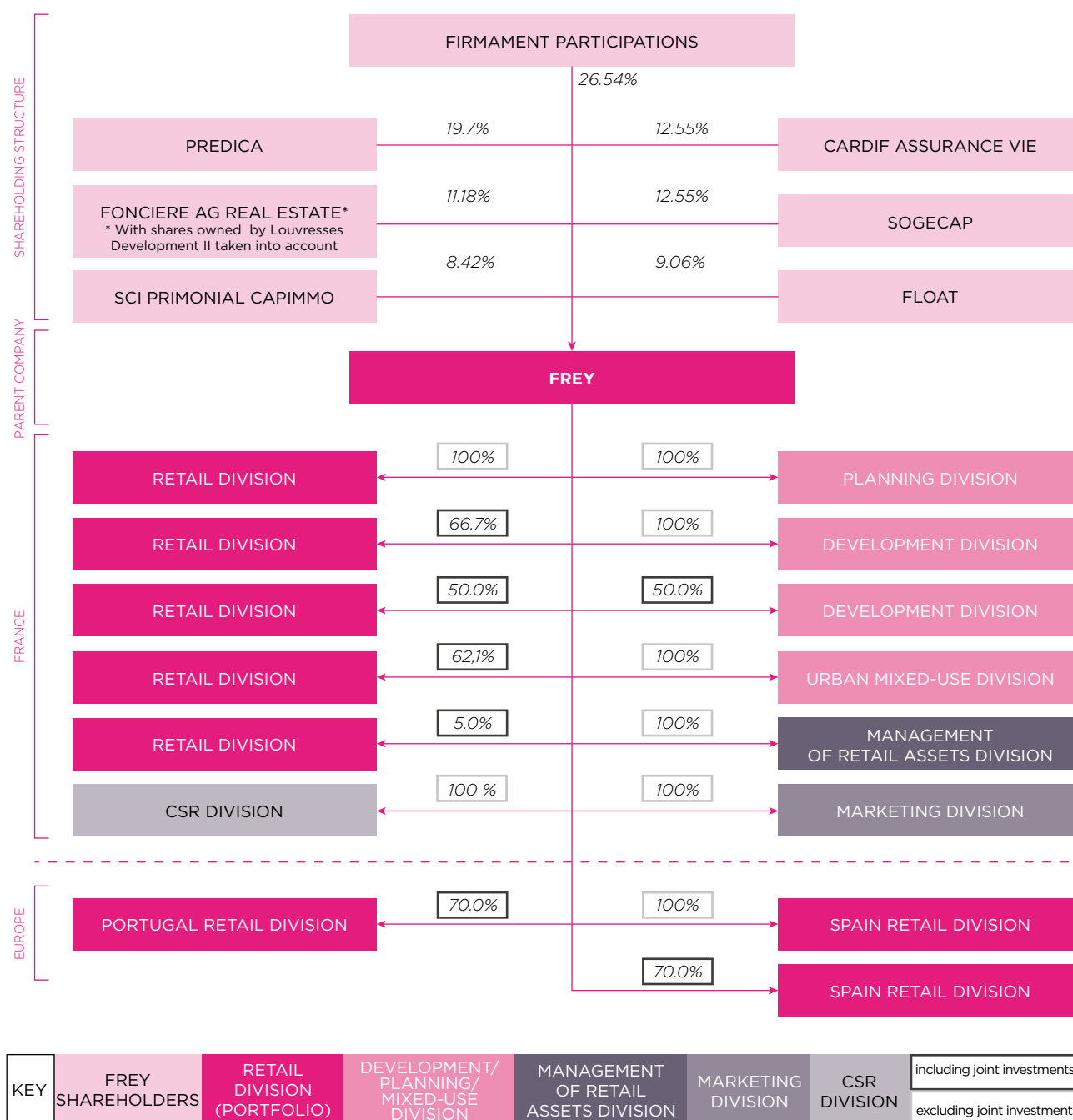
CONDENSED INCOME STATEMENTS AT 31 DECEMBER 2021 AND 31 DECEMBER 2020

(In €m)	Consolidated data - IFRS	
	31/12/2021	31/12/2020
Revenue	98.7	107.2
Cost of development invoiced	-4.0	-25.0
Overheads & Non-recoverable expenses	-39.8	-33.7
Other income and expenses	2.5	-1.3
Taxes and duties	-1.0	-1.5
Allocations to and reversals of depreciation, amortisation and provisions	-3.4	-3.5
PROFIT/(LOSS) FROM RECURRING OPERATIONS	53.0	42.3
Other operating income and expenses	-5.8	-10.0
<i>Of which waivers of rent receivables granted</i>	<i>-1.0</i>	<i>-6.1</i>
Fair value adjustments of investment property	28.8	-19.3
OPERATING PROFIT/(LOSS)	76.0	-13.1
Share of net profit/(loss) of associates	2.5	-1.8
OPERATING PROFIT/(LOSS) AFTER SHARE OF NET PROFIT/(LOSS) OF ASSOCIATES	78.6	11.3
Cost of net financial debt	-10.9	-9.8
Fair value adjustments of financial assets	8.3	0.8
Income tax	-3.7	1.4
NET PROFIT/(LOSS)	72.2	3.7
Group Share	65.4	2.4
<i>Net earnings per share (in €) - Group share</i>	<i>2.6</i>	<i>0.1</i>
<i>Diluted earnings per share (in €) - Group share</i>	<i>2.6</i>	<i>0.1</i>

CASH FLOW STATEMENT AT 31 DECEMBER 2021 AND 31 DECEMBER 2020

(In €m)	Consolidated data - IFRS	
	31/12/2021	31/12/2020
Cash flow from operating activities	51.5	37.8
Cash flow from investing activities	-148.9	-106.0
Cash flow from financing activities	125.7	26.8
CHANGE IN NET CASH AND CASH EQUIVALENTS	28.3	-41.4
Cash and cash equivalents - Opening balance	55.9	97.3
Cash and cash equivalents - Closing balance	84.2	55.9

GROUP OVERVIEW AS OF 31 DECEMBER 2021



A comprehensive list of the Company's subsidiaries is provided in Appendix 3 of the management report for the financial year ended 31 December 2021, 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 2021, 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 2021

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 2021 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 Mission Committee's report;
- the special report of the Board of Directors on allocations of free shares for the 2021 financial year;
- the additional report of the Board of Directors on the use of the delegation to increase the Company's capital with maintenance of shareholders' preferential subscription rights;
- the various Statutory Auditors' reports.

The reports listed above, the annual 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 2021.

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.



◀ **Shopping Promenade®**
Coeur Alsace
Vendenheim (67)

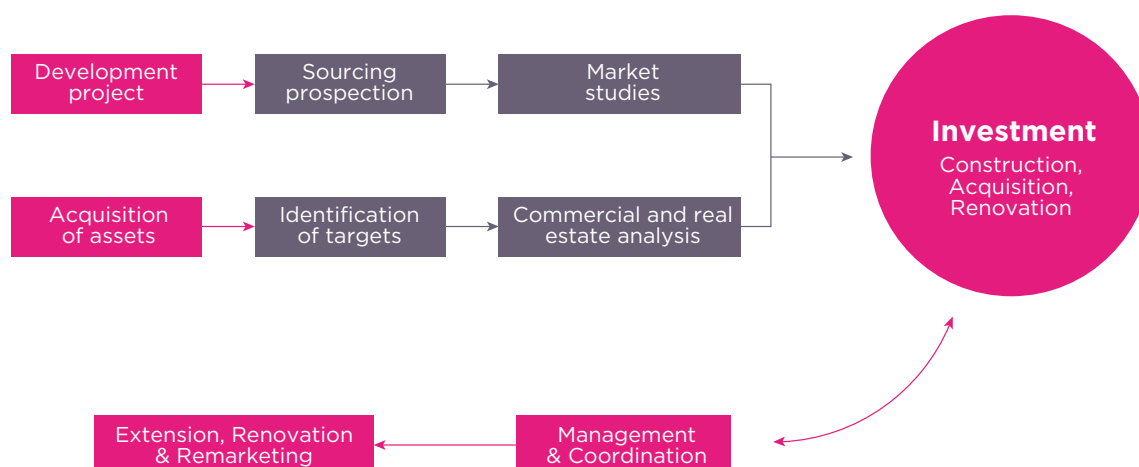
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1.1 Company and Group activities

1.1.1 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

FREY is a property investment company specialised in open-air 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:



In financial year 2021, the Group's business was impacted by the Covid-19 epidemic.

Context and measures taken

The third wave of the pandemic impacted the first half of 2021, with significant restriction measures in France and Iberia, closing our assets for an average of 1.9 months.

The 2021 recovery rate nevertheless remained at a robust level of 94.5%.

97.2% of the rental income and expenses for the 2020 financial year were collected, proof that FREY's support for its brands has made their relations long-lasting.

The impact of the health crisis on the income statement at 31 December 2021 amounted to -€4.5 million. It was recognised in (i) Revenue for -€4.3 million, (ii) Other income for €0.7 million, (iii) Other operating expenses for -€1.0 million, (iv) Share of net profit (loss) of associates for -€0.1 million and, (v) Net profit (loss) attributable to non-controlling interests for €0.2 million.

1.1.1.1 Consolidated rental portfolio

During the first half of 2021, the Group's business was notably marked by:

- the sale of units in Claye-Souilly (6,700 m²), and assets in Rennes, Le Pontet and Arras (10,100 m²);
- the opening of Shopping Promenade® Claye-Souilly (46,500 m²) and Shopping Promenade® Cœur Alsace (51,000 m²);
- the acquisition of Carré Sud in Nîmes (34,500 m²).

The leasable area of the Group's consolidated portfolio at 31 December 2021 amounted to 578,450 m² compared with 467,450 m² at the end of 2020. They generated €72.9 million in gross rental income in 2021 (compared with €59.5 million in the 2020 financial year).

At 31 December 2021, the appraised value of this asset portfolio, excluding stamp duty, was €1,399 million in 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 2021, the investments made by the Group (deliveries, acquisitions and works) in the economic portfolio in operation amounted to €138.6 million.

At 31 December 2021, the Group's economic portfolio represented a leasable area of 551,165 m² with annualised rental income of €80.6 million (including variable rental income). The total economic portfolio amounted to €1,422.9 million.

On a like-for-like basis, annualised rental income across the economic portfolio in operation was up +2.3%.

1.1.1.3 Assets under management

The leasable area of the operated portfolio managed by the Group at 31 December 2021 amounted to 665,350 m² compared with 553,950 m² at end-2020. It represented annualised rental income of €100.4 million compared with €79.5 million at end-2020.

These leasable areas consist 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 consolidation scope

Entry into the consolidation scope

On 27 January 2021, the SOCIAL MARKET association was created. Its main purpose is to manage and run spaces dedicated to the social and solidarity economy and in particular to second-hand products market players, in the form of solidarity stores, within rented units on the Group's sites.

This association, of which FREY is a member, is fully consolidated.

On 27 April 2021, the company PORTE DE LOIRE INVEST was created. Its purpose is to acquire a plot of land to be built on, to build properties on this land for all purposes with a view to their sale, and to obtain all credit lines, loans and guarantees needed to achieve the corporate purpose of the company.

1.1.1.5 Overview of the Group's asset portfolio

The Group's asset portfolio at 31 December 2021 following these transactions is shown in the table below (in € million, excluding stamp duty):

Value of the asset portfolio in operation		Annualised rental income of the asset portfolio in operation	
Investment property	1,487.9	Rents recognised	72.9
+ Properties held for sale	8.5	- Re-invoicing of work and spreading allowances	-2.4
- Projects under development	-36.7	- Rent-free periods and step rents invoiced	10.8
- Projects under development measured at cost	-60.3	-/+ Impact of disposals/deliveries/acquisitions	5.3
		-/+ Other	-0.4
= CONSOLIDATED PORTFOLIO IN OPERATION	1,399.4	= CONSOLIDATED ANNUALISED RENTAL INCOME IN OPERATION	86.2
- Assets in operation in partnerships (non-FREY share)	-117.5	- Annualised rental income from assets in operation in partnerships (non-FREY share)	-8.5
+ Assets in operation accounted for under the equity method (FREY share)	46.9	+ Annualised rental income from assets in operation (FREY share)	2.9
= ECONOMIC PORTFOLIO IN OPERATION	1,328.7	= ANNUALISED ECONOMIC RENTAL INCOME IN OPERATION	80.6
+ Assets in operation in partnerships (non-FREY share)	117.5	+ Annualised rental income from assets in operation in partnerships (non-FREY share)	8.5
+ Assets in operation accounted for under the equity method (non-FREY share)	194.2	+ Annualised rental income from assets in operation (non-FREY share)	11.3
= TOTAL OPERATED PORTFOLIO	1,640.5	= ANNUALISED RENTAL INCOME IN OPERATION	100.4

This company, 50%-owned by Frey Aménagement et Promotion, is accounted for under the equity method.

On 28 July 2021, FREY acquired, from a group of private investors, shares in the companies BBC PROMOTION and BBC SOLAR, which own the Carré Sud shopping centre in Nîmes, for an amount of €85.7 million with deeds in hand. The acquisition was financed with the Company's own resources.

It should be recalled that, on 28 July 2020, FREY bought 30,384,251 shares in SCRI FRF2, taking its stake from 24.16% to 62.08%. 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.

Exit from consolidation scope

On 22 October 2021, six companies were dissolved without liquidation by Universal Asset Transfer to FRF 2, namely: FRF2-BELFORT, FRF2- BREST ST DIE, FRF2-CHANTEPIE, FRF2-LA FRANCHEVILLE, FRF2-NARBONNE and FRF2-SECLIN.

On 5 November 2021, four companies were the subject of a simplified merger, namely: LA PLAINE and FRP III, grouped at FREY, and CHANTELOUP 01 and CHANTELOUP 02, grouped at IF Clos du Chêne.

On 16 December 2021, SCCV AAP, 50%-owned by Frey Aménagement et Promotion, and consolidated using the equity method, was dissolved.

1.1.1.6 Development on behalf of third parties

For the 2021 financial year, real estate development sales amounted to €4.2 million.

- Sale of a lot in Saint Quentin (02).
- Sale of a lot as part of the development of the Vendenheim area (67).

1.1.1.7 Development

Over the 2021 financial year, three projects were delivered:

- 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 64,700 m², of which 51,000 m² will be retained in the asset portfolio;
- Cesson Woodshop (77): a Galets extension representing a total surface area of 860 m² held in the portfolio.

Work on a project (Docks de Saint Ouen) is under way, representing a total surface area of 24,000 m², with openings scheduled between 2022 and 2024.

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

On 15 December 2021, FREY carried out a capital increase for a gross amount of €102.1 million by issuing 3,404,016 new shares. The share capital was thus increased to €70.9 million.

1.1.1.9 Financing

In July 2021, FREY signed a one-year extension of the maturity date of the €70.0 million corporate credit line, *i.e.* until 25 September 2026, as well as of the €100.0 million corporate credit line, *i.e.* until 25 July 2027.

In November 2021, FREY signed two medium-term credit lines with ESG (environmental, social and governance) performance criteria for a total amount of €150 million over five years, with extension options. The financial conditions of these credit lines are linked to compliance with four major CSR commitments by 2030, namely: continued investment in and operation of sustainably managed French forests through FoREY; obtaining environmental certifications; developing low-carbon mobility; and maintaining the B Corp[™] certification obtained in 2021.

This new type of financing allows FREY to align its goal of strengthening the Group's liquidity with the implementation of its ESG commitments.

These corporate credit lines will provide funding for ongoing development projects or for 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 September 2021, 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 Distribution of dividends

The General Meeting of shareholders on 11 May 2021 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 2020 dividend was subscribed for 92.95% of the option rights and resulted in the creation of 359,524 new ordinary shares, delivered on 4 June 2021.

The dividend paid in cash amounted to €26.6 million taking into account treasury shares.

1.1.2 PROGRESS MADE AND DIFFICULTIES ENCOUNTERED DURING THE FINANCIAL YEAR

Over the year in 2021, given the health situation, the Group's rental activity was also impacted by the temporary closures of businesses due 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 AFTER THE REPORTING PERIOD

In January 2022, FREY added ESG (environmental, social and governance) performance criteria to all its corporate financing currently in place. This adjustment of all the Group's corporate debt took place after the inaugural signature, on 10 November 2021, with its historical banking partners, of two medium-term credit lines with ESG performance criteria for a total amount of €150 million over five years. FREY therefore amended its existing contracts (total outstandings of €520 million) to transform them into responsible lines. Responsible bank loans with a CSR component now represent 100% of the Group's corporate financing. On 18 February 2022, FREY signed a medium-term credit line with ESG (environmental, social and governance) performance criteria for a total amount of €70 million over five years, with extension options.

1.1.4 INFORMATION ON TRENDS

1.1.4.1 Outlook and strategy

Since its creation, FREY established itself as one of the most innovative players in its sector, promoting a sustainable approach to retail. A pioneer of ecological retail parks, the inventor of a new generation of open-air shopping centres, the leading French operator specialising in the redevelopment of peri-urban commercial areas, FREY, a “*Entreprise à Mission*” B Corp™-certified, is committed daily to a more responsible society, which is respectful of the environment and socially beneficial to its ecosystem and its stakeholders.

FREY is also a state of mind, which is embodied in its projects designed to promote social ties and conviviality.

The Group is currently developing 12 large medium-term projects representing 229,270 m² and €605 million in investments⁽¹⁾.

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 2022 in the manner announced to the market and to shareholders.

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 Section 1.4 “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, were subject to business opening restrictions and lockdown measures. A large majority of the Group's tenants have therefore been required to close their doors. However, whether a store was open or closed, there was 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 2021, the Group had €308 million in available liquidity, of which €84 million in cash and cash equivalents and €224 million in corporate credit lines. On that same date, the net LTV ratio was 32.2%.

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 137,000 m² and €447 million in investments in assets to be held by the Group in its portfolio and representing potential rental income of €32.1 million. This pipeline notably includes Promenade Lleida in Spain, the works for which will be launched in 2022, and Open, near the Swiss border, for a total of 105,000 m² and €312 million in investment (€20.5 million in minimum guaranteed rental income for the 88,000 m² retained by the real estate company for a cumulative investment of €280 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 2021 below:

Income statement (in €m)	31/12/2021	31/12/2020	Change
REVENUE	98.7	107.2	-7.9%
Profit/(loss) from recurring operations ⁽¹⁾	53.0	42.4	25.1%
Economic profit/(loss) from recurring operations (Including associates)	55.4	45.7	21.3%
Change in fair value of investment property	28.8	-19.3	249.2%
Change in fair value of investment property of associates	0.6	-4.2	114.2%
Net cost of debt	-10.9	-9.8	11.6%
Profit before tax	75.9	2.3	3,202.3%
Net profit of non-controlling interests	-6.8	-1.3	405.7%
NET PROFIT GROUP SHARE	65.4	2.4	2,662.0%

(1) Profit/(loss) from recurring operations does not take into account the 2020 impact of the Covid-19 health crisis, in the amount of -€1 million at 31 December 2021 compared with -€6.1 million at 31 December 2020, presented on the line item "Waivers of rent receivables granted" in the consolidated income statement.

Balance sheet (in €m)	31/12/2021	31/12/2020	Change
EQUITY GROUP SHARE	907.2	768.2	18.1%
Equity	966.3	822.4	17.5%
Financial debt	606.3	518.4	16.9%
INVESTMENT PROPERTY	1,487.9	1,316.2	13.0%
Development stock	36.3	40.2	-9.7%
Cash and marketable securities	84.5	56.2	50.4%

The Group posted profit from recurring operations of €53.0 million at 31 December 2021, up on 2020 and comprising a number of factors:

- 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 increase in net profit/(loss) was due to changes in the fair value of investment properties and financial instruments.

Change in the fair value at 31 December 2021 amounted to €29.4 million (€28.8 million for the fully consolidated companies and €0.6 million for the associates) as compared to -€23.5 million at 31 December 2020 (-€19.3 million for the fully consolidated companies and -€4.2 million for the associates).

The positive change is explained by the increase in the value of assets held in the portfolio at 31 December 2021 due to the reduction in the capitalisation rates used by the appraisers but also by those used on the assets entering the scope (start-up of projects, deliveries, acquisitions).

The change in fair value generated by the Group on the wholly-consolidated asset portfolio in 2021 breaks down as follows:

1. acquisitions-development €25.4 million;
2. like-for-like basis €3.4 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, BNP 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 analysis of the debt and of the financial ratios is set out below in Section 1.1.6.1.6 of this document entitled "FREY Group's financial position and debt".

1.1.6.1.2 EPRA performance indicators

FREY's performance indicators at 31 December 2021, established in accordance with the best practices defined by EPRA⁽¹⁾ in its recommendations, are presented below.

NAV NRV, NAV NTA and NAV NDV

At 31 December 2021 (in €m)	EPRA NRV	EPRA NTA	EPRA NDV
CONSOLIDATED EQUITY - GROUP SHARE	907.2	907.2	907.2
<i>Including/excluding:</i>			
i) Hybrid instruments	-	-	-
DILUTED NAV	907.2	907.2	907.2
<i>Including:</i>			
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	907.2	907.2	907.2
<i>Excluding:</i>			
v) Deferred tax on the fair value of investment property	25.3	25.3	
vi) Fair value of financial instruments	-6.2	-6.2	
vii) Goodwill resulting from deferred tax	-	-	-
viii.a) Goodwill according to IFRS balance sheet	-	-*	-*
viii.b) Intangible assets under IFRS balance sheet	-	-0.9	-0.9
<i>Including:</i>			
ix) Fair value of fixed-rate debt	-	-	-
x) Revaluation of intangible assets at fair value	-	-	-
xi) Stamp duty	58.8	0.8	-
NAV	985.0	926.2	906.3
Diluted number of shares	28,366,803	28,366,803	26,366,803
Treasury shares	73,605	73,605	73,605
Corrected number of shares	28,293,198	28,293,198	28,293,198
NAV PER SHARE (in €)	34.8	32.7	32.0

* LLEIDA project (Spain): includes goodwill (corresponding to an earnout payment) of €5.9 million, net of allocated debt of €5.9 million. If this project does not go ahead, the goodwill and its allocated debt will be reversed with no impact on equity.

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

At 31 December 2020 (in €m)	EPRA NRV	EPRA NTA	EPRA NDV
CONSOLIDATED EQUITY - GROUP SHARE	768.2	768.2	768.2
<i>Including/excluding:</i>			
i) Hybrid instruments	-	-	-
DILUTED NAV	768.2	768.2	768.2
<i>Including:</i>			
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 properties	-	-	-
DILUTED NAV AT FAIR VALUE	768.2	768.2	768.2
<i>Excluding:</i>			
v) Deferred tax on the fair value of investment property	12.6	12.6	-
vi) Fair value of financial instruments	4.0	4.0	-
vii) Goodwill resulting from deferred tax	-	-	-
viii.a) Goodwill according to IFRS balance sheet	-	-	-
viii.b) Intangible assets under IFRS balance sheet	-	-0.8	-0.8
<i>Including:</i>			
ix) Fair value of fixed-rate debt	-	-	-
x) Revaluation of intangible assets at fair value	-	-	-
xi) Stamp duty	46.2	0.6	-
NAV	831.1	784.7	767.4
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

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)	31/12/2021	31/12/2020
IFRS PROFIT/(LOSS) FROM RECURRING OPERATIONS	53.0	42.4
-/+ Developer's profit/(loss)	-0.2	-4.8
-/+ Capital gains or losses on investment property disposals*	-1.8	0.9
-/+ Recurring financial expenses	-10.9	-9.8
-/+ Recurring taxes on non-REIT activities	-2.3	1.2
EPRA net profit/(loss) from associates	1.9	2.6
EPRA NET PROFIT/(LOSS)	39.6	32.6
EPRA NET PROFIT/(LOSS) PER SHARE	€1.40	€1.33

* 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 this ratio, FREY performs its calculations 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)	31/12/2021	31/12/2020
Value of the operated economic portfolio (excl. stamp duty)	1,328.7	947.5
Value of assets that are not stabilised or being restructured (excl. stamp duty)	-307.7	-3.1
Stamp duty in conveyance for consideration on stabilised assets	70.1	46.2
MARKET VALUE OF PROPERTY HOLDINGS, INCL. STAMP DUTY (A)	1,091.1	990.6
Annualised rental income from the economic portfolio	80.6	59.1
Annualised rental income from the asset portfolio that is non-stabilised or being restructured	-16.7	-0.3
Non-recoverable expenses on stabilised assets	-2.2	-2.1
"TOPPED-UP" ANNUALISED NET RENTAL INCOME (B)	61.7	56.8
Rent-free periods granted on stabilised assets	-2.8	-2.5
ANNUALISED NET RENTAL INCOME (C)	58.9	54.2
EPRA TOPPED-UP NET INITIAL YIELD (B/A)	5.7%	5.7%
EPRA NET INITIAL YIELD (C/A)	5.4%	5.5%

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)	31/12/2021	31/12/2020
Market rent of stabilised vacant areas	1.3	1.4
Market rent of stabilised economic portfolio	62.7	57.0
EPRA VACANCY RATE	2.0%	2.4%

Table of EPRA CAPEX

	31/12/2021		31/12/2020	
(In €m)	100%	Group share	100%	Group share
Acquisitions including stamp duty	85.9	85.9	0.0	0.0
Work on existing asset portfolio excluding development	17.6	16.4	7.0	5.8
Developments	80.7	80.4	64.0	64.0
TOTAL CAPEX	184.1	182.6	71.0	69.8

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

1.1.6.1.3 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 2021

The main aggregates of the balance sheet by operating segment were as follows:

	Property investment activity	Property development	Other	Total
Assets at 31/12/2021 (in €m)				
Investment property	1,487.9	-	-	1,487.9
Investments in associates	14.6	-	-	14.6
Inventories and work-in-progress	-	36.3	-	36.3

	Property investment activity	Property development	Other	Total
Equity & Liabilities at 31/12/2021 (in €m)				
Investments in associates	-	-	-	-
Non-current financial liabilities	608.2	-	50.2	658.4
Current financial liabilities	14.1	0.1	1.3	15.5

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

At 31 December 2021 (in €m)	Property investment activity	Property development	Other	Total	Of which France	Of which Iberian peninsula
Rental income from stabilised assets	60.3					
Non-recoverable expenses on stabilised assets	-2.6					
NET RENTAL INCOME FROM STABILISED ASSETS	57.8			57.8	42.9	14.9
Rental income from unstabilised assets	12.5					
Non-recoverable expenses on unstabilised assets	(1)					
NET RENTAL INCOME FROM UNSTABILISED ASSETS	11.6			11.6	11.6	
Sales		4.3				
Purchase cost of goods sold		-4.0				
DEVELOPER'S PROFIT		0.3		0.3	0.3	
OTHER REVENUE			2.5	2.5	2.5	
GROSS PROFIT				72.1	57.2	14.9
External services				-6.7	-5.5	-1.1
Payroll expenses				-10.5	-10.4	-0.1
Other income and expenses				2.5	2.5	-0.1
Taxes and duties				-1.0	-0.6	-0.4
Amortisation, depreciation and provisions				-3.4	-2.9	-0.5
PROFIT/(LOSS) FROM RECURRING OPERATIONS⁽¹⁾				53.0	40.3	12.8
Other operating income and expenses				-5.8	-5.8	-
Value adjustments of investment property				28.8	27.6	1.2
OPERATING PROFIT/(LOSS)				76.0	62.1	13.9
Share of net profit/(loss) of associates				2.5	2.5	
OPERATING PROFIT/(LOSS) AFTER SHARE OF NET PROFIT/(LOSS) OF ASSOCIATES				78.6	64.6	13.9
Net cost of debt				-10.9	-6.4	-4.5
Value adjustments of financial assets				8.3	8.3	
PROFIT/(LOSS) BEFORE TAX				75.9	66.5	9.4
Income tax				-3.7	-1.7	-2.0
NET PROFIT/(LOSS) OF CONSOLIDATED COMPANIES				72.2	64.8	7.3
Non-controlling interests				-6.7	-5.0	-1.7
NET PROFIT GROUP SHARE				65.4	59.8	5.6

(1) Recurring operating profit does not take into account the 2020 impacts of the Covid-19 health crisis, amounting to -€1 million at 31 December 2021, presented on the line item "Waivers of rent receivables granted" of the consolidated income statement.

The increase in rental income stems from the full-year impact of the change in the method for consolidating FRF companies in July 2020, from the delivery of two Shopping Promenade[®], in Claye and Cœur Alsace, in March 2021, and from the acquisition of Carré Sud in July 2021.

Property development revenue mainly stems from the development projects in Strasbourg - Vendenheim (67).

At 31 December 2020

The main aggregates of the balance sheet by operating segment were as follows:

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

Equity & Liabilities at 31/12/2020 (in €m)	Property investment activity	Property development	Other	Total
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	1.1					
Non-recoverable expenses on unstabilised assets	-					
NET RENTAL INCOME FROM UNSTABILISED ASSETS	1.1			1.1	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/(LOSS) 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/(LOSS)				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/(LOSS) 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/(LOSS) GROUP SHARE				2.4	8.2	-5.8

(1) Profit/(loss) from recurring operations does not take into account the 2020 impacts of the Covid-19 health crisis, amounting to -€6.1 million at 31 December 2020, presented on the line item "Waivers of rent receivables granted" of the consolidated income statement.

1.1.6.1.4 Subsidiaries and equity investments

The table summarising the information regarding all of the Company's subsidiaries at 31 December 2021 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 2021 financial year:

Company	% ownership
SOCIAL MARKET	100% (adherence)
PORTE DE LOIRE INVEST	50% (direct holding)
BBC PROMOTION	100% (direct holding)
BBC SOLAR	100% (direct holding)

1.1.6.1.5 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 2021 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 2021 is summarised in the following tables:

(In €m)	31/12/2021	31/12/2020
Revenue	2.4	1.8
Operating income/(expense)	-2.3	-3.0
Net financial income/(expense), incl. share of subsidiaries' profits/(losses)	0.3	4.0
Net non-recurring income/(expense)	0.2	-2.4
Net profit/(loss)	-1.7	-0.7
Equity	2.5	-5.8
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:

- marketing/remarketing;
- rental management;
- 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 €6.7 million during the 2021 financial year, which consisted exclusively of the fees invoiced for these services.

A net profit of €0.3 million was recorded in the 2021 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 €2.6 million and primarily consisted of rental income.

A €0.8 million profit was recorded in the 2021 financial year.

Activities and results of SNC IF PLEIN SUD

SNC IF PLEIN SUD 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 2021, the extension consisting of two units with a surface area of 1,370 m² GLA was completed and delivered.

Revenue for the period amounted to €2.65 million and consisted exclusively of rental income.

A €1.12 million profit was recorded in the 2021 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).

During the 2021 financial year, the Company acquired two additional buildings previously held under real estate leasing agreements, with a surface area of 8,202 m² and 11,521 m² respectively, as well as the acquisition of the Leclerc drive-through extension.

At 31 December 2021, it therefore held a portfolio of 25,800 m² GLA, entirely located in Marne-la-Vallée-Montévrain (77).

Revenue for the period amounted to €3.0 million and primarily consisted of rental income.

The 2021 financial year showed a deficit of €1.8 million.

Activity and results of SAS IF Clos du Chêne

In 2021, SAS IF Clos du Chêne merged, through a merger-acquisition, with SAS CHANTELOUP 01 and SAS CHANTELOUP 02.

At 31 December 2021, it therefore held a portfolio of 28,300 m² GLA, entirely located in Marne-la-Vallée-Montévrain (77).

SAS IF Clos du Chêne is a wholly-owned FREY subsidiary.

Revenue for the period amounted to €2.5 million and consisted exclusively of rental income.

A €0.2 million deficit was recorded in the 2021 financial year.

The entire Clos du Chêne division, including SAS IF Clos du Chêne and SNC IF CHÊNE VERT, was embellished with a third phase of Street Art, including 19 new monumental frescoes.

Activity and results of SCI IF ZCN INVESTISSEMENT

SCI IF ZCN INVESTISSEMENT is a subsidiary 99%-owned by FREY and 1%-owned by Frey Aménagement et Promotion.

On 17 March 2021, it opened its 51,000 m² Shopping Promenade Cœur d'Alsace.

Revenue for the period amounted to €5.9 million and consisted exclusively of rental income.

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-Pleurduit (35).

Revenue for the period amounted to €0.7 million and primarily consisted of rental income.

A €0.3 million deficit was recorded in the 2021 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%-owned 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 €2.1 million in 2021 and consisted entirely of rental income.

A loss of €0.61 million was recorded in the 2021 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 €6.3 million in 2021 and consisted entirely of rental income.

A €0.7 million profit was recorded in the 2021 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 2021, Albufeira Retail's revenue amounted to €1.3 million and consisted entirely of rental income.

A €0.9 million profit was recorded in the 2021 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 2021, Algarve Shopping's revenue amounted to €7.7 million and consisted entirely of rental income.

During the same period, its net profit amounted to €7.0 million.

1.1.6.1.6 FREY Group's financial position and debt

Information regarding FREY Group's financing

BANK DEBT

In July 2021, FREY signed a one-year extension of the maturity date of the €70.0 million corporate credit line, i.e. until 25 September 2026, as well as of the €100.0 million corporate credit line, i.e. until 25 July 2027.

In November 2021, FREY signed two medium-term credit lines with ESG (environmental, social and governance) performance criteria for a total amount of €150 million over five years, with extension options. The financial conditions of these credit lines are linked to compliance with four major CSR commitments by 2030, namely: continued investment in and operation of sustainably managed French forests through FoREY; obtaining environmental certifications; developing low-carbon mobility; and maintaining the B Corp™ certification obtained in 2021.

This new type of financing allows FREY to align its goal of strengthening the Group's liquidity with the implementation of its ESG commitments.

These corporate credit lines will provide funding for ongoing development projects or for 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 September 2021, 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.

Following these transactions, the balance of the bank debt drawn down by Group companies (excluding associates) at 31 December 2021 was €602.2 million, including €516.5 million under corporate credit lines.

(In €m)	31/12/2021	31/12/2020
IFRS non-current bank loans (incl. corporate credit lines)	591.4	483.5
IFRS non-current finance lease liabilities (CBI)	10.6	26.2
IFRS current bank loans (incl. corporate credit lines)	2.4	17.4
IFRS current finance lease liabilities (CBI)	2.1	3.5
Less accrued interest	-	-
IFRS adjustment of loan issue costs	-4.2	-4.2
TOTAL BANK DEBT	602.3	526.4

The maturity of the Group's bank debt works out at 4.3 years, compared with 4.5 years at end-2020.

At 31 December 2021, 99.4% of Group debt is variable rate (3-month Euribor). However, as a result of the arrangement of interest rate hedges (swaps and caps), 92.0% of the Group's debt is not exposed to interest rate movements.

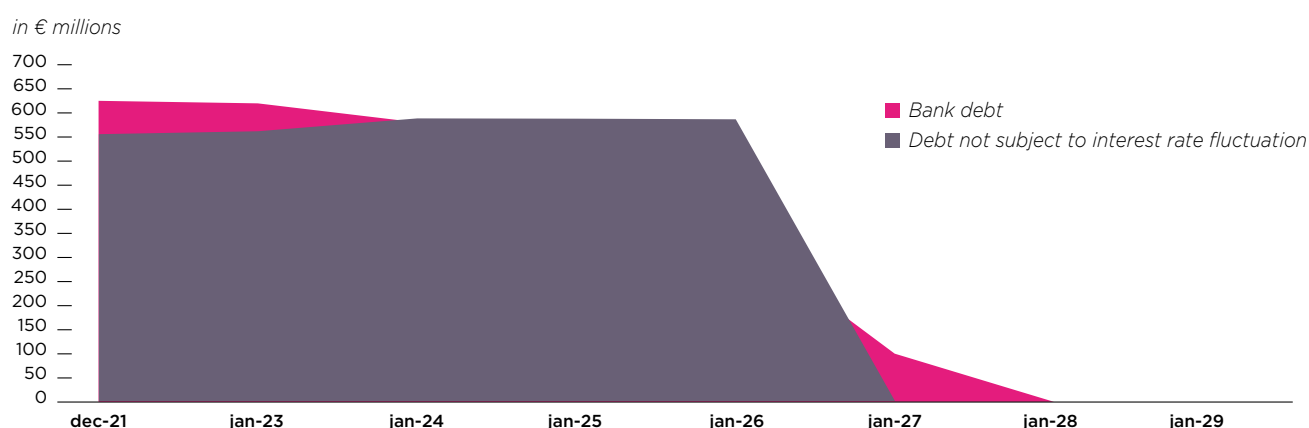
The average spread on the Group's bank debt at 31 December 2021 was 1.39%, versus 1.49% at 31 December 2020.

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 2021 of (0.572%) worked out at 1.38%, breaking down into an average rate of 1.90% on the mortgage loans and 1.29% 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:

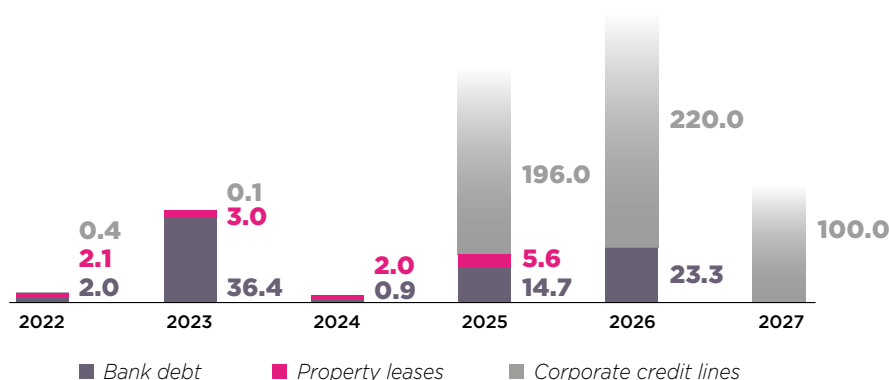
(In €m)	-100 pts	-50 pts	E3M	+50 pts	+100 pts
Net cost of debt	-9.1	-9.8	-10.9	-12.0	-12.6
Impacts	1.7	1.1	-	-1.1	-1.7

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 balance sheet. 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 2021 had a value of €6.2 million (excluding accrued interest), compared with -€5.3 million at 31 December 2020.

The impact of the change in the fair value of financial instruments was recognised in profit or loss for a negative amount of €8.3 million, excluding deferred tax. This change includes the change in the value of 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 2021, 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 31/12/2021
€18.8 million	> 120%	491.6%
€1.1 million	>= 110%	219.1%

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

ICR ratios

Relevant debt	Required ratios	Ratios at 31/12/2021	Ratios at 31/01/2022
€18.8 million	> 2.0	9.3	-
€35.4 million	> 200%	-	640%

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 31/12/2021
€18.8 million	< 65.0%	28.4%
€35.4 million	< 60.0%	52.1%

RATIOS RELATING TO THE CONSOLIDATED FINANCIAL STATEMENTS

Consolidated ratios	LTV including stamp duty	ICR	Collateralised debt
Relevant debt	€516.0 million	€516.0 million	€516.0 million
Required ratios	<= 60.0%	>= 2.0	< 20.0%
Ratios at 31/12/2021	32.2%	5.8	5.6%

CASH FLOW

Consolidated data (in €m)	31/12/2021	31/12/2020
Cash flow from operating activities	51.5	37.8
Cash flow from investing activities	-148.9	-106.0
Cash flow from financing activities	125.7	26.8
Change in net cash and cash equivalents	28.3	-41.4
Cash and cash equivalents - Opening balance	55.9	97.3
Cash and cash equivalents - Closing balance	84.2	55.9

The Group's consolidated cash position showed an investment and cash balance of €84.2 million at 31 December 2021 compared with €55.9 million at 31 December 2020.

The 2021 cash flows from operating activities include gross cash flows of €45.3 million and an increase in working capital requirements of €7.5 million. The resulting cash flow generated by the business activities was €51.5 million.

Cash flow from investing activities in 2021 recorded a net outflow of €148.90 million relating to the projects underway and to the acquisitions made over the period.

Cash flows from financing activities were positive at €125.7 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.

1.1.6.2.1 Revenue

Revenue for the financial year ended 31 December 2021 amounted to €22.2 million, and broke down as follows:

Revenue (in €m)	31/12/2021	31/12/2020
Rental income	16.2	9.0
Provision of intra-group services	4.3	3.9
Off-plan sales - Construction	0.7	2.7
Entry fees	0.1	0.1
Rental management fees	0.3	0.1
Marketing trustee fees	0.1	-
Re-invoicing of work	0.5	1.2
TOTAL	22.2	17.0

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

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 €224 million in available corporate credit lines, as well as available cash amounting to €84 million.

Group financing plan

The projects under construction at 31 December 2021 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 2021 to 31 December 2021.

1.1.6.2.2 Results of the financial year

The amounts of the most significant items in the corporate financial statements for the financial year ended 31 December 2021 are set out in the following table:

Income statement (in €m)	31/12/2021	31/12/2020
Revenue	22.2	17.0
Operating income/(expense)	-7.5	-2.8
Net financial income/(expense)	-3.3	23.0
Pre-tax profit/(loss)	-11.3	19.8
Incl. share of subsidiaries' profits/(losses) and dividends	2.5	10.8
Net non-recurring income	0.6	2.3
Net profit/(loss)	-9.9	21.9

Balance sheet (in €m)	31/12/2021	31/12/2020
Equity	534.3	468.7
Bank debt	536.3	379.8
Current accounts (net receivable)	442.2	412.4
Financial investments	285.1	226.1
Gross land + buildings	315.0	125.8
Cash and marketable securities	12.1	6.9

FREY's asset portfolio amounted to 169,452 m² at 31 December 2021, with annualised rental income of €22.7 million.

The negative **operating income** of 2021 is in particular due to:

- the increase in depreciation expenses and allowances related to the delivery of the Claye-Souilly (77) Shopping Promenade in 2021 and the mergers of FRP III and PLAINE;
- fees connected with the Group's financing;
- impairments and bad debts from customers;
- the resumption of activity and the increase in ancillary expenses (unlike 2020, which was marked by two lockdowns);
- the write-off of certain unsuccessful projects and the creation of a solidarity store.

The negative **financial income** was mainly due to:

- the increase in interest expenses related to the provision of the Group's cash;
- the impairment of FREY subsidiaries and the FAP capital increase by incorporation of the FREY current account.

Non-recurrent income was positive, amounting to €0.6 million, and was mainly due to the sale of the EST building on our Claye-Souilly site (formerly FRP III).

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

FREY generated a loss of €9.9 million in the financial year.

The General Meeting will be asked to pay a dividend amounting to €45,386,884.80 (i.e. €1.60 per share) payable in cash, on the understanding that the shares held as treasury shares at the payment date will not be entitled to this dividend.

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. €1.60/share).

Allocation of net profit (in €)	31/12/2021
2021 earnings	-9,863,710.94
Retained earnings of previous financial years	-
Legal reserve	-
BALANCE OF RETAINED EARNINGS ACCOUNT FOLLOWING APPROPRIATION OF 2021 EARNINGS	-9,863,710.94

Distributable reserves (in €)	31/12/2021
2021 earnings	-
Allocation to legal reserves	-
Issue premium	469,738,577.61
DISTRIBUTABLE RESERVES	469,738,577.61

Distribution of dividends (in €)	31/12/2021
Deduction to be recognised in profit and loss for the financial year	-
Deduction to be made to the issue premium account	45,386,884.80
DIVIDENDS	45,386,884.80

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.

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;

- 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 opted in.

The total amount of these three obligations was positive for the 2021 financial year, but obligations are limited to SIIC taxable income for the financial year after allocation of tax losses carried forward from the previous financial year.

As the accounting profit for 2021, less retained earnings and legal reserves, was negative, FREY postponed its distribution obligations in respect of 2021.

The dividend payment will therefore 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 2020 dividend	2021 tax income	Tax deduction of the dividends	Balance available following payment of the 2021 dividend
REIT income	12,205,900	16,044,796	-	28,250,696
Other distributable earnings and reserves	27,992	-2,682,785	-	-2,654,792
TOTALS	12,233,892	13,362,011	-	25,595,904

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 since 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

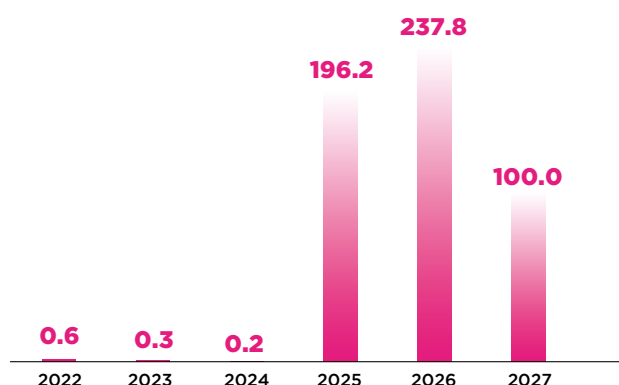
In accordance with the law, we hereby inform you of the amount of the dividends distributed in respect of the last three financial years:

(In €)	Dividends per share	Amount of dividend distributed
Financial year ended 31/12/2018	1.20	22,097,570
Financial year ended 31/12/2019	1.50	35,294,969
Financial year ended 31/12/2020	1.50	36,875,574

1.1.6.2.5 SA FREY's financial position and debt

At 31 December 2021, the Company's debt amounted to €535.3 million and mainly comprised 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 2021.

Individual ratios	LTV excluding stamp duty	DSCR	ICR
Relevant debt	€18.8 million	€18.8 million	€18.8 million
Required ratios	< 65.0%	> 120%	> 2.0
Ratios at 31/12/2021	28.4%	491.6%	9.3

Consolidated ratios	LTV Including stamp duty	ICR	Collateralised debt
Relevant debt	€516.0 million	€516.0 million	€516.0 million
Required ratios	<= 60.0%	>= 2	< 20.0%
Ratios at 31/12/2021	32.2%	5.8	5.6%

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 2021

1.2.1 INVESTMENT PROPERTY

The value of the Group's operated investment property, excluding stamp duty, at 31 December 2021, as determined by applying the percentage interest in each asset, amounted to €1,328.7 million, €64.8 million of which was held *via* finance leases.

Investment property excl. stamp duty (in €m)	31/12/2021	31/12/2020
Wholly-owned assets		
Operated assets	1,048.0	651.0
Projects under development measured at fair value	36.7	258.6
Land measured at fair value	0.5	0.5
Projects under development measured at cost	50.6	37.3
IFRS INVESTMENT PROPERTY - WHOLLY-OWNED	1,135.8	947.4
Partnerships – Percentage interest held		
Operated assets	233.8	250.2
Projects under development measured at fair value	-	-
Projects under development measured at cost	6.3	5.8
IFRS INVESTMENT PROPERTY - STAKE UNDER 100%	240.1	256.0
Associates – Percentage interest held		
FRF operated assets	-	-
Assets operated by Other associates	46.9	46.3
Projects under development at fair value by Other associates	-	-
Projects under development at cost FRF + Other associates	-	-
INVESTMENT PROPERTY OF ASSOCIATES	46.9	46.3
TOTAL ECONOMIC INVESTMENT PROPERTY	1,422.9	1,249.7
OF WHICH ECONOMIC PORTFOLIO IN OPERATION	1,328.7	947.5

Below is a summary table of the Group's operated economic portfolio⁽¹⁾ at 31 December 2021 with the certifications issued for each asset (the various certificates are described under Section 1.3.2.5 of this management report).

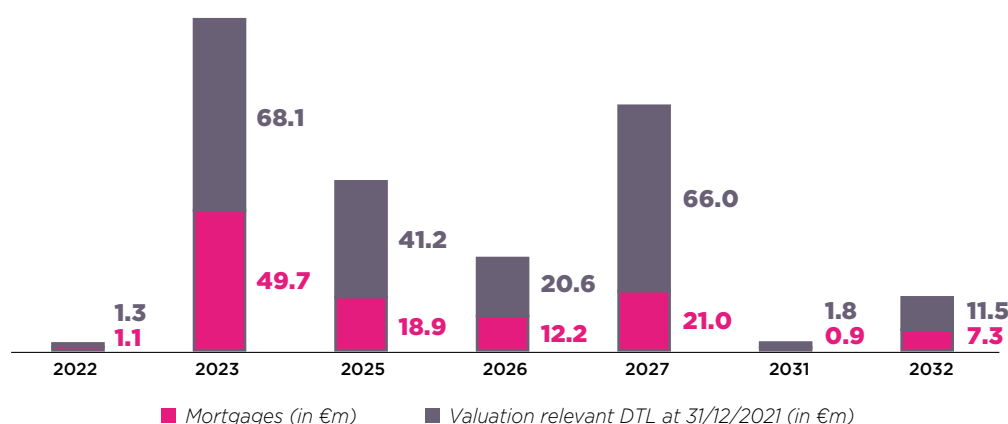
Name of asset	Design/ production certification	Operational certification	Miscellaneous certification	Location	Date opened and/or acquired	% ownership	Surface areas in Group Share
PARC VALLES				Barcelona - Spain	2018	100%	47,700 m ²
SHOPPING PROMENADE Cœur Alsace	BREEAM®			Strasbourg - Vendenheim (67)	2021	100%	51,000 m ²
SHOPPING PROMENADE Claye-Souilly	BREEAM®			Claye-Souilly (77)	2021	100%	46,500 m ²
CARRE SUD				Nîmes (30)	2021	100%	34,500 m ²
WOODSHOP				Melun - Senart (77)	2016	100%	33,800 m ²
SHOPPING PROMENADE Cœur Picardie				Amiens (80)	2017	100%	37,400 m ²
SHOPPING PROMENADE Arles	BREEAM®			Arles (18)	2019	100%	18,600 m ²
SUPERGREEN				Terville - Thionville (57)	2015	100%	23,300 m ²
CLOS DU CHÊNE 1				Chanteloup-En-Brie/ Montévrain (77)	2007	100%	28,300 m ²
CLOS DU CHÊNE 2				Montévrain (77)	2013	100%	25,800 m ²
GREEN7				Salaise-sur-Sanne (38)	2012	100%	21,700 m ²
BE GREEN				Saint-Parres-aux-Tertres (10)	2013	100%	20,750 m ²
CLAYE FRP III				Claye-Souilly (77)	2016	100%	11,600 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
ESPACE LEMAN				Thonon-les-Bains (74)	2013	100%	2,900 m ²
VENDENHEIM				Strasbourg - Vendenheim (67)	2017	100%	2,000 m ²
TOTAL WHOLLY-OWNED ASSETS							434,450 M2
ALGARVE SHOPPING		BREEAM®		Albufeira - Portugal	2019	70%	40,950 m ²
O'GREEN				Agen - Boé (47)	2013	50%	10,450 m ²
SAINT-PARRES				Troyes - Saint-Parres-aux-Tertres (10)	2015	50%	2,700 m ²
TERVILLE				Terville - Thionville (57)	2016	50%	3,000 m ²
BONNEUIL RETAIL PARK				Bonneuil-sur-Marne (95)	2018	50%	4,000 m ²
APPOLO DOUAI DECHY				Douai - Dechy (59)	2016	62.08%	18,376 m ²
ZONE A and ZONE DU GOLF				Belfort - Bessancourt (90)	2015	62.08%	8,443 m ²
TORCY BAY 3				Torcy (77)	2013	62.08%	5,463 m ²
TORCY BAY I				Torcy (77)	2013	62.08%	4,346 m ²
ILOT GAUCHE				Reims - Cormontreuil (51)	2009	62.08%	3,228 m ²
APPOLO VILLIERS SUR MARNE				Villiers-sur-Marne (94)	2016	62.08%	2,607 m ²
APPOLO TOULON GRAND VAR				Toulon (83)	2016	62.08%	2,359 m ²
ENGLOS				Lille - Englos (59)	2014	62.08%	1,552 m ²
VILLEBON				Villebon-sur-Yvette (91)	2016	5%	2,330 m ²
6 SCATTERED ASSETS				Reims-Cormontreuil (51), Le Mans (72), etc.	-	62.08% at 66.66%	6,911 m ²
TOTAL JOINTLY-OWNED ASSETS (FIGURES AT 100%)							116,715 M2
GRAND TOTAL							551,165 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 2021, other property, plant and equipment amounted to €22.0 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 by the Groupement Forestier FoREY.

The chart below sets out the mortgages and pledges encumbering the Company's and Group's assets at 31 December 2021 according to their maturity date, as well as the valuation of the corresponding properties at 31 December 2021.



1.3 Environment and activities

HISTORICAL NOTE

When it was created, FREY 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 open-air 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 assisted in their development, 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 sector.

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 its experience, FREY has developed its know-how in France and abroad 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 conducted, 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 2021

- In 2021, €3.1 billion was invested in retail, including more than €2 billion in the second half;
- transactions were down slightly (236 transactions in 2021 compared to 242 in 2020) but remained above the average performance over the last five years;
- retail units and retail parks lead the way with more than €1.5 billion, i.e. more than half of the capital invested in retail (51%). This type of asset concerned 72 transactions, including 21 in the form of portfolios;
- ground floor retail premises were second, with €780 billion in commitments, i.e. 1/4 of retail investments (26%);
- lastly, shopping centres accounted for 23% of business, with €693 million invested;
- after decreasing slightly in 2021, prime yields in shopping centres remained stable at the end of the year, at 4.50%. Ground floor retail premise and retail park rates amounted to 3.00% and 5.25% respectively.

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 open-air 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.

By supporting the transformation of cities and placing people at the heart of its thinking, the FREY Group conceives original and friendly spaces. Central spaces, which are vectors for emotions and surprises that radiate and bring together attractive and quirky 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 open-air 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 open-air 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 open-air 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 open-air 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®

1 An advantageous setting

Shopping Promenade® is an open-air 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.



2 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.

3 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™).

After the opening of the Shopping Promenade® in Amiens (80) in October 2017, and the Shopping Promenade® in Arles (13) in October 2019, in the first quarter of 2021, FREY inaugurated two new major projects, a Shopping Promenade® in Claye-Souilly (77) and a Shopping Promenade® Cœur Alsace in Strasbourg-Vendenheim (67).

The Valorpark[®] label

Nine of the retail parks owned by FREY at 31 December 2021, 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 open-air 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 desertified.

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.

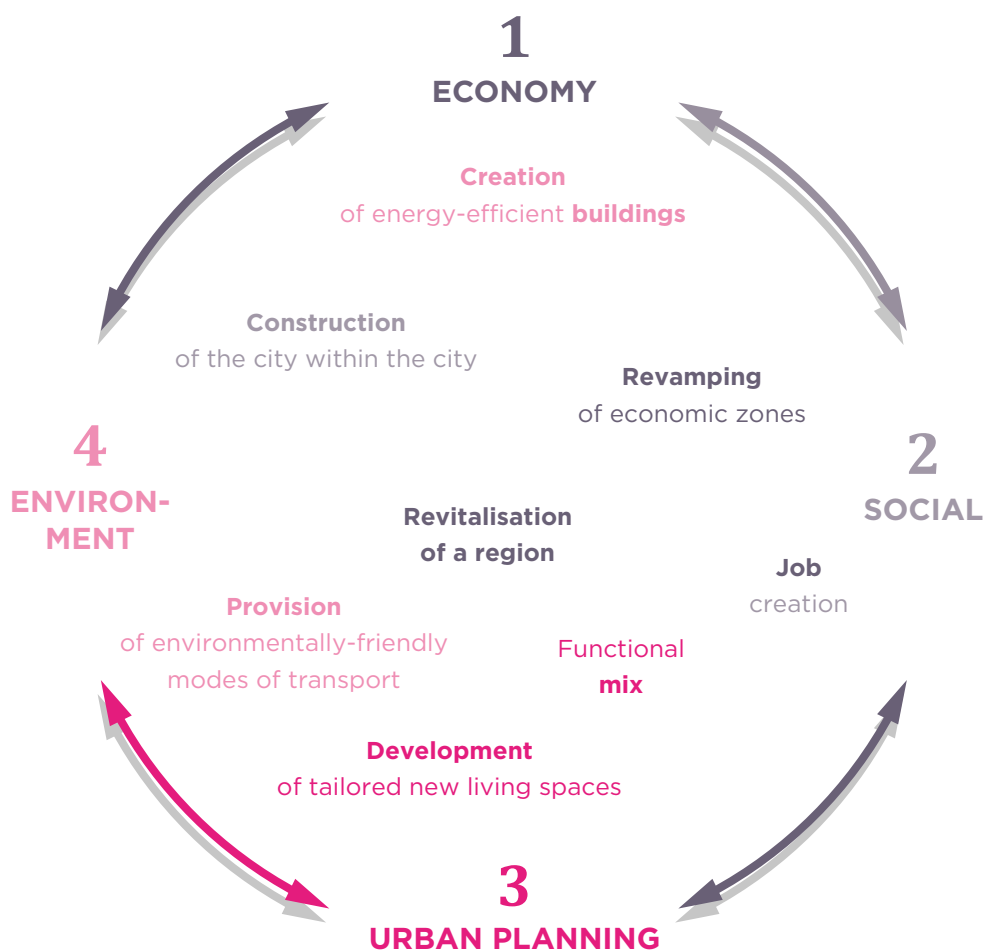
Urban and Retail Renewal projects must thus focus on:

- 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:

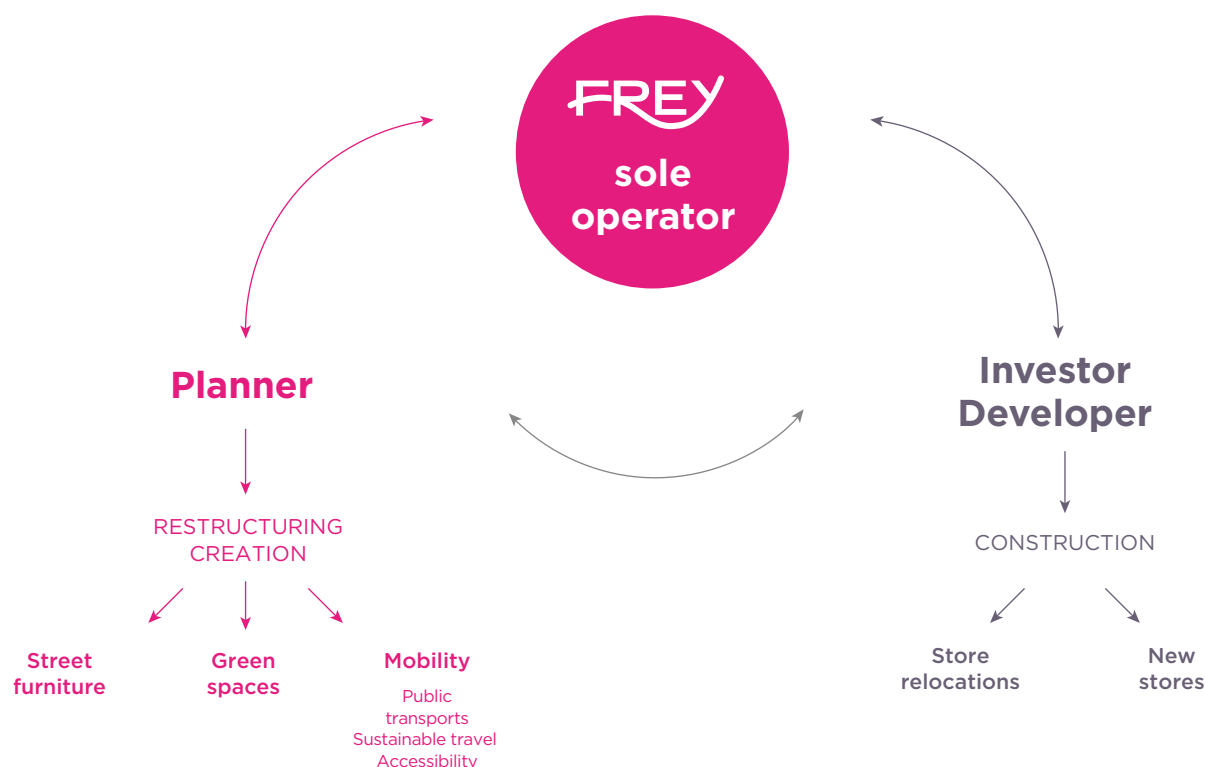


Specific and tailored methodology

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 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™ Bâtiments Tertiaires (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:

- **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;
- **the 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™ Bâtiments Tertiaires (Commercial Buildings) approach

The following FREY assets have received HQE™ Bâtiments Tertiaires (commercial buildings) 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:

- **Shopping Promenade* Cœur Alsace** in Strasbourg-Vendenheim (67);
- **Shopping Promenade* Claye-Souilly** in Claye-Souilly (77);
- **Algarve Shopping** in Albufeira (Portugal);
- **Shopping Promenade* Arles Montmajour** in Arles (13).

1.3.2.6 International

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 open-air shopping centre in southern Portugal: Algarve Shopping. This complex, comprising an open-air 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, with French remaining the principal country in terms 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 *et seq.* of the French Commercial Code, certain transactions involving retail space are subject to prior permission, and specifically over 1,000 m² of retail space.

Law no. 2018-1021 of 23 November 2018 on housing, land management and the digital economy, referred to as the "ÉLAN" Law, and more recently, Law no. 2021-1104 of 22 August 2021 on combating climate change and strengthening resilience to its effects, known as the "CLIMATE" Law, and their 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 French Departmental Commercial Development Commission (*Commission Départementale d'Aménagement Commercial* - CDAC) or, where appropriate, by the French National Commission for Commercial Development (*Commission Nationale d'Aménagement Commercial* - CNAC), after analysis of the foreseeable effects of the project in terms of regional planning, Sustainable Development, consumer protection and, since the CLIMATE Law, the project's impact in terms of land degradation within the meaning of paragraph 9 of Article L. 101-2-1 of the French Urban Planning Code; all in accordance with the criteria set out in Article L. 752-6 of the French Commercial Code. The CLIMATE Law has led to the reinforcement of the conditions for granting commercial operating permits leading to land degradation.

NB: the granting and the period of validity of commercial operating permits were the subject of specific provisions in the context of the Covid-19 health crisis.

1.3.3.1.2 Urban planning permission

Construction and restoration 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.

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 or restoration subject to urban planning authorisation, the building permit and the commercial operating permit.

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

Since then, both the 2018 ÉLAN Law and the 2021 CLIMATE Law have amended and supplemented the legal framework applicable to urban planning permits. The most recent of them notably aims, in line with the 2020 citizens' climate convention, to reduce, initially, the rate of land degradation and of natural, agricultural and forest area consumption, and, ultimately, to achieve ZAN (*Zéro Artificialisation Nette* - zero net land degradation) by 2050. To this end, it promotes the recovery of wasteland and the reversibility of construction, as well as the "greening" and re-vegetation of buildings and car parks, which is reflected, among other things, by more stringent obligations for project owners in terms of energy and environmental performance.

NB: the granting and the period of validity of urban planning permits were the subject of specific provisions in the context of the Covid-19 health crisis.

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 ("EA") covered in Articles L. 122-1 *et seq.* of the French Environmental Code.

In this instance, the project owner, managing its operation, must prepare an environmental impact study, called the "Impact Study", notably assessing the impact of the project on the local population and human health, land, water, air, the climate and fauna and flora.

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.

In Decision no. 425424 of 15/04/2021, the Council of State (*Conseil d'État*) nevertheless considered that the current nomenclature regime for projects subject to environmental assessment (see Table R.122-2 of the French Environmental Code) did not allow all projects that required it to be submitted to EA. It ordered the Prime Minister to reform the entire project nomenclature setting out what should or should not give rise to such an EA; and to do so within nine months. The regulations should therefore change in the course of 2022.

1.3.3.2 Mandatory insurance

As part of its demolition, construction and restoration activities, the Company systematically takes out, in its capacity as project manager, the mandatory insurance policies stipulated by Law no. 78-12 of 4 January 1978 (codified in Articles L. 242-1 *et seq.* of the French Construction and Housing Code) covering, on the one hand, the work carried out (so-called Damage Insurance) and, on the other, the liability of the Project Manager (so-called Contractor Non-Developer and All Construction-site Risks insurance policies). The Construction Damages ("CD"), Contractor Non-Developer ("CND") and All Construction-site Risks (ACR) insurance policies are the subject of an annual agreement with the insurance company.

As part of its property investment business, the Company requires the lessee to provide evidence to the lessor both of (i) its insurance covering the operation of its business and (ii) the payment of the related premiums.

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 ÉLAN 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.

Law 2019-222 of 23 March 2019 on 2018-2022 programming and on justice reform, and Decree 2019-912 of 30 August 2019 amending the Code of Judicial Organisation, brought about some changes to the above. The competent judge in cases involving commercial leases may be different depending on the dispute:

- for disputes relating to rental income under commercial leases: the lease judge or President of the Court of Justice is competent to hear disputes relating to commercial lease-setting. He or she is also responsible for reviewing and renewing the rental income;
- for disputes relating to the status of commercial leases: the court has jurisdiction over disputes relating to the status of commercial leases (termination of the commercial lease, commercial lease clause, de-specialisation, assignment of lease rights, reparation of expenses, eviction compensation, security deposit, surety, eviction of the tenant, etc.).

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. 162-8 *et seq.* of the French Construction and Housing Code on accessibility for people with disabilities and Articles R. 143-1 *et seq.* of said Code (it being specified that the numbering of the articles applicable to public buildings has been modified following the re-codification of the regulatory section of the French Construction and Housing Code, brought about by Decree no. 2021-872 of 30 June 2021), 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.

The ASAP Law modified the procedure to terminate the activity of a classified facility. The new procedure will apply from 1 June 2022.

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 (as amended by the CLIMATE Law).

Consideration for the management of this natural resource is also built into the design of construction and restoration 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 (notably in the case of complex real estate complexes).

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. Notably, it stipulates that the status of co-ownership no longer applies imperatively to any building or group of buildings divided in co-ownership units, but only to partial or total residential units. This text also 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.

An implementing decree was published on 2 July 2020, but the draft law ratifying the order filed in the French Senate on 15 January 2020 has not yet been examined as of the date of publication of this document. Moreover, the Ministry of Justice recently indicated to the Senate that it continued to work on the codification of the co-ownership legislation, even if said legislation will require further review by Parliament. (Ministry Response no. 20346: OJ Senate Q, 9 Sept. 2021, p.5277).

In addition, GRECCO requested an extension of the deadline - set at 23 November 2021 by the ÉLAN Law - for bringing the co-ownership regulations into compliance with the provisions of the said law establishing the notions of transitional units, special common areas and common areas for enjoyment.

For its part, division in terms of volumes is not governed by any text.

1.3.3.5 Regulations relating to listed real estate investment trust status

1.3.3.5.1 Opting in

It should be recalled that as of 1 January 2009 the Company opted for the REIT (French SIIC) 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, whose capital is at least 95% held either directly or indirectly, jointly with other REITs or variable capital companies that invest mainly in property (SPPICAVs), 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 SPPICAVs, 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;

- SASU FREY MURS 02, a wholly-owned subsidiary of SA FREY, opted in as of 1 January 2017;
- BBC PROMOTION SAS, a wholly-owned subsidiary of SA FREY, opted in as of 1 January 2022 (letter sent 27/01/2022).

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 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 TABLE

Risk factors	Score		
	Probability	Impact	Criticality
Group environment			
• Competitive environment	Rare	Major	2
• Commercial real estate market	Possible	Major	2
• Economic environment	Possible	Major	2
• Rent indexation	Possible	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	Significant	2
• Solvency of tenants	Highly probable	Limited	2
• Development of new assets	Possible	Major	2
• Acquisition of new assets	Possible	Significant	2
• Retailers	Probable	Limited	1
• 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 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 (open-air 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 potentially lead to a decrease in the revenue of the tenants of the assets and therefore affect the Group's property management business.

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 open-air 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 this unprecedented context, 2021 confirmed the resilience of the Group's assets in the face of large shopping centres, and even e-commerce, being shut.

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 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 2021 financial year, the three countries where the Group operates were still affected by the Covid-19 health crisis and the related economic difficulties.

However, according to the Banque de France's macroeconomic projections in December 2021, economic activity returned to its pre-crisis level as of the third quarter of 2021 and the recovery is solid. National GDP growth should reach an annual average of 6.7% in 2021, then 3.6% in 2022 and 2.2% in 2023, before returning to a slower pace of only 1.4% in 2024.

However, this improvement in the economic context remains uncertain due, on the one hand, to supply difficulties, which particularly affect certain sectors such as the automotive industry, and, on the other, the epidemic upswing, with a fifth global wave of the virus and the appearance of the Omicron variant.

A further deterioration of the health situation could impact 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 and economic 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.

The third wave of the pandemic impacted the first half of 2021, with significant restriction measures in France and Iberia, closing our assets for an average of 1.9 months.

The 2021 recovery rate nevertheless remained at a robust level of 94.5%

97.2% of the rental income and expenses for the 2020 financial year were collected, proof that FREY's support for its brands has made their relations long-lasting.

The impact of the health crisis on the income statement at 31 December 2021 amounted to -€4.5 million. It was recognised in (i) Revenue for -€4.3 million, (ii) Other income for €0.7 million, (iii) Other operating expenses for -€1.0 million, (iv) Share of net profit (loss) of associates for -€0.1 million and, (v) Net profit (loss) attributable to non-controlling interests for €0.2 million.

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.

1.4.2.2 Risks related to applicable regulations

Risks related to administrative permissions

The property development and open-air 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.

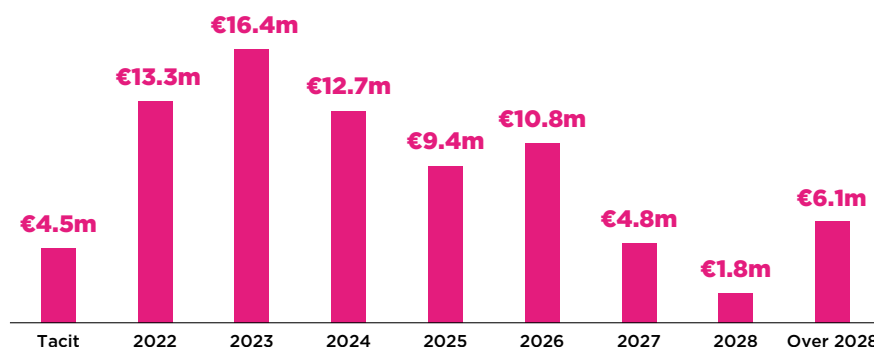
Upon expiry of the lease, if the lessor decides not to renew it, the lessee is entitled to eviction compensation. This is based on the value of the lessee's business, and could therefore have a material adverse impact on the Group's financial position.

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.

As at 31 December 2021, the risk of non-renewal across the Group's economic portfolio breaks down 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 four 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 REIT'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 85% of the Group's total debt at 31 December 2021, 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	€35.4 million	€18.8 million	€1.0 million	€18.8 million	€18.8 million
Required ratios	< 60.0%	< 65.0%	≥ 110%	> 120%	> 2.0
Ratios at 31/12/2021	52.1%	28.4%	219.1%	491.6%	9.3

Individual ratios	ICR
Relevant debt	€35.4 million
Required ratios	> 200%
Ratios at 31/01/2022	640%

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	€516.0 million	€516.0 million	€516.0 million
Required ratios	≤ 60.0%	≥ 2.0	< 20.0%
Ratios at 31/12/2021	32.2%	5.8	5.6%

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 2021, 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 2021, the top ten customers accounted for 21.4% 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 leases, the Group has a security deposit or bank guarantee in the amount of three months' rent.

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 open-air 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.

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 2021 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, balance sheet and income statement).

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

Interest rate risk

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

At 31 December 2021, the Group's financial debt to credit institutions amounted to €606.4 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 92% at 31 December 2021.

(In €m)	-100 pts	-50 pts	E3M	+50 pts	+100 pts
Net cost of debt	-9.1	-9.8	-10.9	-12.0	-12.6
Impacts	1.8	1.1	-	-1.1	-1.7

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 2021, the share capital totalled €70,917,007.50. It was divided into 28,366,803 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.

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 €10.29 million.

From 4 June 2021, the issue date of shares derived from the exercise of option rights, FREY's share capital was increased to €62,406,967.50 and comprised 24,962,787 shares with a nominal value of €2.50 each, fully paid up and all in the same category.

1.5.2 CHANGES IN THE SHARE CAPITAL

Option for the dividend to be paid in shares in June 2021

The General Meeting of shareholders on 11 May 2021 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 2020 dividend⁽¹⁾ was subscribed for 92.95% of the option rights and resulted in the creation of 359,524 new ordinary shares which were delivered on 4 June 2021. From the date of issue they held immediate dividend rights and were entirely fungible with the other shares making up FREY's share capital.

December 2021 capital increase

On 23 November 2021, FREY launched a capital increase with preferential subscription rights (PSR) for a total gross amount (issue premium included) of approximately €102 million, the subscription period of which was completed on 8 December 2021.

This capital increase having been fully subscribed, the Company issued 3,404,016 new ordinary shares with a nominal value of €2.50 each, and the Company's share capital increased from €62,406,967.50 to €70,917,007.50.

The success of this transaction allows the Company to partially finance the secured projects of its French and international development pipeline, which represent a total investment of around €300 million, the balance being financed by external debt (including the financing concluded by the Company on 10 November 2021) and by the Company's available cash.

There were no other changes to the share capital in 2021.

1.5.3 MAJOR SHAREHOLDERS

The voting rights and shareholdings set out in the following table were calculated based on information on the total number of voting rights and shares making up FREY's share capital as stated in the normative press release issued on 13 December 2021, pursuant to Article L. 233-8 II of the French Commercial Code, and Article 223-16 of the AMF's General Regulations, and in the monthly summary of treasury share transactions published on 31 December 2021, namely:

Date	Number of shares in the share capital	Number of voting rights
31/12/2021	28,366,803	Theoretical: 28,366,803 Exercisable*: 28,293,198

* 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).

(1) Based on an issue price of new shares of €28.61 per share, equal to 90% of the average opening price on 20 trading days preceding the shareholders' Meeting of 11 May 2021, restated for the net amount of the dividend (i.e. €1.50 per share) and rounded up to the nearest euro cent.

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

Shareholding structure	31/12/2021			31/12/2020			31/12/2019		
	Number of shares	% of the share capital	% of the voting rights ⁽¹⁾	Number of shares	% of the share capital	% of the voting rights ⁽¹⁾	Number of shares	% of the share capital	% of the voting rights ⁽¹⁾
Major shareholders:									
Firmament Participations ⁽²⁾	7,529,046	26.54%	26.61%	6,916,208	28.11%	28.13%	6,787,143	28.02%	28.52%
PRÉDICA	5,589,451	19.70%	19.76%	4,768,661	19.38%	19.39%	4,686,160	19.34%	19.69%
FONCIÈRE AG Real Estate ⁽³⁾	3,170,995	11.18%	11.20%	3,121,891	12.69%	12.69%	2,429,125	10.03%	10.21%
Effi Invest II	1,130,460	3.99%	4.00%	1,130,460	4.59%	4.60%	1,130,460	4.67%	4.75%
CARDIF	3,560,743	12.55%	12.59%	2,808,030	11.41%	11.42%	2,759,449	11.39%	11.60%
Sogecap	3,560,743	12.55%	12.59%	2,808,030	11.41%	11.42%	2,759,449	11.39%	11.60%
SCI Primonial Capimmo	2,389,352	8.42%	8.44%	1,696,009	6.89%	6.90%	1,666,666	6.88%	7.00%
IDPE ⁽⁵⁾	103,356	0.36%	0.37%	101,756	0.41%	0.41%	99,995	0.41%	0.42%
CARUSO ⁽⁶⁾	17,808	0.06%	0.06%	17,808	0.07%	0.07%	17,500	0.07%	0.07%
Corporate officers ⁽⁴⁾	42,861	0.15%	0.15%	42,532	0.17%	0.17%	22,888	0.09%	0.10%
Treasury shares	73,605	0.26%	N/A	15,127	0.06%	N/A	430,969	1.78%	N/A
Self-checking		NIL			NIL			NIL	
Public:									
• bearer shares	1,147,147	4.04%	4.05%	1,133,964	4.61%	4.61%	1,406,663	5.81%	5.91%
• registered shares	51,236	0.18%	0.18%	42,787	0.17%	0.17%	28,530	0.12%	0.12%
TOTAL	28,366,803	100.00%	100.00%	24,603,262	100.00%	100.00%	24,224,997	100.00%	100.00%

(1) Percentage of 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 subtotal includes the shares held by the Deputy Chief Executive 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 2021 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 2021.

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.

Through Amendment no. 1 dated 15 December 2019, Prédica, Foncière AG Real Estate, Firmament Participations and Mr Antoine Frey agreed to extend the term of the Pact and to record their adherence to Pacte de Louvresses Développement II, in their capacity as Partner of Foncière AG RE, following its acquisition of shares in the Company.

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 ten 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 Middledenext 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 Middledenext 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 Middledenext Code.

Transfer of shares

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

- 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);
- to any third party up to 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 rolling 12-month reference period); or
- to any third party whose purchase offer covers a number of shares representing at least 10% of the Company's share capital.

subject, on the one hand, to having given prior notice to the other parties by registered letter with acknowledgement of receipt sent eight business days prior to the sale, and, on

the other, except in the scenario covered in point (ii) 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 aforementioned 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.

Purchase options in the event of a change of control: in one of the following cases where (i) Mr Antoine Frey (and/or, where applicable, his wife, heirs and right-bearers) no longer directly or indirectly holds 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 loses its status as Manager and General Partner of Firmament Participations; Firmament Participations grants, *pari passu*, to each of Prédica and Foncière AG Real Estate, a call option on all the shares held by Firmament Participations, up to a limit of a total number of shares equal to (for each of them) 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 Foncière 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 2026. 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 1.5.3 above do not have different voting rights.

1.5.6 CONTROL OF THE ISSUER

At 31 December 2021, based on the information set out in Section 1.5.3 "Major shareholders" above (*i.e.* share capital consisting of 28,366,803 shares and 28,293,198 exercisable voting rights), Antoine Frey holds, either directly or indirectly *via* Firmament Participations, 26.54% of the Company's share capital and 26.58% 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 OF CONTROL

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 TREASURY SHARES

No Company shares are held by other Group entities.

1.5.9 TREASURY SHARES

At 31 December 2021, the Company had 73,605 treasury shares valued at €2,414,244.

1.5.9.1 Share buybacks

The General Meeting of 11 May 2021 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. 22-10-62 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; 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 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 FR0010588079;
- maximum share of the share capital: 10% of the share capital of the Company during the term of the programme, 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 programme: €156,017,416.5 based on the maximum unit purchase price and the number of shares that may be repurchased under the programme;
- duration of the buyback programme: 18 months from 11 May 2021, *i.e.* until 11 November 2022.

At 31 December 2021, the Company held 73,605 treasury shares, or 0.26% of its share capital at that date, divided between the following two contracts:

- 9,347 shares held under the liquidity agreement signed on 3 March 2017 for market-making purposes;
- 64,258 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 2021, the following were held in the liquidity (market-making) account:

- 9,347 shares representing €306,581.60 in stock;
- €474,745.06 in cash.

In financial year 2021, 13,652 shares were purchased and 9,042 shares sold under the liquidity (market-making) agreement.

1.5.9.1.2 Other buybacks

In financial year 2021, the Company purchased 73,688 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 Authorised 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 21 May 2019, 20 May 2020 and 11 May 2021 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 23rd resolution of the Combined General Meeting of 11 May 2021 to set up a new free share allocation plan, the characteristics of which are given in more detail in Section 1.5.11.2 "Options and free shares granted to employees" of this management report. The Board of Directors also made use of the delegation granted to it by the 16th resolution of the Combined General Meeting of 11 May 2021 to conduct a capital increase by issuing ordinary shares with preferential subscription rights for shareholders, the characteristics of which are described in Section 1.5.2 "Changes in the share capital".

1.5.11 EMPLOYEE SHAREHOLDING

1.5.11.1 Incentive contract

During the year ended 31 December 2021 and under the free share allocation plans, the Company allocated 47,015 shares to employees corresponding to plan no. 13.

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 May 2021 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

Thirteen 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 2021	0	1,675	1,486	0
Number of shares vested at 31 December 2021	9,625	4,330	0	3,348
Number of shares that can be awarded at 31 December 2021	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 2021	0	0	833	5,544
Number of shares vested at 31 December 2021	2,635	4,101	30,187	36,282
Number of shares that can be awarded at 31 December 2021	0	0	0	0

Plan No.	Plan No. 9	Plan No. 10	Plan No. 11	Plan No. 12	Plan No. 13
Date of Board meeting	20/06/2018	07/03/2019	10/07/2019	02/04/2020	31/03/2021
Number of shares allocated	1,301	35,502	4,567	36,197	47,015
Of which awarded to corporate officers	337	17,392	0	17,392	26,089
Date shares vested	20/06/2020	07/03/2021	10/07/2021	02/04/2022	11/05/2022
Retention period ends	20/06/2022	07/03/2023	10/07/2023	02/04/2024	11/05/2023
Number of shares cancelled or lapsed at 31 December 2021	252	19,249	1,000	3,623	0
Number of shares vested at 31 December 2021	1,049	16,253	3,567	0	0
Number of shares that can be awarded at 31 December 2021	0	0	0	32,574	47,015

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 0.39% 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 LISTING MARKET - 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 €32.80 at 31 December 2021, the Company's market capitalisation was €930 million.

From 1 February 2021 to 31 January 2022, FREY's share price was as follows:



1.5.13 REVIEW OF TRANSACTIONS CARRIED OUT UNDER AUTHORISED SHARE BUYBACK PROGRAMMES

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

Position at 31 December 2021

Percentage of share capital directly or indirectly held as treasury shares	0.26%
Number of shares cancelled over the past 24 months	Nil
Number of treasury shares ⁽¹⁾	73,605
Carrying amount of the portfolio at 31 December 2021 (in €)	1,977,793
Market value of the portfolio at 31 December 2021 ⁽²⁾ (in €)	2,414,244

(1) Of which 9,347 shares were allocated to the liquidity (market-making) agreement and 64,258 shares purchased under the buyback programme.

(2) On the basis of the closing price of €32.80 at 31 December 2021.

Aggregate gross flows at 31 December 2021	Purchases	Sales	Transfers
Number of shares	87,340	9,042	19,820
Average transaction price (in €)	30.70	31.64	29.00
Amounts (in €)	2,681,510.14	286,130.19	574,705.00

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 CORPORATE GOVERNANCE STATEMENTS

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 2021 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.

It should be noted that the progress made by the Board of Directors in relation to recommendations 5 and 8 does not allow, on the date of publication of this document, to indicate compliance with the recommendations and to include them in the corporate governance report.

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	NO
R3: Membership of the Board of Directors - Inclusion of independent members	YES
R4: Notification of Board members	YES
R5: Notification of Board members	NO
R6: Holding of Board and Committees Meetings	YES
R7: Establishment of committees	NO - the Investment Committee is chaired by a non-independent director holding 12.55% of the Company's share capital
R8: Establishment of a specialised Corporate Social Responsibility (CSR) Committee	NO
R9: Establishment of Board rules of procedure	YES
R10: Selection of each director	YES
R11: Length of terms of office of Board members	NO - the renewal of directors' terms of office is not staggered
R12: Remuneration of the "members of the Board" in respect of their office	YES
R13: Evaluation of the work of the Board	YES
R14: Relations with "shareholders"	YES
R15: Diversity and equity policy at the Company	YES
R16: Definition and transparency of remuneration of executive corporate officers	YES
R17: Preparation of executive succession	Not applicable - the Executive Management is exercised by the Chairman and Chief Executive Officer and the four Deputy Chief Executive Officers
R18: Aggregate employment contract and corporate office	YES
R19: Severance payments	Not applicable - no severance payment was granted
R20: Supplementary pension plans	Not applicable - No supplementary pension plan was put in place
R21: Stock options and allocations of free shares	NO - the relevant performance conditions are assessed over a two-year period
R22: Review of watch-points	YES

1.6.2 ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND EXECUTIVE MANAGEMENT

1.6.2.1 Board of Directors

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

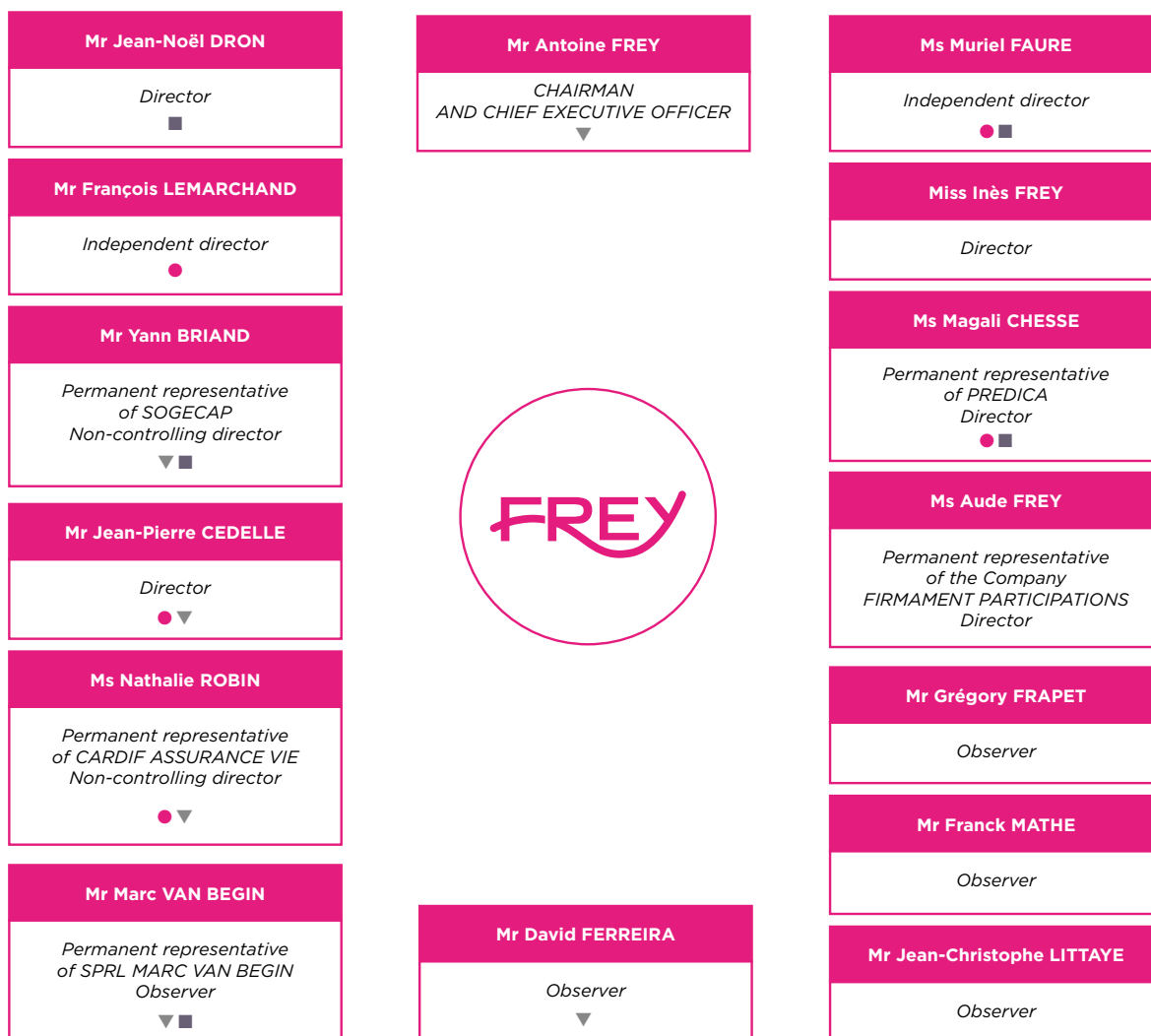
The main qualities expected of a member of the Board of Directors are experience of the Company, personal commitment to the Board's work, an understanding of the economic and financial world, the ability to work as part of a team while respecting others' opinions, freedom to express what may be minority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

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 R11 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 ending
31 December 2022

Antoine Frey studied law at Université R. Schuman 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.

OFFICES AND MAIN POSITIONS HELD
AS AT 31/12/2021 OR ON THE DATE
OF RESIGNATION, IF APPLICABLE

Within the Group:

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
- SC NP Le Nid
- SCI Le Nid d'Aigle
- SC Groupement Forestier des Roches

OFFICES HELD OUTSIDE THE GROUP
THAT ENDED OVER THE LAST FIVE YEARS

Chairman:

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

Manager:

- SCCV l'Orgeval 02 (legal representative: Firmament Gestion)
- SARL Ven-Sud
- SCI Keops
- SCCV Baydev (legal representative: Kefren)

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.

OFFICES AND MAIN POSITIONS HELD
AS AT 31/12/2021 OR ON THE DATE
OF RESIGNATION, IF APPLICABLE

Manager:

- SELARL Pharmacie Saint Maurice

Member of the Supervisory Board:

- SCA Firmament Participations

OFFICES HELD OUTSIDE THE GROUP
THAT ENDED OVER THE LAST FIVE YEARS

Nil

SOCIÉTÉ FIRMAMENT PARTICIPATIONS

DIRECTOR WHOSE 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, France

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

OFFICES AND MAIN POSITIONS HELD AS AT 31/12/2021 OR ON THE DATE OF RESIGNATION, IF APPLICABLE

Nil

OFFICES HELD OUTSIDE THE GROUP THAT ENDED OVER THE LAST FIVE YEARS

Nil

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 ending 31 December 2022

INES FREY

DIRECTOR

PERSONAL DETAILS:

A French national, born in Reims in 2002

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.

DATE FIRST APPOINTED:

Co-opted by the Board on 23 September 2020, ratified by the General Meeting of 11 May 2021

OFFICES AND MAIN POSITIONS HELD AS AT 31/12/2021 OR ON THE DATE OF RESIGNATION, IF APPLICABLE

Member of the Supervisory Board:
● SCA Firmament Participations

OFFICES HELD OUTSIDE THE GROUP THAT ENDED OVER THE LAST FIVE YEARS

Nil

CURRENT TERM OF OFFICE EXPIRES:

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

JEAN-PIERRE CEDELLE

DIRECTOR

PERSONAL DETAILS:

A French national, born in 1953 in Soissons

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.

DATE FIRST APPOINTED:

24 June 2013

OFFICES AND MAIN POSITIONS HELD AS AT 31/12/2021 OR ON THE DATE OF RESIGNATION, IF APPLICABLE

Chairman:
● SASU F. EVENTS
● SASU JPC CONSULTING
● SASU Firmament Gestion

OFFICES HELD OUTSIDE THE GROUP THAT ENDED OVER THE LAST FIVE YEARS

Member of the Board of Directors:
● Stade de Reims
● Aviron Bayonnais

CURRENT TERM OF OFFICE EXPIRES:

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

Member of the Supervisory Board:
● SCA Firmament 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 ending 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.

OFFICES AND MAIN POSITIONS HELD AS AT 31/12/2021 OR ON THE DATE OF RESIGNATION, IF APPLICABLE**Chairman of the Management Board:**

- SAS SORERES

Chairman:

- SAS SESM
- 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
- SAS ANCIENNE DOUANE STRASBOURG

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

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. Muriel Faure is also Chairwoman of the Technological Innovations Commission at 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.

OFFICES AND MAIN POSITIONS HELD AS AT 31/12/2021 OR ON THE DATE OF RESIGNATION, IF APPLICABLE

Chairwoman:

- 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

OFFICES HELD OUTSIDE THE GROUP THAT ENDED OVER 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 2019, 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 ending 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.

OFFICES AND MAIN POSITIONS HELD AS AT 31/12/2021 OR ON THE DATE OF RESIGNATION, IF APPLICABLE

Chairman of the Board of Directors:

- Mercator SA
- Importation et Distribution de Produits Exotiques SA

Director:

- Société Anonyme Immobilière de Villemiland-Wissous
- Nature et Découvertes SA

OFFICES HELD OUTSIDE THE GROUP THAT ENDED OVER THE LAST FIVE YEARS

Nil

SOGECAP

DIRECTOR WHOSE PERMANENT REPRESENTATIVE IS YANN BRIAND

1

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, France

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 ending 31 December 2022

Life insurance and endowment limited company registered in the Nanterre Trade and Companies Register under number 086 380 730.

OFFICES AND MAIN POSITIONS HELD AS AT 31/12/2021 OR ON THE DATE OF RESIGNATION, IF APPLICABLE**French companies:****Director:**

- SA Carmila
- SA FREY
- SPPICAV Oteli
- SA Covivio Hôtels
- SAS Orientex Holdings
- SA Fonds Stratégique de Participations
- Icade Santé
- Icade Healthcare Europe
- PREIM Healthcare
- Powerhouse Habitat

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 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

OFFICES HELD OUTSIDE THE GROUP THAT ENDED OVER THE LAST FIVE YEARS**Foreign company:****Director:**

- SA Sogecap Liban

French companies:**Director:**

- Carmila SAS
- SA Oradea Vie

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.

OFFICES AND MAIN POSITIONS HELD AS AT 31/12/2021 OR ON THE DATE OF RESIGNATION, IF APPLICABLE

French companies:

Director (as permanent representative of Sogecap):

- SA CARMILA
- SA COVIVIO HÔTELS
- SPPICAV OTELI France
- Icade Santé
- Icade Healthcare Europe
- Powerhouse Habitat
- PREIM Healthcare

Other appointments held (in his own name):

- SAS Sogecap REAL ESTATE

Foreign companies:

Director (as permanent representative of Sogecap):

- BG1 SA (Luxembourg)

OFFICES HELD OUTSIDE THE GROUP THAT ENDED OVER THE LAST FIVE YEARS

French companies:

Director:

- Carmila SAS

Manager:

- SGA Resiparis

SOCIÉTÉ 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, France

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 ending
 31 December 2022

Limited company registered in the Paris Trade and Companies Register under number 732 028 154.

OFFICES AND MAIN POSITIONS HELD AS AT 31/12/2021 OR ON THE DATE OF RESIGNATION, IF APPLICABLE**French companies:****Director:**

- SA ICADE Santé
- 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 Odyssée
- 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 Reuil-Caudron
- SNC Les Résidences
- SCI Saint-Denis Landy
- SCI Saint-Denis Mitterrand
- SCI Valeur Pierre Épargne
- SCI Villeurbanne Stalingrad
- SCI Paris Turenne
- SCI Bouleragny
- 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

OFFICES HELD OUTSIDE THE GROUP THAT ENDED OVER THE LAST FIVE YEARS**French companies:****Director:**

- SA Office Français de Prévoyance Funéraire

Manager:

- SCI Clichy Nuovo (resigned 12/04/2018)

NATHALIE ROBIN

REPRESENTATIVE OF CARDIF ASSURANCE VIE

PERSONAL DETAILS:

A French national,
born in Paris in 1962

Head of Real Estate at BNP Paribas Cardif.

Ms Robin has a DESS in Real Estate Law and has been Head of Real Estate at BNP Paribas Cardif (following the merger of BNP and Paribas) since 2001. Previously, she was Head of Real Estate at Natio Vie (BNP group) from 1989 to 2001.

OFFICES AND MAIN POSITIONS HELD AS AT 31/12/2021 OR ON THE DATE OF RESIGNATION, IF 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 PWH
- SICAV CERTIVIA 2

OFFICES HELD OUTSIDE THE GROUP THAT ENDED OVER THE LAST FIVE YEARS

French companies:

- SA Foncière Développement Logements
- SCPI France Investipierre
- SPPICAV SAS Plein Air Property Fund

PRÉDICA

DIRECTOR WHOSE PERMANENT REPRESENTATIVE IS MAGALI CHESSE

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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, France

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.

OFFICES AND MAIN POSITIONS HELD AS AT 31/12/2021 OR ON THE DATE OF RESIGNATION, IF 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 OBSÈQUES
- LESICA

Member of the Supervisory Board (outside CAA Group):

- EFFI-INVEST II
- COVIVIO HÔTELS (listed company)
- INTERFIMMO
- ALTAREA (listed company)

Director (outside CAA Group):

- KORIAN
- Fonds Nouvel Investissement 1
- Fonds Nouvel Investissement 2
- Fonds Stratégique de Participations
- COVIVIO (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
- Française des Jeux (listed company)
- B2 Hotel Invest

Observer (outside CAA Group):

- SIPAREX Associés
- TIVANA France Holding

Chairman (outside CAA Group):

- PREDI RUNGIS
- Prédica BUREAUX

Foreign company:**Co-manager (within CAA Group):**

- PREDICARE

OFFICES HELD OUTSIDE THE GROUP THAT ENDED OVER 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
- RÉPUBLIQUE
- CA LIFE GREECE
- RAMSAY GENERALE DE SANTÉ (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 1974 in Strasbourg

Head of Equity Investment Strategies – Crédit Agricole Assurances.

OFFICES AND MAIN POSITIONS HELD AS AT 31/12/2021 OR ON THE DATE OF RESIGNATION, IF 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)

OFFICES HELD OUTSIDE THE GROUP THAT ENDED OVER 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 - 51430 Bezannes, France.

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 2021.

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 2021, the Company complied with this parity obligation. In this respect, it should be noted that at the date hereof, the Board is composed of five (5) men and five (5) women, each of their terms of office are presented in Section 1.6.2.1.1 "Composition of the Board of Directors and positions held by directors".

Diversity and equity policy at the Company

FREY's goal is the balanced representation of men and women at each level of its organisation. The Board of Directors oversees the implementation of a diversity and equity policy at the Group. Thus, on the proposal of Executive Management, in accordance with the recommendations of the Mollenet Code, it ensures, on an annual basis, that Executive Management sets ambitious gender equality targets and is kept informed of the resources used and the results obtained.

The Company is committed to promoting greater diversity in its workforce and to being inclusive in day-to-day human resources practices in order to leverage all the talent at its disposal, and more specifically as regards the proportion of women and men, of ages and of disability.

FREY Group continually works with recruitment firms and temp agencies that are very mindful of diversity and equal opportunity.

It complies with the fundamental conventions of the International Labour Organization on employment, the objective of which is to eliminate discrimination in employment and professional occupation.

In 2021, the percentage of women in the Company remained stable, at 54%

1.6.2.2 Preparation and organisation of the work of the Board of Directors

1.6.2.2.1 Missions 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 for 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 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's 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 2021, 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:

French national,
born in 1968 in Reims

DATE FIRST APPOINTED:

24 June 2013

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 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.

OFFICES AND MAIN POSITIONS HELD AS AT 31/12/2021

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

OFFICES THAT ENDED OVER THE LAST FIVE YEARS

Within the Group:

French companies:

Manager:

- SNC Pierry 01

Director:

- SA FREY

Foreign company:

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

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

Pascal 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).

OFFICES AND MAIN POSITIONS HELD AS AT 31/12/2021

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)

OFFICES THAT ENDED OVER THE LAST FIVE YEARS

Nil

SEBASTIEN 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 at Arthur Andersen as an analyst, and then held various positions At Crédit Agricole CIB in the Investment Banking division.

Sébastien Eymard is a graduate of École Centrale and CFA Charterholder.

OFFICES AND MAIN POSITIONS HELD AS AT 31/12/2021

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

OFFICES THAT ENDED OVER THE LAST FIVE YEARS

Within the Group:

Foreign company:

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
AND OUTSIDE THE GROUP AS OF 31/12/2021

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

OFFICES WITHIN AND OUTSIDE THE GROUP
THAT ENDED OVER THE LAST FIVE YEARS

Nil

Business address of the Deputy Chief Executive Officers: 1 rue
René Cassin - 51430 Bezannes, France.

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 (the "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 2021 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 2021 financial year, the Investment Committee met three times, on 7 May, 11 October and 22 November 2021.

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 2021 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 2021 financial year, the Appointments and Remuneration Committee met four times, on 4 March, 30 March, 29 September and 10 November 2021.

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 2021 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 Middledenext Code.

During the 2021 financial year, the Audit Committee met three times, on 4 March, 9 September and 7 December 2021. The Board of Directors followed all the recommendations by the Audit Committee in the 2021 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 ten times over the 2021 financial year, on 29 January, 9 March, 31 March, 11 May, 28 July, 23 September, 14 October, 10 November, 24 November and 15 December 2021, with an average attendance rate of 92% (not including observers).

In the course of those meetings, FREY's Board of Directors notably dealt with the following key topics:

- appointment of the members of the Mission Committee and of the independent third-party body in charge of monitoring the Company's mission "restoring retail as a service for the common good"; proposition of rules of procedure for the operation of the Mission Committee;
- update on the implementation of the FREY Group's digital transformation plan;
- update on the activity of the Company and its subsidiaries during the second half of 2020;
- review and approval of the corporate financial statements for the financial year ended 31 December 2020;
- proposed allocation of earnings;
- review and approval of the consolidated financial statements for the financial year ended 31 December 2020;
- related-party agreements and commitments referred to in Articles L. 225-38 *et seq.* of the French Commercial Code;
- review of the achievement of the performance criteria and approval of the remuneration 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;

- review and adoption of the remuneration policy applicable to corporate officers for the 2021 financial year, which will be submitted to the Company's Ordinary General Meeting for an *ex-ante* vote;
- preparation of the report of the Board of Directors on free share allocations in the financial year ended 31 December 2020;
- review and implementation, subject to conditions precedent, of free share allocation plan for FREY Group employees and corporate officers under the authorisation granted in the 14th resolution of the Extraordinary General Meeting of 20 June 2018;
- 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;
- annual assessment of the functioning and preparation of the Board's work in accordance with recommendation no. 11 of the MiddleNext Code⁽¹⁾;
- review of the points of vigilance in accordance with recommendation no. 19 of the MiddleNext 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 of the terms and conditions relating to the acquisition of an existing Prime retail park, "Carré Sud", in Nîmes (30); Authorisation for investments to be made under this transaction;
- implementation of the new share buyback programme under the authorisation granted by the Combined General Meeting of 11 May 2021 in its 15th resolution;
- approval of the issue price under the option of partial payment of the dividend in shares and delegation of powers to the Chairman and Chief Executive Officer/Deputy Chief Executive Officers;
- renewal of the powers granted to the Chairman and Chief Executive Officer to give deposits, securities and guarantees in the Company's name and on its behalf;
- presentation and approval of the half-yearly report of the Company and its subsidiaries;
- approval of the half-year consolidated financial statements at 30 June 2021;
- 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 (so-called "ATLAS" project);
- review and approval of the FREY Group's five-year business plan (2022-2026);
- preparation of the additional report on the final terms and conditions of the Company's capital increase under the authorisation granted by the Extraordinary General Meeting of shareholders of 11 May 2021 in its 16th resolution.

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 should be noted that due to the coronavirus epidemic and the fight against its dissemination, exceptional and temporary adaptations were made to the rules for convening, informing, gathering and deliberating at meetings and other collegiate bodies of legal entities and entities not recognised as legal entities under private law. These exceptional measures resulted from Order 2020-321 of 25 March 2020 and were extended until 3 September 2021 by Law no. 2021-689 of 31 May 2021 on the management of the end of the health crisis.

During the financial year 2021, 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 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 9 March 2021, 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) MiddleNext Code revised in September 2021.

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 Chief Executive Officer are assisted by four Deputy Chief Executive Officers and the Director of Marketing, Communication & Innovation:

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.

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 Executive Management.

Nonetheless, please note that pursuant to the shareholders' agreement:

- Antoine Frey, Jean-Pierre Cedelle, 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 2021

During the 2021 financial year, no related-party agreements were signed within the meaning of Article L. 225-38 of the French Commercial Code.

Due diligence in terms of managing conflicts of interest

In order to prevent the occurrence of a Conflict of Interest (as defined hereafter) during a Board or Committee meeting, a process to prevent conflicts of interest has been established in the framework of the presentation of the investment files submitted to the Board and/or the Investment Committee. The procedure applies to the presentation of any documentation relating to an investment to be made by the Company, directly or indirectly, regardless of its form.

The notices convening meetings of the Board and the Investment Committee indicate the agenda of the meeting, specify the name and purpose of the investment projects presented, and draw attention to the obligation to report any conflict of interest at the convening stage. Upon receipt of the notice of meeting, each member of the Board or the Investment Committee must, after making their best efforts to determine in good faith the existence or otherwise of a conflict of interest, confirm to the Chairman of the Board of Directors, and to the Chairman of the Investment Committee, that they are not in a situation of conflict of interest with regard to each of the investment projects presented. When an investment project is presented to the Board or the Investment Committee, the notice of meeting specifies that it is the responsibility of the members of the Board or the Investment Committee to confirm the absence of conflicts of interest, whatever their cause.

Subject to confirmation by each member of the Board or the Investment Committee that there is no conflict of interest with regard to each of the investment files presented, the members of the Board or the Investment Committee will receive the complete files presenting the transactions concerned and will be the only ones authorised to participate in the deliberations of the Board or the Investment Committee on this agenda item. In the absence of confirmation by a member of the Board or the Investment Committee concerned that there is no conflict of interest, said member will not receive the documents presenting the transactions in question and will not be able to participate, during the meeting of the Board or the Investment Committee, in the review and the deliberations on the investment projects subject to conflicts of interest and shall leave the meeting for the necessary time.

In the event of a situation of conflict of interest occurring during the review of an investment file, the member concerned must, as soon as they become aware of it, immediately notify the Chairman of the Board and the Chairman of the Investment Committee, and return the documents in their possession; they will no longer be able to participate in the meeting of the Board or the Investment Committee devoted to the review of the agenda items concerning this investment project.

In the event that a conflict of interest situation no longer exists, the member of the Board or the Investment Committee may again take part in the deliberations of the Board or the Investment Committee as from the receipt by the Chairman of the Investment Committee and the Chairman of the Board of the notification by the member concerned that there is no longer a conflict of interest.

The term **conflict of interest** refers to:

- (i) situations where a, legal entity, member of the Board or the Investment Committee (x) intends to participate independently of the FREY Group in the investment project submitted to the Board or the Investment Committee (the **Project**), (y) is a corporate officer or member of an Investment Committee at an entity that intends to participate independently of the FREY Group in the Project or (z) is an Affiliate of an entity that intends to participate independently of the FREY Group in the Project; or
- (ii) situations where a, natural person, member of the Board or the Investment Committee (x) intends to participate independently of the FREY Group in the Project or (y) is a corporate officer or employee or a member of an Investment Committee at an entity that intends to participate independently of the FREY Group in the Project or (z) is an Affiliate of an entity that intends to participate independently of the FREY Group in the Project.

For the purposes of the previous paragraph:

- the term **Affiliate** refers to, as regards an entity, an entity controlling it or controlled by it, or an entity placed under the same control as it, the term control being interpreted pursuant to the provisions of Article L. 233-3 of the French Commercial Code or pursuant to any similar provision under applicable foreign legislation;
- the expression **participate Independently of the FREY Group** refers to participating in the implementation (as developer, builder, project manager, seller, purchaser, intermediary or consultant, alone or as part of any consortium) of the Project without the participation of the Company, of its subsidiaries or any of their Affiliates.

As necessary, it should be noted that this clause does not apply to the investment projects that will be carried out directly or indirectly by Frey Retail Fund 1 and Frey Retail Fund 2.

1.6.2.5 Transactions carried out on the Company's shares by corporate officers, similar persons and their relatives

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:

Person declaring	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 €30.00 Acquisition of 25 shares at a unit price of €30.00	02/01/2021	2021DD725742
François VUILLET-PETITE	Sale on Euronext	Shares	Sale of 1,650 shares at a unit price of €30.20	21/01/2021	2021DD728778
Firmament Participations	Euronext acquisitions	Shares	Acquisition of 150 shares at a unit price of €28.80 Acquisition of 150 shares at a unit price of €28.60	24/02/2021	2021DD733563
Firmament Participations	Euronext acquisitions	Shares	Acquisition of 150 shares at a unit price of €28.60 Acquisition of 30 shares at a unit price of €28.60	26/02/2021 01/03/2021	2021DD734080
Firmament Participations	Euronext acquisitions	Shares	Acquisition of 40 shares at a unit price of €28.80 Acquisition of 75 shares at a unit price of €28.60 Acquisition of 150 shares at a unit price of €28.50	03/03/2021	2021DD734823
Firmament Participations	Euronext acquisitions	Shares	Acquisition of 150 shares at a unit price of €28.60 Acquisition of 150 shares at a unit price of €28.80	06/03/2021	2021DD735302
Firmament Participations	Euronext acquisitions	Shares	Acquisition of 75 shares at a unit price of €28.80 Acquisition of 90 shares at a unit price of €28.90	11/03/2021	2021DD736045
Sébastien EYMARD	Sale on Euronext	Shares	Sale of 6,792 shares at a unit price of €33.60 Sale of 119 shares at a unit price of €31.80	17/05/2021	2021DD746149
Firmament Participations	Dividends paid in shares listed on Euronext, Subscription outside a trading platform	Shares	Subscription of 108,781 shares at a unit price of €28.61	01/06/2021	2021DD758245
Prédica	Euronext acquisitions	Shares	Acquisition of 75,006 shares at a unit price of €28.61	08/06/2021	2021DD759208
Cardif Assurance Vie	Dividends paid in shares listed on Euronext, Subscription on Euronext	Shares	Subscription of 44,166 shares at a unit price of €28.61	09/06/2021	2021DD759361
Sogecap	Dividends paid in shares listed on Euronext	Shares	Acquisition of 44,166 shares at a unit price of €28.61	09/06/2021	2021DD759440
Firmament Participations	Euronext acquisitions	Shares	Acquisition of 100 shares at a unit price of €31.40 Acquisition of 100 shares at a unit price of €31.00	11/06/2021	2021DD759726
Firmament Participations	Euronext acquisitions	Shares	Acquisition of 100 shares at a unit price of €31.10	14/06/2021	2021DD759847
Firmament Participations	Euronext acquisitions	Shares	Acquisition of 50 shares at a unit price of €31.60 Acquisition of 100 shares at a unit price of €31.60	16/06/2021	2021DD760152

Person declaring	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 €31.40 Acquisition of 100 shares at a unit price of €31.60	18/06/2021	2021DD760425
Firmament Participations	Euronext acquisitions	Shares	Acquisition of 100 shares at a unit price of €31.60	21/06/2021	2021DD760546
Firmament Participations	Euronext acquisitions	Shares	Acquisition of 100 shares at a unit price of €32.00 Acquisition of 50 shares at a unit price of €32.00	23/06/2021	2021DD760876
Firmament Participations	Euronext acquisitions	Shares	Acquisition of 50 shares at a unit price of €31.80	25/06/2021	2021DD761224
Firmament Participations	Euronext acquisitions	Shares	Acquisition of 50 shares at a unit price of €29.60	20/08/2021	2021DD768064
Firmament Participations	Euronext acquisitions	Shares	Acquisition of 50 shares at a unit price of €29.80	23/08/2021	2021DD768154
Firmament Participations	Euronext acquisitions	Shares	Acquisition of 50 shares at a unit price of €30.20 Acquisition of 50 shares at a unit price of €30.40	25/08/2021	2021DD768341
Firmament Participations	Euronext acquisitions	Shares	Acquisition of 50 shares at a unit price of €30.40 Acquisition of 50 shares at a unit price of €30.00	27/08/2021	2021DD768583
Firmament Participations	Euronext acquisitions	Shares	Acquisition of 50 shares at a unit price of €30.00	30/08/2021	2021DD768654
Firmament Participations	Euronext acquisitions	Shares	Acquisition of 50 shares at a unit price of €30.00 Acquisition of 50 shares at a unit price of €30.00	01/09/2021	2021DD768894
Firmament Participations	Euronext acquisitions	Shares	Acquisition of 50 shares at a unit price of €30.50 Acquisition of 50 shares at a unit price of €30.40	03/09/2021	2021DD769249
Firmament Participations	Euronext acquisitions	Shares	Acquisition of 50 shares at a unit price of €30.30	06/09/2021	2021DD769424
Firmament Participations	Euronext acquisitions	Shares	Acquisition of 50 shares at a unit price of €30.20 Acquisition of 50 shares at a unit price of €30.20	08/09/2021	2021DD769815
Firmament Participations	Euronext acquisitions	Shares	Acquisition of 50 shares at a unit price of €30.20 Acquisition of 50 shares at a unit price of €30.20	10/09/2021	2021DD770154
Firmament Participations	Euronext acquisitions	Shares	Acquisition of 50 shares at a unit price of €30.20	13/09/2021	2021DD770341
Firmament Participations	Euronext acquisitions	Shares	Acquisition of 50 shares at a unit price of €30.20 Acquisition of 30 shares at a unit price of €30.20	15/09/2021	2021DD770686
Firmament Participations	Euronext acquisitions	Shares	Acquisition of 50 shares at a unit price of €30.70	04/10/2021	2021DD773069
Firmament Participations	Euronext acquisitions	Shares	Acquisition of 50 shares at a unit price of €31.30 Acquisition of 50 shares at a unit price of €31.30	06/10/2021	2021DD773476
Firmament Participations	Euronext acquisitions	Shares	Acquisition of 50 shares at a unit price of €31.80 Acquisition of 50 shares at a unit price of €31.80	08/10/2021	2021DD783779

Person declaring	Nature of the transaction	Financial instruments	Description of the transaction	Notification date	Declaration number
Firmament Participations	Euronext acquisitions	Shares	Acquisition of 50 shares at a unit price of €31.90	11/10/2021	2021DD793928
Firmament Participations	Euronext acquisitions	Shares	Acquisition of 50 shares at a unit price of €32.00	13/10/2021	2021DD794300
Firmament Participations	Euronext acquisitions	Shares	Acquisition of 50 shares at a unit price of €32.00	15/10/2021	2021DD794679
Firmament Participations	Euronext acquisitions	Shares	Acquisition of 50 shares at a unit price of €31.80	18/10/2021	2021DD794781
Firmament Participations	Euronext acquisitions	Shares	Acquisition of 50 shares at a unit price of €32.00	20/10/2021	2021DD795093
Firmament Participations	Off-market acquisition	Shares	Acquisition of 300 shares at a unit price of €33.40	03/12/2021	2021DD800914
Firmament Participations	Euronext acquisitions	Shares	Acquisition of 499,988 shares at a unit price of €30.00	08/12/2021	2021DD801556
Firmament Participations	Off-market acquisition	Disposal of preferential subscription rights	Sale of 3,166,198 preferential subscription rights at a unit price of €0.01	08/12/2021	2021DD801529
Sogecap SA	Euronext acquisitions	Shares	Sale of 195,898 preferential subscription rights at a unit price of €0.01		
Cardif Assurance Vie	Euronext acquisitions	Shares	Acquisition of 708,547 shares at a unit price of €30.00	15/12/2021	2021DD812510
Prédica SA	Euronext acquisitions	Shares	Acquisition of 708,547 shares at a unit price of €30.00	16/12/2021	2021DD812656
	Euronext acquisitions	Shares	Acquisition of 745,784 shares at a unit price of €30.00	17/12/2021	2021DD812881

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 17 to 24 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.

At the end of each General Meeting, the Board of Directors pays particular attention to the negative votes of shareholders, taking into account the vote of minority shareholders. Where necessary, it decides to review and change anything that may have elicited negative votes from shareholders.

Following the last General Meeting, the Board of Directors noted that all the resolutions submitted for approval were approved by 100% of the shareholders in attendance, represented or voting by mail.

1.6.3 REMUNERATION AND BENEFITS

1.6.3.1 Remuneration of corporate officers and senior executives for the 2021/2022 financial years

The tables and information in this Chapter have been prepared in accordance with the AMF Position-recommendation no. 2021-02, Guide to compiling Universal Registration Documents.

This Section 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 2021.

It should be noted that the General Meeting of 11 May 2021 approved all of the information communicated to it in respect of the financial year 2020 in accordance with Article L. 22-10-09 of the French 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	400,000	516,667 ⁽⁴⁾	N/A	11,500	45,132	N/A	Nil	Nil
Jean-Pierre CEDELLE	115,472 ⁽¹⁾	9,619 ⁽⁵⁾	Nil	14,500	Nil	Nil	Nil	Nil
Thomas RIEGERT	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Jean-Noël DRON	Nil	Nil	Nil	5,750	Nil	Nil	Nil	Nil
FIRMAMENT PARTICIPATIONS	Nil	Nil	Nil	8,000	Nil	Nil	Nil	Nil
Inès FREY	Nil	Nil	Nil	6,000	Nil	Nil	Nil	Nil
François LEMARCHAND	Nil	Nil	Nil	3,000	Nil	Nil	Nil	Nil
SPRL Marc VAN BEGIN ⁽²⁾	Nil	Nil	Nil	5,500	Nil	Nil	Nil	Nil
Sogecap	Nil	Nil	Nil	10,250	Nil	Nil	Nil	Nil
Cardif Assurance Vie	Nil	Nil	Nil	13,500	Nil	Nil	Nil	Nil
Jean Christophe LITTAYE ⁽²⁾	Nil	Nil	Nil	4,500	Nil	Nil	Nil	Nil
Muriel FAURE	Nil	Nil	Nil	24,000	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 ⁽³⁾	180,000	113,440	Nil	Nil	6,564	6,522 shares	Nil	Nil
Pascal BARBONI ⁽³⁾	230,000	211,033	Nil	Nil	5,181	7,247 shares	Nil	Nil
Sébastien EYMARD ⁽³⁾	230,000	211,033	Nil	Nil	3,978	7,247 shares	Nil	Nil
François-Xavier ANGLADE ⁽³⁾	165,000	75,413	Nil	Nil	4,090	5,073 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 remuneration in respect of 2020 and vested variable bonus to be paid in 2022 (governed by the conditions of the free share plans).

(5) In respect of profit-sharing.

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 remuneration and benefits to the Company's corporate officers in respect of the 2021 financial year were made in strict accordance with the remuneration policy approved by the General Meeting of shareholders of the Company on 11 May 2021 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 11 May 2021 approving the planned remuneration policy for the 2021 financial year, the General Meeting called to approve the financial statements for the financial year ended 31 December 2021 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 2021 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 Antoine Frey for his office as Chairman of the Board of Directors, all of the remuneration indicated above was paid during the year 2021.

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 remuneration and options and shares granted to executive corporate officers

	Antoine FREY Chairman and Chief Executive Officer		François VUILLET-PETITE Deputy Chief Executive Officer	
(In €)	2021	2020	2021	2020
Remuneration due for the financial year ⁽¹⁾	856,632	581,448	300,004	269,124
Value of multi-year variable remuneration granted during the financial year	116,667	210,000	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	213,922	130,440
Valuation of other long-term remuneration plans	N/A	N/A	N/A	N/A
TOTAL	973,299	791,448	513,926	399,564

	Pascal BARBONI Deputy Chief Executive Officer, Development		Sébastien EYMARD Deputy Chief Executive Officer, Finance and International Affairs	
(In €)	2021	2020	2021	2020
Remuneration due for the financial year ⁽¹⁾	446,214	412,188	445,011	410,904
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)}	237,702	144,930	237,702	144,930
Valuation of other long-term remuneration plans	N/A	N/A	N/A	N/A
TOTAL	683,916	557,118	682,713	555,834

	François-Xavier ANGLADE Deputy Chief Executive Officer, Asset Management and Acquisitions	
(In €)	2021	2020
Remuneration due for the financial year ⁽¹⁾	244,503	230,430
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)}	166,394	101,460
Valuation of other long-term remuneration plans	N/A	N/A
TOTAL	410,897	331,890

(1) The table above presents the breakdown of remuneration due.

(2) Section 1.5.11.2.1 above gives the breakdown of free shares granted.

(3) Valuation at closing price in 2020 (€30) and 2021 (€32.80).

1.6.3.1.3 Table of remuneration and benefits due and paid to executive corporate officers

(In €)	Antoine FREY Chairman and Chief Executive Officer				François VUILLET-PETITE Deputy Chief Executive Officer			
	FY 2021		FY 2020		FY 2021		FY 2020	
	Amount due	Amount paid	Amount due	Amount paid	Amount due	Amount paid	Amount due	Amount paid
Fixed remuneration	400,000	400,000	391,667	391,667	180,000	180,000	180,000	180,000
Annual variable remuneration	400,000 ⁽¹⁾	144,917 ⁽²⁾	144,917	230,087	113,440 ⁽¹⁾	82,560 ⁽²⁾	82,560	115,732
Multi-year variable remuneration	116,667 ⁽⁸⁾	-	210,000 ⁽⁷⁾	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	11,500 ⁽³⁾	9,500 ⁽⁴⁾	9,500 ⁽³⁾	10,500 ⁽⁴⁾	N/A	N/A	N/A	N/A
Benefits in kind	45,132 ⁽⁵⁾	45,132 ⁽⁵⁾	35,364 ⁽⁵⁾	35,364 ⁽⁵⁾	6,564 ⁽⁶⁾	6,564 ⁽⁶⁾	6,564	6,564
TOTAL	973,299	599,549	791,448	667,618	300,004	269,124	269,124	302,296

(In €)	Pascal BARBONI Deputy Chief Executive Officer, Development				Sébastien EYMARD Deputy Chief Executive Officer, Finance and International Affairs			
	FY 2021		FY 2020		FY 2021		FY 2020	
	Amount due	Amount paid	Amount due	Amount paid	Amount due	Amount paid	Amount due	Amount paid
Fixed remuneration	230,000	230,000	225,000	225,000	230,000	230,000	225,000	225,000
Annual variable remuneration	211,033 ⁽¹⁾	181,800 ⁽²⁾	181,800	170,739	211,033 ⁽¹⁾	181,800 ⁽²⁾	181,800	175,739
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	5,181 ⁽⁶⁾	5,181 ⁽⁶⁾	5,388	5,388	3,978 ⁽⁶⁾	3,978 ⁽⁶⁾	4,104	4,104
TOTAL	446,214	416,981	412,188	401,127	445,011	415,778	410,904	404,843

François-Xavier ANGLADE
Deputy Chief Executive Officer,
Asset Management and Acquisitions

	FY 2021		FY 2020	
	Amount due	Amount paid	Amount due	Amount paid
(In €)				
Fixed remuneration	165,000	165,000	160,833	160,833
Annual variable remuneration	75,413 ⁽¹⁾	64,977 ⁽²⁾	64,977	63,259
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	4,090 ⁽⁶⁾	4,090 ⁽⁶⁾	4,620	4,620
TOTAL	244,503	234,067	230,430	228,712

(1) Variable remuneration (including profit-sharing) to be paid in 2022 in respect of FY 2021 (see section on variable remuneration below).

(2) Variable remuneration (including profit-sharing) paid in 2021 in respect of FY 2020 (see section on variable remuneration below).

(3) Remuneration allocated in respect of the term of office of director to be paid in 2022 for FY 2021 (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 2021 for FY 2020 (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. 8. It will be paid in 2022.

(8) Bonus governed by the conditions of free share allocation plan no. 10. It will be paid in 2023.

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' meetings of 9 and 31 March 2021, acting on the recommendation of the Remuneration Committee meetings of 4 and 30 March 2021, agreed to maintain the "short-term" variable remuneration arrangements for the Chairman and Chief Executive Officer, adjusting the targets for the 2021 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;
- allow the determination of an annual variable bonus, with a weighting adapted according to the Company's priorities reaching 100%.

If 100% of the criteria/targets are met, and subject to the approval of the General Meeting, Antoine Frey will receive a "short-term" annual variable bonus equal to twelve (12) months of gross remuneration.

For the 2021 financial year, the performance criteria defined break down into two main categories, one financial and one linked to the Group's CSR policy (with a weighting adapted according to the Company's priorities, reaching 100%):

- 1 - growth in EPRA NDV NAV ps (restated for the distribution of dividends and the dilutive effect of equity/quasi equity issuance transactions);
- 2 - growth in profit/(loss) from recurring operations (ROC) (restated for DAP and DAA);
- 3 - B Corp™ certification obtained by FREY.

At a meeting of 24 February 2022, on the advice of the Appointments and Remuneration Committee, the Company's Board of Directors noted that these criteria had been 100% met, i.e. short-term variable remuneration amounting to €400,000.

On the advice of the Appointments and Remuneration Committee, the Board of Directors of the Company also noted that the criteria of the long-term variable bonus indexed to the AGM plan no.12 representing a possible 8 months of his gross fixed remuneration for the 2020 financial year had been partially met. For the period under consideration, variation recorded between 31 December 2019 and 31 December 2021, this long-term variable bonus is acquired if the following two criteria, each counting for 50%, are met, namely growth of NAV and ROC growth. Only the recurring operating profit growth target was met. This bonus, which was 50%-achieved in 2022 (€116,667), will be paid at the end of two additional years corresponding to the retention period of the AGM plans, i.e. in 2024.

Thus, his variable remuneration and fixed remuneration account for 54% and 42%, respectively, of his total remuneration.

It should be noted that the payment of this annual variable remuneration for the 2021 financial year is subject to approval by the General Meeting called to approve the financial statements for the financial year ended 31 December 2021.

Variable remuneration of Deputy Chief Executive Officers

At its meetings of 6 and 31 March 2021, on the advice of the Remuneration Committee meetings of 4 and 30 March 2021, the Board of Directors retained the annual variable bonus for Pascal Barboni, Sébastien Eymard, François Vuillet-Petite, and François-Xavier Anglade, Deputy Chief Executive Officers, under their employment contracts.

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 Company financial performance and CSR criteria;
- the individual and collective targets make it possible to determine an annual variable bonus. If 100% of the individual and collective targets are met, Pascal Barboni and Sébastien Eymard will receive an annual variable bonus equal to 11 (eleven) times their gross fixed monthly remuneration, François Vuillet-Petite will receive an annual variable bonus equal to seven (7) times his gross fixed monthly remuneration, and François-Xavier Anglade will receive an annual variable bonus equal to five (5) times his gross fixed monthly remuneration.

For the 2021 financial year, the performance criteria defined break down into two main categories, one financial and one linked to the Group's CSR policy (with a weighting adapted according to the Company's priorities, reaching 100%):

- 1 - growth in EPRA NDV NAV ps (restated for the distribution of dividends and the dilutive effect of equity/quasi equity issuance transactions);
- 2 - growth in profit/(loss) from recurring operations (ROC) (restated for DAP and DAA);
- 3 - B Corp™ certification obtained by FREY.

At a meeting on 24 February 2022, on the advice of the Appointments and Remuneration Committee, the Company's Board of Directors noted that these collective criteria were 100% achieved, while the individual targets of Pascal Barboni, Sébastien Eymard, François Vuillet-Petite and François-Xavier Anglade were, respectively, 90%, 90%, 93%, 85% achieved, with remuneration (including profit-sharing) amounting to, respectively, €211,033, €211,033, €113,440 and €75,413.

Thus, the proportions of Pascal Barboni's variable and fixed remuneration (including profit-sharing) relative to his total remuneration (including benefits in kind and free shares) are 40% and 44%, respectively.

The proportions of Sébastien Eymard's variable and fixed remuneration relative to his total remuneration are 40% and 44%, respectively.

The proportions of François Vuillet-Petite's variable and fixed remuneration relative to his total remuneration are 30% and 48%, respectively.

The proportions of François-Xavier Anglade's variable and fixed remuneration relative to his total remuneration are 25% and 55%, respectively.

It should be noted that the payment of this annual variable remuneration for the 2021 financial year is subject to approval by the General Meeting called to approve the financial statements for the financial year ended 31 December 2021.

1.6.3.1.5 Breakdown of fixed annual remuneration to be allocated to the Board of Directors (formerly called directors' fees)

On 9 March 2021, the Board of Directors decided that the fixed annual remuneration 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 9 March 2021, 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 9 March 2021 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 11 May 2021 voted to set €200,000 as the maximum payable in directors' fees to the members of the Board of Directors in respect of the 2021 financial year.

	FY 2021		FY 2020	
	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	11,500	961,799 ⁽³⁾	9,500	781,948 ⁽³⁾
Jean-Pierre CEDELLE	14,500	115,472 ⁽¹⁾	14,500	115,472 ⁽¹⁾
Jean-Noël DRON	5,750	Nil	8,250	Nil
Firmament Participations	8,000	Nil	6,000	Nil
Inès FREY	6,000	Nil	1,000	Nil
François LEMARCHAND	3,000	Nil	6,000	Nil
Muriel FAURE	24,000	Nil	23,250	Nil
SPRL Marc VAN BEGIN ⁽²⁾	5,500	Nil	4,250	Nil
Prédica	11,750	Nil	Nil	Nil
Sogecap	10,250	Nil	10,750	Nil
Cardif Assurance Vie	13,500	Nil	12,500	Nil
Jean Christophe LITTAYE ⁽²⁾	4,500	Nil	4,000	Nil
Grégory FRAPET ⁽²⁾	1,500	Nil	1,500	Nil
David FERREIRA ⁽²⁾	Nil	Nil	Nil	Nil
Franck MATHE ⁽²⁾	2,500	Nil	2,500	Nil
TOTAL	€122,250	€1,077,271	€106,000	€897,420

(1) Remuneration 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 in respect of 2021, paid in 2022.

(5) Remuneration allocated in respect of 2020, paid in 2021.

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

	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
Senior executives/corporate officers				
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. and Plan no. 9), 7 March 2019 (Plan no. 10), 2 April 2020 (Plan no. 12) and 31 March 2021 (Plan no.13), 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	Valuation of shares according to the method used for the consolidated financial statements	Vesting date	Availability date	Performance conditions
François VUILLET-PETITE (senior executive)	13 11/05/2021	6,522	€213,922	11/05/2022	11/05/2023	50% of the shares subject to the condition of an EPRA NDV NAV ps for 2021 (restated for the distribution of dividends and the dilutive effect of equity/quasi equity issuance transactions) greater than or equal to the EPRA NDV NAV ps published for 2020 (i.e. €31.20 ps). 50% of shares subject to the condition of a profit/(loss) from recurring operation (ROC) restated for DAP and DAA in 2021 greater than or equal to published ROC for 2020 (i.e. €42 million).
Pascal BARBONI (senior executive)	13 11/05/2021	7,247	€237,702	11/05/2022	11/05/2023	50% of the shares subject to the condition of an EPRA NDV NAV ps for 2021 (restated for the distribution of dividends and the dilutive effect of equity/quasi equity issuance transactions) greater than or equal to the EPRA NDV NAV ps published for 2020 (i.e. €31.20 ps). 50% of shares subject to the condition of a profit/(loss) from recurring operation (ROC) restated for DAP and DAA in 2021 greater than or equal to published ROC for 2020 (i.e. €42 million).
Sébastien EYMARD (senior executive)	13 11/05/2021	7,247	€237,702	11/05/2022	11/05/2023	50% of the shares subject to the condition of an EPRA NDV NAV ps for 2021 (restated for the distribution of dividends and the dilutive effect of equity/quasi equity issuance transactions) greater than or equal to the EPRA NDV NAV ps published for 2020 (i.e. €31.20 ps). 50% of shares subject to the condition of a profit/(loss) from recurring operation (ROC) restated for DAP and DAA in 2021 greater than or equal to published ROC for 2020 (i.e. €42 million).
François-Xavier ANGLADE (senior executive)	13 11/05/2021	5,073	€166,394	11/05/2022	11/05/2023	50% of the shares subject to the condition of an EPRA NDV NAV ps for 2021 (restated for the distribution of dividends and the dilutive effect of equity/quasi equity issuance transactions) greater than or equal to the EPRA NDV NAV ps published for 2020 (i.e. €31.20 ps). 50% of shares subject to the condition of a profit/(loss) from recurring operation (ROC) restated for DAP and DAA in 2021 greater than or equal to published ROC for 2020 (i.e. €42 million).
TOTAL	-	26,089	€855,720	-	-	-

(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 2021 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 at 31/12/2021	3,348	2,635	4,101	30,187
Number of shares cancelled or lapsed at 31/12/2021	0	0	0	833
Number of outstanding shares allocated at 31/12/2021	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 at 31/12/2021	36,282	1,049	16,253	3,567
Number of shares cancelled or lapsed at 31/12/2021	5,544	252	19,249	1,000
Number of outstanding shares allocated at 31/12/2021	0	0	0	0

Plan No.	Plan No. 12	Plan No. 13
Date of Board meeting	02/04/2020	31/03/2021
Number of free shares allocated	36,197	47,015
Number of shares allocated to corporate officers	17,392	26,089
<i>François Vuillet-Petite</i>	4,348 ⁽¹⁾	6,522 ⁽¹⁾
<i>Pascal Barboni</i>	4,831 ⁽¹⁾	7,247 ⁽¹⁾
<i>Sébastien Eymard</i>	4,831 ⁽¹⁾	7,247 ⁽¹⁾
<i>François-Xavier Anglade</i>	3,382 ⁽¹⁾	5,073 ⁽¹⁾
Date shares vested	02/04/2022	11/05/2022
Retention period ends	02/04/2024	11/05/2023
Number of shares definitively allocated at 31/12/2021	0	0
Number of shares cancelled or lapsed at 31/12/2021	3,623	0
Number of outstanding shares allocated at 31/12/2021	32,574	47,015

(1) Shares granted subject to performance conditions linked to 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
	No.: 4 Date: 06/07/2016	788	788
François VUILLET-PETITE	No.: 6 Date: 10/05/2017	4,101	4,101
Sébastien EYMARD	No.: 7 10/05/2017	6,792	0
	No.: 4 Date: 06/07/2016	394	0
François-Xavier ANGLADE	No.: 7 10/05/2017	3,204	0
TOTAL		17,914	4,889

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 remuneration of each senior executive

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;

- 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) excluding executive corporate officers;
- 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) excluding executive corporate officers;
- SMIC ratio for each year N: ratio between the gross annual remuneration of each executive corporate officer and the annual (on a full-time equivalent basis) minimum wage (French SMIC);
- remuneration covered: as the numerator and denominator, fixed and variable remuneration, special bonuses and free shares and benefits in kind 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	2021	2020	2019	2018	2017
Mean ratio	13.38	10.93	7.92	8.66	9.68
Median ratio	16.89	13.75	9.98	10.69	12.51
SMIC ratio	52.17	43.29	34.03	33.62	33.92
Change in NAV NDV*	2.6%	-4.5%	29.4%	64.0%	69.4%
Change in total remuneration of the Chairman and Chief Executive Officer	22%	30%	2.8%	0.3%	27.9%
Change in average employee remuneration	-0.6%	-14%	12.3%	12.2%	-8.7%

For François Vuillet-Petite, Deputy Chief Executive Officer:

x times	2021	2020	2019	2018	2017
Mean ratio	5.10	5.65	5.62	4.57	5.04
Median ratio	6.44	7.11	7.08	5.64	6.51
SMIC ratio	19.90	22.39	24.15	17.76	17.67
Change in NAV NDV*	2.6%	-4.5%	29.4%	64.0%	69.4%
Change in total remuneration of the Deputy Chief Executive Officer	-10%	-6%	38.1%	1.7%	-3.0%
Change in average employee remuneration	-0.6%	-14%	12.3%	12.2%	-8.7%

For Pascal Barboni, Deputy Chief Executive Officer:

x times	2021	2020	2019	2018	2017
Mean ratio	7.22	7.65	6.57	6.04	4.65
Median ratio	9.12	9.62	8.28	7.45	6
SMIC ratio	28.17	30.29	28.25	23.44	16.29
Change in NAV NDV*	2.6%	-4.5%	29.4%	64.0%	N/A
Change in total remuneration of the Deputy Chief Executive Officer	-6%	9%	22.3%	45.7%	N/A
Change in average employee remuneration	-0.6%	-14%	12.3%	12.2%	N/A

For Sébastien Eymard, Deputy Chief Executive Officer:

x times	2021	2020	2019	2018	2017
Mean ratio	7.21	7.63	7.76	5.02	4.63
Median ratio	9.10	9.60	9.77	6.19	5.99
SMIC ratio	28.10	30.22	33.33	19.48	16.24
Change in NAV NDV*	2.6%	-4.5%	29.4%	64.0%	N/A
Change in total remuneration of the Deputy Chief Executive Officer	-6%	8%	73.7%	21.4%	N/A
Change in average employee remuneration	-0.6%	-14%	12.3%	12.2%	N/A

For François-Xavier Anglade, Deputy Chief Executive Officer:

x times	2021	2020	2019	2018	2017
Mean ratio	4.15	4.65	N/A	N/A	N/A
Median ratio	5.24	5.85	N/A	N/A	N/A
SMIC ratio	16.19	18.41	N/A	N/A	N/A
Change in NAV NDV*	2.6%	-4.5%	N/A	N/A	N/A
Change in total remuneration of the Deputy Chief Executive Officer	-11%	8%	N/A	N/A	N/A
Change in average employee remuneration	-0.6%	-14%	N/A	N/A	N/A

* For financial years beginning after ¹ January 2020, the triple net EPRA NAV is replaced by the NAV NDV.

1.6.3.2 Remuneration policy for corporate officers for the 2022 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 its meeting of 24 February 2022, and acting on the recommendation of the Appointments and Remuneration Committee, meeting on 21 February 2022, adopted the remuneration policy for all corporate officers of the Company for the 2022 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 2021 will be asked to vote on the remuneration policy for executive corporate officers as approved by the Board of Directors for the 2022 financial year. Should the General Meeting not approve this remuneration policy, the remuneration of the corporate officers will be determined in accordance with the remuneration policy approved for the prior financial year, or, in the absence of a previously approved remuneration policy, in accordance with the remuneration awarded for the previous financial year.

The remuneration policy for the 2022 financial year remains broadly unchanged from 2021. As a reminder, the Company's Combined General Meeting of shareholders of 11 May 2021 approved 100% of the remuneration policy applicable to the corporate officers for 2021. 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 24 February 2022, acting on the recommendation of the Appointments and Remuneration Committee meeting of 21 February 2022, 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 11 May 2021;
- (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 remuneration 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 remuneration 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 24 February 2022, acting on the recommendation of the Appointments and Remuneration Committee meeting of 21 February 2022, the Board of Directors approved the principles and criteria for calculating the items of remuneration for the Chairman and Chief Executive Officer.

This remuneration policy remained broadly unchanged compared to the 2021 financial year.

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 54% 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 24 February 2022, acting on the recommendation of the Appointments and Remuneration Committee meeting of 21 February 2022, the Board of Directors set the annual fixed remuneration of the Chairman and Chief Executive Officer at €440,000 gross for the 2022 financial year.

SHORT-TERM VARIABLE REMUNERATION

At its meeting of 24 February 2022, acting on the recommendation of the Appointments and Remuneration Committee meeting of 21 February 2022, 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.

By way of example, for the financial year ended 31 December 2021, the short-term annual variable component of the remuneration of the Chairman and Chief Executive Officer was €400,000.

For 2022, the annual variable portion of the remuneration of the Chairman and Chief Executive Officer was determined taking into account the achievement of an individual target, accounting for 20% of it, in line with the Group's management policy, and collective targets applicable to all Group employees, accounting for 80% of it, and whose definition is based on:

- 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 2022, 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 NDV NAV ps (restated for the distribution of dividends and the dilutive effect of equity/quasi equity issuance transactions);
- growth in profit/(loss) from recurring operations (ROC) (restated for DAP and DAA);
- discharge of the Mission Committee.

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 of the above criteria are as follows:

- 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 24 February 2022, acting on the recommendation of the Appointments and Remuneration Committee meeting of 21 February 2022, reapplied the principles and criteria suspended in the 2022 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 2021, the annual variable component of the remuneration of the Chairman and Chief Executive Officer was €383,334.

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 two-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).

- a breakdown into mutually independent categories;

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 total long-term variable bonus of the Chairman and Chief Executive Officer may total an amount equivalent to eight months of his 2021 fixed remuneration if the performance criteria are 100% achieved.

For example, the long-term variable bonus determined in 2022 will be subject to a vesting period running to 2024 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 2023 compared with the consolidated financial statements for the financial year ended 31 December 2021, will be paid in 2026.

EXTRAORDINARY REMUNERATION

Lastly, as of the 2022 financial year, the Board of Directors decided to again 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 remuneration of the Chairman and Chief Executive Officer may not exceed 30% of the amount of the short-term variable remuneration (on a 100% basis).

In any case, it is specified that the payment of the elements of exceptional remuneration 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.

For the financial year ended 31 December 2021, it should be noted that the amount of benefits in kind awarded to the Chairman and Chief Executive Officer totalled €45,132.

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 €2,960 for 2022.

At its meeting of 24 February 2022, acting on the recommendation of the Appointments and Remuneration Committee meeting of 21 February 2022, the Board of Directors decided to propose the renewal of these benefits in kind for the 2022 financial year for an amount of €46,584 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 2022 financial year.

For reference, it should be noted that the Chairman and Chief Executive Officer was awarded €11,500 in directors' fees for the 2021 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 24 February 2022, acting on the recommendation of the Appointments and Remuneration Committee meeting of 21 February 2022, the Board of Directors approved the items of remuneration for the Deputy Chief Executive Officers.

For FY 2022, this remuneration policy remained broadly unchanged compared to the 2021 financial year.

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 2021 respectively totalled €180,000, €230,000, €230,000 and €165,000 gross.

At its meeting of 24 February 2022, acting on the recommendation of the Appointments and Remuneration Committee meeting of 21 February 2022, the Board of Directors approved the annual fixed remuneration for 2022 of François Vuillet-Petite, Pascal Barboni, Sébastien Eymard, and François-Xavier Anglade, in the amount of, respectively, €190,000, €260,000, €275,000 and €190,000 gross.

VARIABLE REMUNERATION

At its meeting of 24 February 2022, acting on the recommendation of the Appointments and Remuneration Committee meeting of 21 February 2022, the Board of Directors approved the principles and criteria applicable to the annual variable remuneration of the Deputy Chief Executive Officers for the 2022 financial year.

These principles are broadly unchanged from those approved for the 2021 financial year, although the criteria were adapted to reflect operational and financial developments of the Group.

For reference, for the financial year ended 31 December 2021, the variable portion of remuneration came to €113,440 for François Vuillet-Petite, €211,033 for Pascal Barboni, €211,033 for Sébastien Eymard and €75,413 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 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 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 7 months of his remuneration assuming targets are 100% achieved, of which:

- 40% of the amount equivalent to seven or eleven months of fixed remuneration for collective targets identical to those set for the Chairman and Chief Executive Officer (see Section 1.6.3.2.2 above);
- 60% of the amount equivalent to seven or eleven months of fixed remuneration for individual targets clearly established by the Board of Directors at its meeting of 24 February 2022 acting on the recommendation of the Appointments and Remuneration Committee meeting of 21 February 2022, 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.

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 remuneration, 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, as of the 2022 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 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 remuneration of the Deputy Chief Executive Officers may not exceed 30% of the amount of the variable remuneration (on a 100% basis).

In any case, it is specified that the payment of the elements of exceptional remuneration 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 2021, 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, €5,181, €3,978 and €4,090, 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 24 February 2022, and on the advice of the Appointments and Remuneration Committee meeting on 21 February 2022, the Board of Directors decided to renew the allocation of these benefits in kind for the financial year 2022 for François Vuillet-Petite, Pascal Barboni, Sébastien Eymard and François-Xavier Anglade respectively at €6,410, €5,112, €3,936 and €3,996.

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 24 February 2022, and on the advice of the Appointments and Remuneration Committee meeting on 21 February 2022, the Board of Directors decided on the principle of setting up a fourteenth 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: 18,902 shares;
- vesting period: two years from grant;
- mandatory lock-up period: two years 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 NAV ps (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 2021 financial year (see Section 1.6.3.1.8 “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;
- in 2011, signed up to the MiddleNext Corporate Governance Code;
- 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.

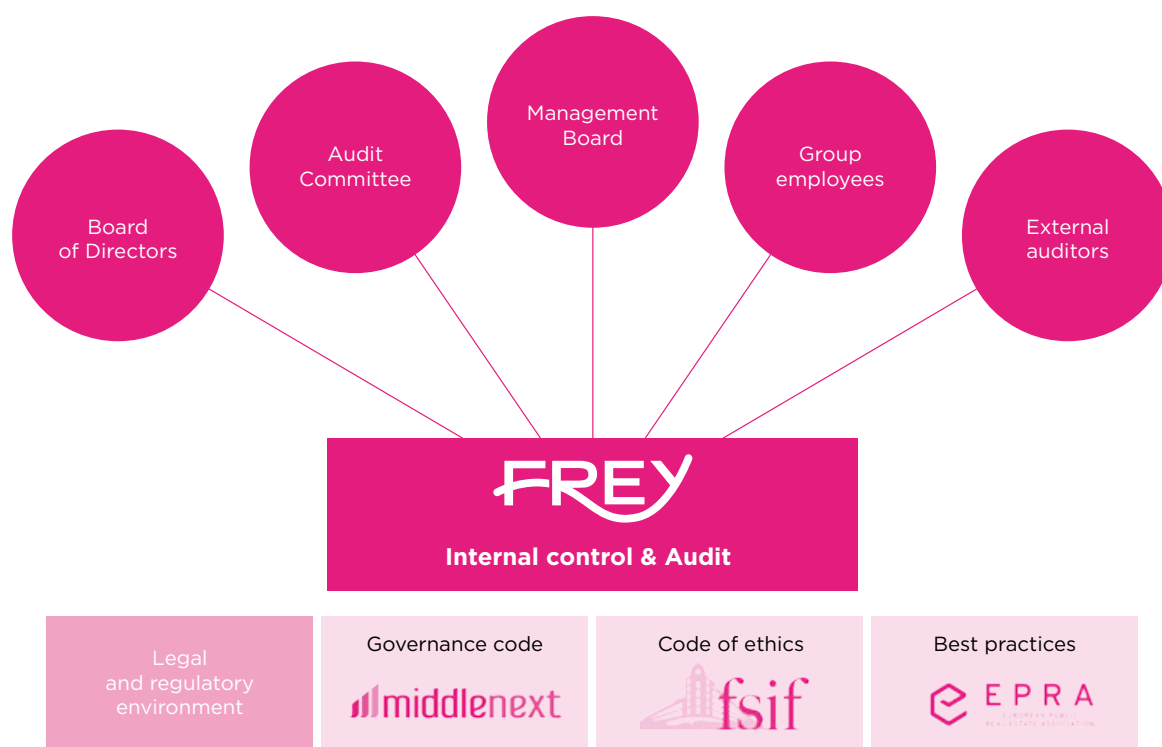
1.7.1.2 Internal Control scope

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 Section 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 Section 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 six (6) members:

Chairman and Chief Executive Officer	Antoine FREY
Deputy Chief Executive Officer, Asset Management and Acquisitions	François-Xavier ANGLADE
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 employees

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 Executive Management and the Finance & Accounting Department:

- Executive 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 ten people.

At the initiative of Executive 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 Executive 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 framework⁽¹⁾ 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 Section 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 1.6.3.1 of this management report, "Remuneration of corporate officers and executives in the financial years 2021/2022".

1.7.2.2 Rules of Procedure, 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 Section 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 2021.

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 **Appendix 4** of this management report on the payment terms in force on 31 December 2020.

1.9.3 GENERAL EXPENSES - 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 €92,138, representing a potential additional tax charge of €3,688 on taxable income and a potential additional distribution obligation of €74,311 on non-taxable income.

APPENDIX 1 – SA FREY RESULTS OVER THE LAST FIVE FINANCIAL YEARS

(In €)	31/12/2021	31/12/2020	31/12/2019	31/12/2018	31/12/2017
Financial position at the end of the financial year					
Share capital	70,917,008	61,508,158	60,562,493	47,104,163	30,281,250
Number of shares issued	28,366,803	24,603,263	24,224,997	18,841,665	12,112,500
Number of convertible bonds	-	-	-	1,519,264	1,621,691
Comprehensive income of actual operations					
Revenue excl. tax	22,221,299	17,015,612	13,565,588	12,849,435	12,244,414
Earnings before tax, depreciation, amortisation and provisions	6,063,726	21,916,463	-3,819,596	2,943,628	6,351,662
Income tax	-	-	-	-	-
Earnings after tax, depreciation, amortisation and provisions	-9,863,711	21,866,472	-10,000,742	-2,546,118	2,275,293
Earnings distributed	-	6,273,663	-	-	-
Operating earnings per share					
Earnings after tax but before depreciation, amortisation and provisions	0.21	0.89	-0.16	0.16	0.59
Earnings after tax, depreciation, amortisation and provisions	-0.35	0.89	-0.41	-0.14	0.19
Dividend paid on each share	1.60	1.50	1.50	1.20	1.00
Workforce					
Average workforce for the financial year	30	30	28	26	25
Total payroll for the financial year	2,786,256	2,869,879	2,737,528	2,523,561	2,410,364
Amount of benefits paid (social security, charitable works, etc.)	2,651,731	2,250,032	2,251,326	1,364,565	1,590,173

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 €)	Pricing conditions
(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 11/05/2021 16 th resolution	26 months from 11/05/2021 to 11/07/2023	Board of Directors meeting of 10 November 2021 (Capital increase with a nominal value of €8,510,040.00)	Up to the maximum ceiling of €50 million (specific ceiling and overall maximum ceiling)	None.

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, by way of a public offering other than that referred to in Article L. 411-2, 1° of the French Monetary and Financial Code, ordinary shares and/or marketable securities of any kind whatsoever giving immediate or future access to the Company's share capital or the share capital of companies in which the Company directly or indirectly owns more than half of the share capital.	AGM 11/05/2021 17 th resolution	26 months from 11/05/2021 to 11/07/2023		Up to €50 million, this amount being deducted from the overall ceiling set out in (1)	Pursuant to Article L. 225-136 and Article R. 22-10-32 of the French Commercial Code (i.e. weighted average of the prices of the last three trading sessions preceding the date it was set, potentially reduced by a maximum discount of 10%).
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 (3) in the event of cancellation of shareholders' preferential subscription rights within the annual limit of 10% of the share capital.	AGM 11/05/2021 18 th resolution	26 months from 11/05/2021 to 11/07/2023		Up to 10% of the share capital per year and up to the overall maximum ceiling of €50 million set out in (1)	At a minimum, the average closing price over a period of 10 consecutive trading days, taken in the three months preceding the date on which the issue price was set.
Increase of the amount of issues referred to in (1), (2) and (3) in the event of over-subscription.	AGM 11/05/2021 19 th resolution	26 months from 11/05/2021 to 11/07/2023		Within 30 days of the end of the subscription of the initial issue, up to 15% and within the overall maximum ceiling of €50 million set out in (1)	N/A

Issues without preferential subscription rights (continued)

Shares involved	Source (Resolution No.)	Duration of authorisation and expiry	Use of the authorisation	Maximum nominal amount of the capital increase (in €)	
(3) Capital increase by issuing ordinary shares, marketable securities and/or financial securities conferring access to the share capital by way of an offering covered by Article L. 411-2, 1° of the French Monetary and Financial Code with cancellation of preferential subscription rights.	AGM 11/05/2021 20 th resolution	26 months from 11/05/2021 to 11/07/2023		Up to 20% of the share capital per year and up to the ceiling of €50 million set out in (7)	Pursuant to Article L. 225136 and Article R. 22-10-32 of the French Commercial Code (i.e. weighted average of the prices of the last three trading sessions preceding the date it was set, potentially reduced by a maximum discount of 10%).
Issue of ordinary shares and marketable securities conferring access to the share capital in the event the Company initiates a public exchange offering.	AGM 11/05/2021 21 st resolution	26 months from 11/05/2021 to 11/07/2023		Up to €50 million, this amount being deducted from the overall ceiling set out in (1)	N/A
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(1) pursuant to Article L. 225-138 of the French Commercial Code.	AGM 11/05/2021 22 nd resolution	18 months from 11/05/2021 to 11/11/2022		Up to €50 million, this amount being deducted from the overall ceiling set out in (1)	Range between 80% and 120% of the average closing price recorded over a period of 10 consecutive trading days, taken in the three months preceding the date on which the issue price is set, it being specified that, whatever the circumstances, the issue price may not be less than the share of equity per share as shown in the last approved balance sheet or in the last interim accounting statement certified by the Company's Statutory Auditors.
Free allocation of existing shares or to be created for the benefit of Company employees and/or corporate officers or certain categories of them.	AGM 11/05/2021 23 rd resolution	38 months from 12/05/2021 to 12/07/2024	Board of Directors meeting of 31 March 2021	Up to 10% of the share capital	N/A
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 11/05/2021 25 th resolution	26 months from 11/05/2021 to 11/07/2023		Up to 10% of the share capital per year and up to a ceiling of €50 million, this amount being deducted from the overall ceiling set out in (1)	N/A
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 to 21/07/2022		Up to 10% of the share capital	Price set within the limits and according to the terms and conditions provided for by law.

Capital reduction

Shares involved	Source (Resolution No.)	Duration of authorisation and expiry	Use of the authorisation	Maximum nominal capital increase (in €)
Capital reduction by cancelling treasury shares	AGM 20/05/2020 34 th resolution	26 months 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

(1) Investment companies, collective savings management funds or investment funds (including any investment institution, UCITS, AIFs or holding companies) governed by French or foreign law, insurance companies (North American, of the European Union and Swiss), investing in companies in the real estate sector, and industrial groups governed by French or foreign law, with an operational activity in this sector, the list of which will set by the Board of Directors, it being specified that the number of beneficiaries may not exceed fifteen per issue.

Furthermore, it should be recalled that the 15th resolution of the General Meeting of 11 May 2021 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. 22-10-62 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 ON SA FREY SUBSIDIARIES

Position at 31 December 2021

Company	SIRET	Registered office	Last reporting date
SAS Citizers By FREY	84 787 868 300 014	Bezannes	31/12/2021
SASU Ecoparc Aménagement	82 813 426 200 017	Bezannes	31/12/2021
SASU F. Events	80 049 637 400 011	Bezannes	31/12/2021
Groupement Forestier Forey	88 200 559 800 017	Bezannes	31/12/2021
SASU Frey Aménagement et Promotion	50 020 204 900 028	Bezannes	31/12/2021
SCI FREY Murs 01	79 437 575 800 016	Bezannes	31/12/2021
SASU FREY Murs 02	81 382 264 000 013	Bezannes	31/12/2021
GIE FREY Solidarity	88 398 410 600 012	Bezannes	31/12/2021
SCI IF Allondon	79 040 337 200 010	Bezannes	31/12/2021
SNC IF Bezannes	51 227 833 400 028	Bezannes	31/12/2021
SNC IF Chêne Vert	50 292 508 400 043	Bezannes	31/12/2021
SAS IF Clos du Chêne	53 318 731 600 013	Bezannes	31/12/2021
SCI IF Ecopole	80 793 499 700 014	Bezannes	31/12/2021
SNC IF Gestion & Transactions	49 433 447 700 028	Bezannes	31/12/2021
SNC IF Plein Est	53 335 065 800 019	Bezannes	31/12/2021
SNC IF Plein Ouest	53 314 064 600 019	Bezannes	31/12/2021
SNC IF Plein Sud	51 227 840 900 028	Bezannes	31/12/2021
SNC IF Saint Parres	52 091 458 100 027	Bezannes	31/12/2021
SCI IF Valentine	79 040 224 200 016	Bezannes	31/12/2021
SCI IF ZCN Investissement	81 041 888 900 012	Bezannes	31/12/2021
SCI Massonex	50 837 678 700 018	Bezannes	31/12/2021
SCI PAI 02	52 276 550 200 029	Bezannes	31/12/2021
Association Social Market	89 387 154 100 015	Bezannes	31/12/2021
SNC Retail Prodev	82 082 190 800 010	Bezannes	31/12/2021
SAS ZCN Aménagement	80 082 784 200 017	Bezannes	31/12/2021
SAS BEC PROMOTION	44 411 599 200 042	Bezannes	31/12/2021
SAS BEC SOLAR	52 347 091 200 123	Bezannes	31/12/2021
Frey Invest	Company under Spanish law	Barcelona	31/12/2021
Parc Vallès	Company under Spanish law	Barcelona	31/12/2021
Parla Natura	Company under Spanish law	Barcelona	31/12/2021
Santa Margarida	Company under Spanish law	Barcelona	31/12/2021
Eurofund Parc Lleida	Company under Spanish law	Barcelona	31/12/2021
Albufeira Retail Park	Company under Portuguese law	Lisbon	31/12/2021
Algarve Shopping	Company under Portuguese law	Lisbon	31/12/2021
Freyprop	Company under Portuguese law	Lisbon	31/12/2021
Imoconti	Company under Portuguese law	Lisbon	31/12/2021
Project Guia	Company under Portuguese law	Lisbon	31/12/2021
SAS FRF 1	53 846 065 000 012	Bezannes	31/12/2021
SCI FRF 2	53 848 614 300 018	Bezannes	31/12/2021

% of share capital held by FREY	Consolidation method	NAV of securities (as % of ownership)	Revenue excl. tax (100%)	Equity (100%)	Income for the last financial year (100%)
100%	FC	€10	€452,979	-€1,243,033	-€596,896
100%	FC	€10,000	€0	-€82,886	€654,524
100%	FC	150,000	€613,941	-€1,011,572	-€411,145
100%	FC	€9,990	€85,435	-€34,776	-€44,776
100%	FC	€3,757,500	€2,450,165	€2,453,969	€1,679,280
100%	FC	€9,901	€0	€2,364	-€7,636
100%	FC	€10,000	€0	€284,284	€273,284
100%	FC	- €	- €	-€1,005,971	-€1,005,971
100%	FC	€9,990	€0	-€130,602	-€140,602
100%	FC	€9,900	€394,582	€37,821	€27,821
100%	FC	€40,105	€3,032,519	-€1,746,337	-€1,756,337
100%	FC	€16,252,450	€2,467,966	€9,813,944	-€217,759
100%	FC	€495,000	€0	€317,304	-€182,896
100%	FC	€9,900	€6,676,005	€340,785	€330,785
100%	FC	€9,900	€2,560,524	€844,093	€834,093
100%	FC	€9,900	€708,305	€78,415	€268,415
100%	FC	€9,900	€2,648,551	€1,130,147	€1,120,147
100%	FC	€9,900	€0	€88,997	-€119,220
100%	FC	€9,990	€0	-€111,166	-€121,166
100%	FC	€9,900	€5,909,873	€435,022	€425,022
100%	FC	€267,195	€0	-€57,234	-€19,709
100%	FC	€6,400,302	€2,125,201	-€5,113,553	-€605,627
100%	FC	- €	€19,612	€0	€0
100%	FC	€10,000	€0	€1,262,029	€1,272,029
100%	FC	€50,000	€5,762,155	€592,322	€493,949
100%	FC	€60,658,623	€7,640,578	€3,999,821	€2,495,578
100%	FC	€112,800	€92,979	-€21,620	€121,693
100%	FC	€100,000	€160,000	€4,441,387	-€342,112
100%	FC	€25,967,602	€6,332,060	€9,887,902	€710,361
100%	FC	€3,156,056	€0	-€926,800	-€46,875
100%	FC	€20,341	€1,353,051	€13,974	€0
100%	FC	€3,625,884	€0	€3,368,097	-€392,785
70%	FC	€11,636,068	€1,287,142	€16,622,954	€893,979
70%	FC	€63,552,458	€7,704,096	€91,331,443	€7,045,379
70%	FC	€1,400,000	€0	-€526,237	€755,277
70%	FC	€1,038,172	€1,350,198	€1,478,825	€170,905
70%	FC	€678,150	€0	€968,787	-€20,558
67%	FC	€1,583,961	€284,693	€1,864,923	€90,774
62%	FC	€60,936,145	€0	€95,929,430	€12,493,098

Company	SIRET	Registered office	Last reporting date
SCI FRF 2 - Le Pontet	75 119 486 100 017	Bezannes	31/12/2021
SCI FRF 2 - Torcy	53 968 293 000 018	Bezannes	31/12/2021
SCI FRF 2 - Torcy II	51 330 270 300 022	Bezannes	31/12/2021
SC FRF2 Apollo	81 295 568 000 010	Bezannes	31/12/2021
SCI FRF2 Khepri 1	80 028 323 600 019	Bezannes	31/12/2021
SNC IF Cormontreuil 01	50 892 831 400 022	Bezannes	31/12/2021
SCI Zone A	48 851 228 600 029	Bezannes	31/12/2021
SCCV Porte de Loire Invest	89 872 538 700 010	Bezannes	31/12/2021
SCI L'Agenaise d'Investissement	75 009 514 300 012	Bezannes	31/12/2021
SCI Bonneuil Retail Park	82 162 960 700 010	Bezannes	31/12/2021
SCI PI	80 389 666 100 011	Bezannes	31/12/2021
SCI Sopic FREY	51 782 611 100 026	Bezannes	31/12/2021
SCI Tervilloise d'Investissement	81 872 539 200 018	Bezannes	31/12/2021
SC FREY Retail Villebon	81 767 624 000 010	Bezannes	31/12/2021

% of share capital held by FREY	Consolidation method	NAV of securities (as % of ownership)	Revenue excl. tax (100%)	Equity (100%)	Income for the last financial year (100%)
62%	FC	€3,725	€623,351	€5,011,148	€5,005,148
62%	FC	€3,725	€1,898,664	€995,440	€860,600
62%	FC	€1,456,396	€130,334	€104,172	€94,172
62%	FC	€3,725	€6,046,110	€4,089,337	€4,083,337
62%	FC	€3,725	€791,510	€303,187	€297,167
62%	FC	€4,878,724	€1,436,828	€700,431	€690,431
62%	FC	€2,487,703	€1,542,661	€932,578	€832,579
50%	EA	€5,000	€0	-€3,501	- €13,501
50%	EA	€3,000	€2,301,525	-€5,819,584	-€45,657
50%	EA	€5,000	€1,229,805	€642,013	€632,013
50%	EA	€5,000	€498,544	€82,842	€72,842
50%	EA	€154,336	€0	€235,884	-€8,455
50%	EA	€5,000	€599,873	€42,244	€57,585
5%	EA	€1,846,005	€8,248,333	€38,465,287	€1,545,182

APPENDIX 4 - PAYMENT TERMS AND PERIODS IN FORCE AS OF 31 DECEMBER 2021

Article D. 441 I. -1° of the French Commercial Code: Invoices received but not paid at the end of the financial year and which are past due						
	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and over	Total (1 day and over)
(A) Late payment tranche						
Number of invoices involved	25					62
Total amount of invoices in questions, incl. VAT	€567,625	€0	€3,999	-€3,758	€50,791	€51,032
Percentage of total purchases for the financial year, incl. tax*	1.28%	0.00%	0.01%	-0.01%	0.11%	0.12%
Percentage of revenue for the financial year, incl. VAT						
(B) Invoices excluded from (A) relating to disputed payables and receivables or unrecognised						
Number of invoices excluded						
Total amount of invoices excluded, incl. 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	• Statutory time-limits: 30 days end-of-month					

Article D. 441 I. -2° of the French Commercial Code: Invoices issued but not paid
at the end of the financial year and which are past due

0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and over	Total (1 days and over)
17					565
€315	€56,482	€208,716	€67,138	€2,086,481	€2,418,816
0.00%	0.21%	0.78%	0.25%	7.82%	9.07%
0	0	0	0	107	107
€0.00	€0.00	€0.00	€0.00	€2,097,991	€2,097,991

• Statutory time-limits: Cash



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2

CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2021

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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 2021

(In €K)	Note	31/12/2021 12 months	% revenue	31/12/2020 12 months	% revenue
REVENUE	2.5.1.1	98,696	100%	107,218	100%
PURCHASES CONSUMED	2.5.1.3	-33,241	-34%	-49,563	+46%
Payroll expenses	2.5.1.4	-10,520		-9,101	
Other income	2.5.1.5	55,797		4,184	
Other expenses	2.5.1.5	-53,250		-5,441	
Taxes and duties	2.5.1.6	-1,017		-1,477	
Allocations to and write-backs of depreciation, amortisation and impairment	2.5.1.7	-3,425		-3,469	
PROFIT/(LOSS) FROM RECURRING OPERATIONS		53,040	54%	42,351	39%
Other operating income	2.5.1.8	8,504		3,094	
Other operating expenses	2.5.1.8	-14,275		-13,085	
<i>of which waivers of rent receivables granted</i>		-1,013		-6,066	
Value adjustments of investment property	2.5.2.3	28,762		-19,259	
OPERATING PROFIT/(LOSS)		76,031	77%	13,101	12%
Share of net profit/(loss) of associates	2.5.2.4	2,522		-1,827	
OPERATING PROFIT/(LOSS) AFTER SHARE OF NET PROFIT/(LOSS) OF ASSOCIATES		78,553	80%	11,274	11%
Net cost of debt	2.5.1.9	-10,888		-9,752	
<i>of which financial income</i>		178		140	
<i>of which financial expenses</i>		-11,066		-9,892	
Other financial income and expenses	2.5.1.9	8,256		777	
PROFIT/(LOSS) BEFORE TAX		75,921	77%	2,299	2%
Income tax	2.5.1.10	-3,728		-1,406	
NET PROFIT/(LOSS) OF CONSOLIDATED COMPANIES		72,193	73%	3,705	3%
NET PROFIT/(LOSS) ATTRIBUTABLE TO NON-CONTROLLING INTERESTS		-6,761		-1,337	
NET PROFIT (GROUP SHARE)		65,432	66%	2,369	2%
Earnings per share	2.5.1.11	2.62		0.10	
Diluted earnings per share	2.5.1.11	2.63		0.10	

2.1.2 NET CONSOLIDATED COMPREHENSIVE INCOME STATEMENT AT 31 DECEMBER 2021

(In €K)	Note	31/12/2021 12 months	31/12/2020 12 months
NET PROFIT/(LOSS) OF CONSOLIDATED COMPANIES		72,193	3,705
GAINS AND LOSSES RECOGNISED DIRECTLY IN 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		93	-96
Sub-total of comprehensive income not recyclable through profit or loss		93	-96
TOTAL GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY:	2.1.5	93	-96
COMPREHENSIVE INCOME		72,286	3,609
Comprehensive income attributable to owners of the Company		65,525	2,272
Comprehensive income attributable to non-controlling interests		6,761	1,337

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2.1.3 CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2021

Assets

(In €K)	Note	31/12/2021	31/12/2020
Goodwill	2.3.4	5,912	11,110
Intangible assets	2.5.2.1	905	778
Property, plant and equipment	2.5.2.2	21,957	13,470
Investment property	2.5. 2.3	1,487,918	1,316,247
Investments in associates	2.5.2.4	14,613	16,885
Other non-current assets	2.5.2.5	14,538	7,779
Deferred tax assets	2.5.2.12	1,242	1,358
TOTAL NON-CURRENT ASSETS		1,547,085	1,367,627
Inventories and work-in-progress	2.5.2.6	36,335	40,243
Trade receivables	2.5.3.2	18,248	22,074
Other current assets	2.5.2.8	48,334	53,001
Current financial assets	2.3.13	8,230	-
Cash and cash equivalents	2.5.2.9	84,466	56,161
TOTAL CURRENT ASSETS		195,613	171,479
Assets held for sale	2.3.12	12,755	17,674
TOTAL ASSETS		1,755,453	1,556,780

Liabilities

(In €K)	Note	31/12/2021	31/12/2020
Share capital		70,917	61,508
Reserves & Premiums	2.2.1.2	770,822	704,335
Income		65,432	2,369
EQUITY (GROUP SHARE)	2.1.5	907,171	768,212
Non-controlling interests	2.1.5	59,107	54,188
TOTAL EQUITY	2.1.5	966,278	822,400
Provisions for liabilities and charges	2.5.2.13	821	959
Non-current financial derivative liabilities	2.3.13	-	-
Non-current financial liabilities	2.5.2.10	658,474	549,199
Deferred tax liabilities	2.5.2.12	28,293	12,781
Other non-current liabilities		11,789	10,966
TOTAL NON-CURRENT LIABILITIES		699,377	573,904
Trade payables		5,723	9,441
Other current liabilities	2.5.2.14	66,561	106,791
Current financial derivative liabilities	2.3.13	1,981	5,327
Current financial liabilities	2.5.2.15	15,533	27,807
TOTAL CURRENT LIABILITIES		89,798	149,366
Liabilities related to a group of assets held for sale	2.3.12	-	11,110
TOTAL LIABILITIES		1,755,453	1,556,780

2.1.4 CASH FLOW STATEMENT BY CASH FLOW ANALYSIS

(In €K)	Note	31/12/2021 12 months	31/12/2020 12 months
<i>Cash flows from operating activities</i>			
Net profit of consolidated companies		72,193	3,705
<i>Derecognition of income and expenses with no impact on cash or not from operations</i>			
• Amortisation, depreciation & provisions		504	1,589
• Cost of financial debt	2.5.1.9	10,656	9,029
• Other financial income and expenses	2.5.1.9	-	-
• Change in taxes	2.5.1.10	3,728	-1,406
• Change in fair value of investment property	2.5.2.3	-28,762	19,259
• Change in fair value of financial instruments	2.5.1.9	-11,576	-173
• Capital gains and losses on disposals		-1,899	2,655
• Share of net profit from associates	2.5.2.4	-2,522	1,827
• Acquisition costs on equity securities		2,987	1,257
• Other non-cash income and expenses		-	-
CASH FLOW OF CONSOLIDATED COMPANIES		45,309	37,742
Dividends received from associates		-	10,518
Tax paid		-1,301	-1,718
Change in working capital requirement related to operating activities	2.5.3.2	7,517	-8,700
CASH FLOW GENERATED FROM OPERATING ACTIVITIES (1)		51,525	37,842
<i>Cash flow from investment activities</i>			
Investment property valuation	2.5.3.3	-111,173	-77,823
Acquisition of fixed assets	2.5.3.3	-9,261	-5,336
Change in loans, advances and other financial assets		-10,942	-11,950
Disposal of fixed assets	2.5.2.1-3	52,286	3,100
Disposal of financial assets		153	-
Change in other investments		-	604
Impact of changes in consolidation scope	2.5.3.4	-69,939	-14,635
CASH FLOW FROM INVESTMENT ACTIVITIES (2)		-148,876	-106,040
<i>Cash flow from financing activities</i>			
Dividends paid to shareholders of the parent company	2.2.1.1	-26,616	-25,652
Dividends paid to minority shareholders of consolidated entities		-	-
Increases and decreases in share capital	2.1.5-2.2.1.2)	101,336	-
Disposal (acquisition) net of treasury shares		-1,712	-6,365
Amounts paid on a change in holdings without loss of control		-	-
Increase in borrowings	2.5.2.10-15	430,349	152,206
Repayment of borrowings (including finance leases)	2.5.2.10-15	-366,204	-84,233
Repayment of lease liabilities	2.5.2.10-15	-921	-853
Interest paid (including on lease obligations)		-10,546	-8,344
Change in other financing		-	-
CASH FLOW FROM FINANCING ACTIVITIES (3)		125,686	26,759
CHANGE IN CASH FLOWS (1+2+3)		28,335	-41,439
Cash and cash equivalents – opening balance	2.5.3.1	55,895	97,334
Cash and cash equivalents – closing balance	2.5.3.1	84,230	55,895
CHANGE IN CASH		28,335	-41,439

2.1.5 CHANGE IN SHAREHOLDERS' EQUITY

(In €K)	Share capital	Premiums	Reserves and retained earnings	Equity Group share	Non-controlling interests	Total equity
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
Net profit/(loss) for the period			65,432	65,432	6,761	72,193
Dividends paid		-30,628	-6,274	-36,902	-1,843	-38,745
Capital increase	9,409	102,212		111,621	-	111,621
Treasury shares			-1,855	-1,855	-	-1,855
Other			663	663	-	663
TOTAL AS AT 31 DECEMBER 2021	70,917	469,713	366,541	907,171	59,107	966,278

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 11 May 2021 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 2020 dividend was subscribed for 92.95% of the option rights and resulted in the creation of 359,524 new ordinary shares, delivered on 4 June 2021.

Through this transaction, FREY retained equity in the amount of €10.3 million.

The dividend paid in cash amounted to €26.6 million taking into account treasury shares.

2.2.1.2 Capital increase

On 15 December 2021, FREY carried out a capital increase for a gross amount of €102.1 million by issuing 3,404,016 new shares. The share capital was thus increased to €70.9 million.

2.2.1.3 Liquidity (market-making) agreement and share buyback programme

The General Meeting of 11 May 2021 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. 22-10-62 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; 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 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 FR0010588079;
- 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 programme: €156,017,416.5 based on the maximum unit purchase price and the number of shares that may be repurchased under the programme;
- duration of the buyback programme: 18 months from 11 May 2021, *i.e.* until 11 November 2022.

At 31 December 2021, the Company held 73,605 treasury shares, or 0.26% of its share capital at that date, divided between the following two contracts:

- 9,347 shares held under the liquidity agreement signed on 3 March 2017 for market-making purposes;
- 64,258 shares held under the buyback agreement to achieve the other objectives authorised by the General Meeting.

2.2.2 FINANCING

2.2.2.1 Signing of corporate lines

In July 2021, FREY signed a one-year extension of the maturity date of the €70.0 million corporate credit line, *i.e.* until 25 September 2026, as well as of the €100.0 million corporate credit line, *i.e.* until 25 July 2027.

In November 2021, FREY signed two medium-term credit lines with ESG (environmental, social and governance) performance criteria for a total amount of €150 million over five years, with extension options. The financial conditions of these credit lines are linked to compliance with four major CSR commitments by 2030, namely: continued investment in and operation of sustainably managed French forests through FoREY; obtaining environmental certifications; developing low-carbon mobility; and maintaining the B Corp™ certification obtained in 2021.

This new type of financing allows FREY to align its goal of strengthening the Group's liquidity with the implementation of its ESG commitments.

These corporate credit lines will provide funding for ongoing development projects or for 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 September 2021, 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 2021 are described below.

Increase in consolidation scope

- On 27 January 2021, the SOCIAL MARKET association was created. Its main purpose is to manage and run spaces dedicated to the social and solidarity economy and in particular to second-hand products market players, in the form of solidarity stores, within rented units on the Group's sites.
This association, of which FREY is a member, is fully consolidated.
- On 27 April 2021, the company PORTE DE LOIRE INVEST was created. Its purpose is to acquire a plot of land to be built on, to build properties on this land for all purposes with a view to their sale, and to obtain all credit lines, loans and guarantees needed to achieve the corporate purpose of the Company.
This company, 50%-owned by Frey Aménagement et Promotion, is accounted for under the equity method.
- On 28 July 2021, FREY acquired, from a group of private investors, shares in the companies BBC PROMOTION and BBC SOLAR, which own the Carré Sud shopping centre in Nîmes (30), for an amount of €85.7 million with deeds in hand. The acquisition was financed with the Company's own resources;

- It should be recalled that, on 28 July 2020, FREY bought 30,384,251 shares in SCRI FRF2, taking its stake from 24.16% to 62.08%. 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.

Exit from consolidation scope

- On 22 October 2021, six companies were dissolved without liquidation by Universal Transfer of Assets to FRF2, namely:
 - FRF2 - BELFORT;
 - FRF2 - BREST ST DIE;
 - FRF2 - CHANTEPIE;
 - FRF2 - LA FRANCHEVILLE;
 - FRF2 - NARBONNE;
 - FRF2 - SECLIN.
- On 16 December 2021, SCCV AAP, 50%-owned by Frey Aménagement et Promotion, and consolidated using the equity method, was dissolved.
- On 5 November 2021, four companies were part of a simplified merger, namely:
 - LA PLAINE and FRP III, consolidated in FREY;
 - CHANTELOUP 01 and CHANTELOUP 02, consolidated in IF Clos du Chêne.

2.2.4 PROJECTS AND DEVELOPMENT

Over the 2021 financial year, three projects were delivered:

- the Shopping Promenade[®] Claye-Souilly (77) representing 46,500m², retained in the asset portfolio;
- the Shopping Promenade[®] Cœur Alsace in Strasbourg-Vendenheim (67) representing an area of 64,700m², of which 51,000m² will be retained in the asset portfolio;
- Cesson Woodshop (77): a Galets extension representing a total surface area of 860m² held in the portfolio.

Work on a project (*Docks de Saint Ouen*) is under way, representing a total surface area of 24,000m², with openings scheduled between 2022 and 2024.

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 third wave of the pandemic impacted the first half of 2021, with significant restriction measures in France and Iberia, closing our assets for an average of 1.9 month.

The 2021 recovery rate nevertheless remained at a robust level of 94.5%

97.2% of the rental income and expenses for the 2020 financial year were collected, proof that FREY's support for its brands has made their relations long-lasting.

The impact of the health crisis on the income statement at 31 December 2021 amounted to -€4.5 million.

It was recognised in (i) Revenue for -€4.3 million in respect of the credit notes granted in 2021, (ii) Other income for €0.7 million, (iii) Other operating expenses for -€1.0 million in respect of the balance of the credit notes granted for the first lockdown in 2020; (iv) Share of net profit (loss) of companies accounted for using the equity method for -€0.1 million and; (v) Net profit (loss) attributable to non-controlling interests for €0.2 million.

2.2.6 CSR & SUSTAINABLE DEVELOPMENT

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. By enshrining its corporate purpose in its Articles of Association - restoring retail as a service for the common good - FREY became the first French real estate investment company "*Entreprise à Mission*".

On 8 June 2021, FREY became the first French listed company to obtain the highly demanding and independent B Corp[™] (Benefit Corporation) certification aimed at assessing the environmental and societal impact of a company. The score of 102.2 points received by FREY at the end of the review attests to the efforts undertaken by the Group since its creation and affirms its recently-obtained status as a "*Entreprise à Mission*".

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, France.

FREY Group has been developing next-generation open-air 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 open-air shopping centres. Its Shopping Promenade®, open-air 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, Citiziers®. It is listed in Compartment B of the Euronext Paris stock exchange.

2.3.1 ACCOUNTING STANDARDS

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 2021 and are identical to those used in the presentation of the annual consolidated financial statements for the year ended 31 December 2020.

2.3.2 BASIS FOR MEASUREMENTS, 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.

Climate risks

The implementation of actions to limit the effects of the Group's activities on climate change (notably through the acquisition and operation of sustainably managed French forests) is one of the Company's challenges as part of the Group's strategy of carbon neutrality by 2030. As at 31 December 2021, at this stage, the impacts of climate change have not significantly impacted the financial statements.

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. Pursuant to IFRS 3 (revised), the acquisition costs of securities are expensed.

On the acquisition date, the identifiable assets, liabilities, off-balance sheet 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 balance sheet assets; in the event that the difference is negative, it is immediately recorded in profit or loss under other operating income.

It should be recalled that, on 29 July 2019, the Group acquired 70% of the shares in Eurofund Parc Lleida SL. The related earn-out was recognised as a liability in accordance with IFRS 3 and resulted in the recognition of goodwill of €11.0 million. At 31 December 2021, this earn-out was reduced to €5.9 million, with no impact on net income.

2.3.5 CONVERSION OF FINANCIAL STATEMENTS EXPRESSED IN FOREIGN CURRENCIES

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. Forests acquired by the Group as part of its CSR approach are included in this item.

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 PROPERTY

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.

Pursuant 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
- 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.

Pursuant to 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 ASSET IMPAIRMENT

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 ASSETS AND LIABILITIES AVAILABLE FOR SALE

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 balance sheet, 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.

At 31 December 2021, the Thonon and Orléans assets, as well as the investment in the associate SCI Bonneuil Retail Park, were reclassified as assets held for sale amounting to €12.8 million (see 2.5.2.3 and 2.5.2.4).

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 balance sheet 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 2021 had a value of -€6.2 million (excluding accrued interest), compared with -€5.3 million at 31 December 2020.

The impact of the change in fair value, net of balances and premiums paid, was recognised in the income statement in the amount of €8.3 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 balance sheet items concerned):

Amounts (in €K)	Classification	31/12/2021	31/12/2020
ASSETS			
Goodwill	D	5,912	11,110
Intangible assets	C	905	778
Property, plant and equipment	C	21,957	13,470
Investment property	B/D	1,487,918	1,316,247
Other non-current assets	D	14,538	7,779
Inventories and work-in-progress	D	36,335	40,243
Trade receivables	D	18,248	22,074
Other current assets	D	48,334	53,001
Derivative financial instruments	E	8,230	-
Cash and cash equivalents	B	84,466	56,161
Assets held for sale	A	12,755	17,674
LIABILITIES			
Non-current derivative financial instruments (rates)	E	-	-
Non-current derivative financial instruments (borrowings)	B	-	-
Non-current financial liabilities	B/C	658,474	549,199
Deferred tax liabilities	D	28,293	12,781
Other non-current liabilities	D	11,789	10,966
Trade payables	D	5,723	9,441
Other current liabilities	D	66,561	106,791
Current derivative financial instruments	E	1,981	5,327
Current financial liabilities	B/C	15,533	27,807
Liabilities related to a group of assets held for sale	C	-	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	31/12/2021	31/12/2020
Investment property	Level 3	1,487,918	1,316,247
Current derivative assets (trading instruments)	Level 2	8,230	-
Marketable securities	Level 1	282	279
TOTAL		1,496,430	1,316,526

Financial liabilities measured at fair value (in €K)	Classification	31/12/2021	31/12/2020
Non-current liability derivatives (hedge instruments)	Level 2	-	-
Current liability derivatives (trading instruments)	Level 2	1,981	5,327
TOTAL		1,981	5,327

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 €606.4 million at 31 December 2021, compared with financial debt of €530.6 million at 31 December 2020, 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 92.0% at 31 December 2021 compared with 97.5% at 31 December 2020.

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 2021

Amounts (in €K)	-100pts	-50pts	E3M	+50pts	+100pts
Net cost of debt	-9,104	-9,789	-10,888	-11,992	-12,605
Impacts	1,784	1,099	-	-1,104	-1,717

Sensitivity of investment property to the capitalisation rate

The average capitalisation rate used by independent experts in the valuation of investment property was 6.04% compared with 6.18% for the year ended 31 December 2020.

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 2021

Amounts (in €K)	-100pts	-50pts	6.04%	+50pts	+100pts
Investment property valuation	1,783,800	1,621,556	1,487,918	1,373,666	1,276,749
Valuation differential	295,882	133,638	-	-114,252	-211,169

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 2021.

The ratios requested by the banking partners are as follows:

ICR			
Relevant debt	€18.8m	Relevant debt	€35.4m
Required ratios	>2.0	Required ratios	>200%
Ratios at 31/12/2021	9.3	Ratios at 31/01/2022	640%

DSCR		
Relevant debt	€1.0m	€18.8m
Required ratios	>=110%	>120%
Ratios at 31/12/2021	219.1%	491.6%

LTV excluding stamp duty		
Relevant debt	€18.8m	€35.4m
Required ratios	<65.0%	<60.0%
Ratios at 31/12/2021	28.4%	52.1%

Consolidated ratios	LTV including stamp duty	ICR	Collateralised debt
Relevant debt	€516.0m	€516.0m	€516.0m
Required ratios	<=60.0%	>=2	<20.0%
Ratios at 31/12/2021	32.2%	5.8	5.6%

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 the IAS 12 (Current and deferred 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 tax-transparent subsidiaries and the companies FRF 01 and IF Clos du Chêne, 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 73,605 shares as part of the liquidity agreement and buyback agreement at 31 December 2021, i.e. with a value of €2.4 million on the basis of the most recent share price.

2.3.19 PROVISIONS AND CONTINGENT LIABILITIES

Pursuant to 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 sets 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.

The Group is not affected by the IFRIC AR, as the collective agreement to which it is subject does not cap end-of-career benefits.

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 0.82%.

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 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 balance sheet 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

Five property finance leases, including three relating to the joint ventures, were restated in the consolidated financial statements as at 31 December 2021.

On 24 November 2021, the finance lease for the Clos du Chêne asset in Montevrain (77) was exercised in advance, in the amount of €15.8 million.

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;
- support, in relation to the Covid-19 health crisis, granted by the EIG Frey Solidarité in 2021 in respect of the first lockdown of March 2020.

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 2021

At 31 December 2021 (in €K)	Property investment activity	Property development	Other	Total	Of which France	Of which Iberia
Rental income from stabilised assets	60,349			60,349	43,951	16,398
Non-recoverable expenses on stabilised assets	-2,581			-2,581	-1,098	-1,483
NET RENTAL INCOME FROM STABILISED ASSETS	57,768			57,768	42,853	14,915
Rental income from unstabilised assets	12,542			12,542	12,542	-
Non-recoverable expenses on unstabilised assets	-904			-904	-904	-
NET RENTAL INCOME FROM UNSTABILISED ASSETS	11,638			11,638	11,638	-
Sales		4,279		4,279	4,279	-
Purchase cost of goods sold		-4,001		-4,001	-4,001	-
DEVELOPER'S PROFIT		278		278	278	-
OTHER REVENUE			2,455	2,455	2,455	-
GROSS PROFIT				72,139	57,224	14,915
External services				-6,684	-5,546	-1,138
Payroll expenses				-10,520	-10,372	-148
Other income and expenses				2,547	2,487	60
Taxes and duties				-1,017	-620	-397
Amortisation, depreciation and provisions				-3,425	-2,891	-534
PROFIT/(LOSS) FROM RECURRING OPERATIONS				53,040	40,282	12,758
Other operating income and expenses				-5,771	-5,768	-3
Value adjustments of investment property				28,762	27,579	1,183
OPERATING PROFIT/(LOSS)				76,031	62,093	13,938
Share of net profit/(loss) of associates				2,522	2,522	-
OPERATING PROFIT/(LOSS) AFTER SHARE OF NET PROFIT/(LOSS) OF ASSOCIATES				78,553	64,615	13,938
Net cost of debt				-10,888	-6,357	-4,531
Value adjustments of financial assets				8,256	8,256	-
PROFIT/(LOSS) BEFORE TAX				75,921	66,514	9,407
Income tax				-3,728	-1,670	-2,058
NET PROFIT/(LOSS) OF CONSOLIDATED COMPANIES				72,193	64,844	7,349
Non-controlling interests				-6,761	-5,031	-1,730
NET PROFIT (GROUP SHARE)				65,432	59,813	5,619

The increase in rental income stems from the full-year impact of the change in the method for consolidating FRF companies in 2020, from the delivery of two Shopping Promenades, in Claye and Cœur Alsace, in March 2021, and from the acquisition of Carré Sud in July 2021.

Property development revenue mainly stems from the development projects in Strasbourg - Vendenheim (67).

The main aggregates of the balance sheet by operating segment were as follows:

ASSETS

At 31 December 2021 (in €K)	Property investment activity	Property development	Other	Total
Investment property	1,487,918	-	-	1,487,918
Investments in associates	14,615	-2	-	14,613
Inventories and work-in-progress	-	36,335	-	36,335

LIABILITIES

At 31 December 2021 (in €K)	Property investment activity	Property development	Other	Total
Investments in associates	-	-	-	-
Non-current financial liabilities	608,230	31	50,213	658,474
Current financial liabilities	14,121	65	1,347	15,533

INFORMATION AT 31 DECEMBER 2020

At 31 December 2020 (in €K)	Property investment activity	Property development	Other	Total	Of which France	Of which Iberia
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/(LOSS) 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 main aggregates of the balance sheet 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

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	31/12/2021		31/12/2020	
		% interest	% control	% interest	% control
FREY SIRET No. 398 248 591 00065 1 rue René Cassin – 51430 Bezannes, France	FC	100.00%	100.00%	100.00%	100.00%
SNC IF Gestion & Transactions SIRET No. 494 334 477 00028 1 rue René Cassin – 51430 Bezannes, France	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, France	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, France	FC	100.00%	100.00%	100.00%	100.00%
SNC IF Plein Sud SIRET No. 512 278 409 00028 1 rue René Cassin – 51430 Bezannes, France	FC	100.00%	100.00%	100.00%	100.00%
SNC IF Bezannes SIRET No. 512 278 334 00028 1 rue René Cassin – 51430 Bezannes, France	FC	100.00%	100.00%	100.00%	100.00%
SCI PAI 02 SIRET No. 522 765 502 00029 1 rue René Cassin – 51430 Bezannes, France	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, France	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, France	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, France	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, France	FC	100.00%	100.00%	100.00%	100.00%
SAS Chanteloup 01(2) SIRET No. 495 260 952 00033 1 rue René Cassin – 51430 Bezannes, France	NC	-	-	100.00%	100.00%
SAS Chanteloup 02(2) SIRET No. 495 271 140 00032 1 rue René Cassin – 51430 Bezannes, France	NC	-	-	100.00%	100.00%
SCI IF Allondon SIRET No. 790 403 372 00010 1 rue René Cassin – 51430 Bezannes, France	FC	100.00%	100.00%	100.00%	100.00%
SCI IF Valentine SIRET No. 790 402 242 00016 1 rue René Cassin – 51430 Bezannes, France	FC	100.00%	100.00%	100.00%	100.00%

FC: Fully Consolidated. **EA-JV:** Equity accounting of joint ventures. **NC:** Non-consolidated.

(1) On 22 October 2021, FRF2 Belfort, FRF2 Brest St Dié, FRF2 Chantepie, FRF2 La Francheville, FRF2 Narbonne and FRF2 Seclin were dissolved without liquidation by Universal Transfer of Assets (see Note 2.2.3).

(2) On 5 November 2021, LA PLAINE, FRP III, CHANTELOUP 01 and CHANTELOUP 02, were the object to simplified mergers (see Note 2.2.3).

(3) AAP was dissolved on 16 December 2021.

(4) In view of the governance rules defined by its partners, Frey Retail Villebon was consolidated in the Group's consolidated financial statements using the equity method.

Entities included in consolidation scope	Consolidation method	31/12/2021		31/12/2020	
		% interest	% control	% interest	% control
SCI Frey Murs 01 SIRET No. 794 375 758 00016 1 rue René Cassin - 51430 Bezannes, France	FC	100.00%	100.00%	100.00%	100.00%
SAS ZCN Aménagement SIRET No. 800 827 842 00017 1 rue René Cassin - 51430 Bezannes, France	FC	100.00%	100.00%	100.00%	100.00%
SAS F. Events SIRET No. 800 496 374 00011 1 rue René Cassin - 51430 Bezannes, France	FC	100.00%	100.00%	100.00%	100.00%
SCI IF Ecopole SIRET No. 807 934 997 00014 1 rue René Cassin - 51430 Bezannes, France	FC	100.00%	100.00%	100.00%	100.00%
SCI Massonex SIRET No. 508 376 787 00026 1 rue René Cassin - 51430 Bezannes, France	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, France	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, France	FC	100.00%	100.00%	100.00%	100.00%
SNC Retail Prodev SIRET No. 820 821 908 00010 1 rue René Cassin - 51430 Bezannes, France	FC	100.00%	100.00%	100.00%	100.00%
SAS FRP III(2) SIRET No. 518 311 337 00027 1 rue René Cassin - 51430 Bezannes, France	NC	-	-	100.00%	100.00%
SAS La Plaine(2) SIRET No. 823 261 185 00016 1 rue René Cassin - 51430 Bezannes, France	NC	-	-	100.00%	100.00%
SASU Ecoparc Aménagement SIRET No. 828 134 262 00017 1 rue René Cassin - 51430 Bezannes, France	FC	100.00%	100.00%	100.00%	100.00%
Citizers By Frey SIRET No. 847 878 683 00014 1 rue René Cassin - 51430 Bezannes, France	FC	100.00%	100.00%	100.00%	100.00%
FOREY Forest Group SIRET No. 882 005 598 00017 1 rue René Cassin - 51430 Bezannes, France	FC	100.00%	100.00%	100.00%	100.00%
EIG FREY SOLIDARITE SIRET No. 883 984 106 00012 1 rue René Cassin - 51430 Bezannes, France	FC	100.00%	100.00%	100.00%	100.00%
SOCIAL MARKET SIRET No. 893 871 541 00015 1 rue René Cassin - 51430 Bezannes, France	FC	100.00%	100.00%	-	-

FC: Fully Consolidated. **EA-JV:** Equity accounting of joint ventures. **NC:** Non-consolidated.

(1) On 22 October 2021, FRF2 Belfort, FRF2 Brest St Dié, FRF2 Chantepie, FRF2 La Francheville, FRF2 Narbonne and FRF2 Seclin were dissolved without liquidation by Universal Transfer of Assets (see Note 2.2.3).

(2) On 5 November 2021, LA PLAINE, FRP III, CHANTELOUP 01 and CHANTELOUP 02, were the object to simplified mergers (see Note 2.2.3).

(3) AAP was dissolved on 16 December 2021.

(4) In view of the governance rules defined by its partners, Frey Retail Villebon was consolidated in the Group's consolidated financial statements using the equity method.

Entities included in consolidation scope	Consolidation method	31/12/2021		31/12/2020	
		% interest	% control	% interest	% control
SAS BEC PROMOTION SIRET No. 444 115 992 00042 1 rue René Cassin – 51430 Bezannes, France	FC	100.00%	100.00%	-	-
SAS BBC SOLAR SIRET No. 523 470 912 0123 1 rue René Cassin – 51430 Bezannes, France	FC	100.00%	100.00%	-	-
SAS FRF1 SIRET No. 538 460 650 00012 1 rue René Cassin – 51430 Bezannes, France	FC	66.67%	66.67%	66.67%	66.67%
SCI FRF2 SIRET No. 538 486 143 00018 1 rue René Cassin – 51430 Bezannes, France	FC	62.08%	62.08%	62.08%	62.08%
SCI IF Cormontreuil 01 SIRET No. 508 928 314 00022 1 rue René Cassin – 51430 Bezannes, France	FC	62.08%	62.08%	62.08%	62.08%
SCI FRF 2 Torcy II SIRET No. 513 302 703 00022 1 rue René Cassin – 51430 Bezannes, France	FC	62.08%	62.08%	62.08%	62.08%
SCI FRF 2 La Francheville⁽¹⁾ SIRET No. 539 695 783 00016 1 rue René Cassin – 51430 Bezannes, France	NC	-	-	62.08%	62.08%
SCI FRF 2 Torcy SIRET No. 539 682 930 00018 1 rue René Cassin – 51430 Bezannes, France	FC	62.08%	62.08%	62.08%	62.08%
SCI FRF 2 Narbonne⁽¹⁾ SIRET No. 485 096 705 00036 1 rue René Cassin – 51430 Bezannes, France	NC	-	-	62.08%	62.08%
SCI FRF 2 Le Pontet SIRET No. 751 194 861 00017 1 rue René Cassin – 51430 Bezannes, France	FC	62.08%	62.08%	62.08%	62.08%
SCI FRF 2 Brest Saint-Dié⁽¹⁾ SIRET No. 539 681 270 00010 1 rue René Cassin – 51430 Bezannes, France	NC	-	-	62.08%	62.08%
SCI FRF 2 Seclin⁽¹⁾ SIRET No. 788 846 350 00015 1 rue René Cassin – 51430 Bezannes, France	NC	-	-	62.08%	62.08%
SC FRF 2 Belfort⁽¹⁾ SIRET No. 794 430 454 00015 1 rue René Cassin – 51430 Bezannes, France	NC	-	-	62.08%	62.08%
SCI Zone A SIRET No. 488 512 286 00029 1 rue René Cassin – 51430 Bezannes, France	FC	62.08%	62.08%	62.08%	62.08%
SC FRF 2 Khépri 1 SIRET No. 800 283 236 00019 1 rue René Cassin – 51430 Bezannes, France	FC	62.08%	62.08%	62.08%	62.08%
SC FRF 2 Chantepie⁽¹⁾ SIRET No. 800 283 285 00016 1 rue René Cassin – 51430 Bezannes, France	NC	-	-	62.08%	62.08%
SC FRF2 Apollo SIRET No. 812 955 680 00010 1 rue René Cassin – 51430 Bezannes, France	FC	62.08%	62.08%	62.08%	62.08%

FC: Fully Consolidated. EA-JV: Equity accounting of joint ventures. NC: Non-consolidated.

(1) On 22 October 2021, FRF2 Belfort, FRF2 Brest St Dié, FRF2 Chantepie, FRF2 La Francheville, FRF2 Narbonne and FRF2 Seclin were dissolved without liquidation by Universal Transfer of Assets (see Note 2.2.3).

(2) On 5 November 2021, LA PLAINE, FRP III, CHANTELOUP 01 and CHANTELOUP 02, were the object to simplified mergers (see Note 2.2.3).

(3) AAP was dissolved on 16 December 2021.

(4) In view of the governance rules defined by its partners, Frey Retail Villebon was consolidated in the Group's consolidated financial statements using the equity method.

Entities included in consolidation scope	Consolidation method	31/12/2021		31/12/2020	
		% interest	% control	% interest	% control
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%
Parc Vallès Inversiones Inmobiliarias S.L.U. Spain	FC	100.00%	100.00%	100.00%	100.00%
Sociedad Gestora Santa Margarida S.L.U. Spain	FC	100.00%	100.00%	100.00%	100.00%
Eurofund Parc Lleida S.L 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⁽³⁾ SIRET No. 515 348 746 00022 1 rue René Cassin - 51430 Bezannes, France	NC	-	-	50.00%	50.00%
SCI L'Agenaise d'Investissement SIRET No. 750 095 143 00012 1 rue René Cassin - 51430 Bezannes, France	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, France	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, France	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, France	EA-JV	50.00%	50.00%	50.00%	50.00%
SCI Bonneuil Retail Park SIRET No. 821 629 607 00010 1 rue René Cassin - 51430 Bezannes, France	EA-JV	50.00%	50.00%	50.00%	50.00%
PORTE DE LOIRE INVEST SIRET No. 898 725 387 00010 1 rue René Cassin - 51430 Bezannes, France	EA-JV	50.00%	50.00%	50.00%	50.00%
Frey Retail Villebon⁽⁴⁾ SIRET No. 817 676 240 00010 1 rue René Cassin - 51430 Bezannes, France	EA-JV	5.00%	5.00%	5.00%	5.00%

FC: Fully Consolidated. **EA-JV:** Equity accounting of joint ventures. **NC:** Non-consolidated.

(1) On 22 October 2021, FRF2 Belfort, FRF2 Brest St Dié, FRF2 Chantepie, FRF2 La Francheville, FRF2 Narbonne and FRF2 Seclin were dissolved without liquidation by Universal Transfer of Assets (see Note 2.2.3).

(2) On 5 November 2021, LA PLAINE, FRP III, CHANTELOUP 01 and CHANTELOUP 02, were the object to simplified mergers (see Note 2.2.3).

(3) AAP was dissolved on 16 December 2021.

(4) In view of the governance rules defined by its partners, Frey Retail Villebon was consolidated in the Group's consolidated financial statements using the equity method.

2.5 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2021

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NOTE 1 | NOTES TO THE INCOME STATEMENT

2.5.1.1 Revenue

Breakdown of revenue by geographic region (in €K)	31/12/2021 12 months	31/12/2020 12 months
France	78,801	86,619
<i>Of which changes is FRF consolidation scope</i>	15,250	9,453
Spain	6,006	6,611
Portugal	13,889	13,988
TOTAL	98,696	107,218

Revenue as of 31 December 2021 includes rebilled rental expenses of €19,071 thousand compared to €15,839 thousand as of 31 December 2020. Rebilled rental expenses and underlying rental expenses are recognised under "Revenue" and "Purchases consumed" respectively, Note 2.5.1.3.

(In €K)	31/12/2021 12 months	31/12/2020 12 months
Rental income and rebilled taxes	79,396	65,630
Other rebilled rental expenses	12,565	9,715
TOTAL RENTAL INCOME	91,962	75,345
Sales/development activity	4,279	29,727
Other revenue	2,455	2,146
TOTAL REVENUE	98,696	107,218

The change in revenue in France is explained in Section 2.3.25 above.

Revenue from variable rent accounts for 2.5% of consolidated revenue at 31 December 2021.

2.5.1.2 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 2021.

2.5.1.3 Purchases consumed

Details of purchases consumed (in €K)	31/12/2021 12 months	31/12/2020 12 months
Cost of development invoiced	4,001	24,965
Recoverable rental expenses*	19,071	15,839
<i>Of which changes is FRF consolidation scope</i>	2,697	2,968
Non-recoverable expenses on assets*	3,485	3,340
<i>Of which changes is FRF consolidation scope</i>	259	90
External services	6,684	5,419
PURCHASES CONSUMED	33,241	49,563

* See 2.5.1.1 for the presentation of rebilled and non-recoverable rental expenses, which are presented on separate lines.

The change in purchases consumed is mainly due to weaker Property Development activity in 2021.

2.5.1.4 Payroll expenses

(In €K)	31/12/2021 12 months	31/12/2020 12 months
Salaries and wages	7,923	6,594
Employer contributions	2,597	2,507
TOTAL	10,520	9,101

Headcount – breakdown by category*	31/12/2021 12 months	31/12/2020 12 months	Change
Headcount at year-end			
Employees	21	21	0
Managers	63	66	-3
TOTAL	84	87	-3

* Includes permanent, fixed-term, and work-study contracts.

The increase in payroll expenses stems from lower variable remuneration in FY 2020, which in turn is directly related to the context of the health crisis.

2.5.1.5 Other income and expenses

(In €K)	31/12/2021 12 months	31/12/2020 12 months
Income from asset disposals*	54,333	3,100
Expenses related to asset disposals	-	-
Entry fees and compensation received	137	550
Other project-related income	1,138	352
Miscellaneous income from day-to-day operations	189	182
Carrying amount of assets sold*	-52,492	-3,996
Remuneration of directors	-111	-96
Other project expenses	-498	-
Miscellaneous expenses for day-to-day operations	-149	-1,349
OTHER INCOME AND EXPENSES	2,547	-1,257

* In 2021, three investment properties and one asset held for sale at 31/12/2020 were sold for €54.2m.

2.5.1.6 Taxes and duties

(In €K)	31/12/2021 12 months	31/12/2020 12 months
Taxes and duties on salaries and wages	125	122
Other taxes and duties: Regional economic tax (CET), property taxes, housing management duties, etc.	892	1,355
TOTAL	1,017	1,477

The change in other taxes and duties stems from lower CET due to changes in legislation.

2.5.1.7 Allocations to and write-backs of depreciation, amortisation and impairment

(In €K)	31/12/2021 12 months	31/12/2020 12 months
Non-current assets	-1,614	-1,718
Inventories	153	-
Trade receivables*	-1,964	-1,671
Provisions for liabilities and charges	-	-80
TOTAL	-3,425	-3,469

* Impairment was recorded on arrears of rental receivables deemed to be the most at risk in the current context.

2.5.1.8 Other operating income and expenses

(In €K)	31/12/2021 12 months	31/12/2020 12 months
Expenses on discontinued projects	-2,513	-4,243
Impact related to the consolidation scope*	-2,418	301
Waivers of rent receivables granted (see 2.2.5)	-1,013	-6,066
Other operating income and expenses	173	17
TOTAL	-5,771	-9,991

* In 2021, changes in the consolidation scope were mainly the result of:

- the acquisition of the two companies holding the Carré Sud asset in Nîmes (30): negative goodwill (+€1.7m) and expenses related to the business combination (-€3.3m);
- expenses related to the official publication (property) of the mergers.

2.5.1.9 Cost of net debt and value adjustments of financial assets

(In €K)	31/12/2021 12 months	31/12/2020 12 months
Interest expense	-7,392	-6,103
Interest expense on lease obligations – finance leases	-643	-740
Interest expense on lease obligations – leases	-43	-122
Financial instrument expenses and income	-2,607	-2,229
Other financial income and expenses	-203	-558
NET COST OF DEBT	-10,888	-9,752
Value adjustment of financial instruments (see 2.3.13)	8,298	173
of which Interest rate derivatives	8,298	173
of which Convertible bond derivatives	-	-
Other financial income and expenses	-42	604
OTHER FINANCIAL INCOME AND EXPENSES	8,256	777
TOTAL	-2,632	-8,975

2.5.1.10 Income tax

(In €K)	31/12/2021 12 months	31/12/2020 12 months
Consolidated pre-tax profit	75,921	2,299
• Share of net profit/(loss) of associates	-2,522	1,827
• Reclassification affecting income tax	-302	-480
INCOME BEFORE TAX AND SHARE OF NET INCOME OF COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD	73,097	3,646
Theoretical income tax rate	26.5%	33.33%
THEORETICAL INCOME TAX	19,371	1,215
Effect on theoretical income tax of:		
Impact of non-taxable sector	-19,663	-990
Permanent differences	3,616	-3,163
Non-capitalised losses	1,562	-696
Deferred tax rate variance over the financial year	-297	1,270
Other	-1,163	478
Effective income tax rate	4.69%	51.73%
EFFECTIVE INCOME TAX	3,426	-1,886
+ Reclassification affecting income tax	302	480
EFFECTIVE INCOME TAX	3,728	-1,406

(In €K)	31/12/2021 12 months	31/12/2020 12 months
Tax payable	1,450	1,978
Deferred tax	2,278	-3,384
TOTAL	3,728	-1,406

In this breakdown, a “-” sign means tax income, while a “+” sign means a tax charge.

2.5.1.11 Earnings per share

There are no rights, liens or restrictions relating to the shares.

(In €K)	31/12/2021 12 months	31/12/2020 12 months
Net profit Group share	65,432	2,369
Number of ordinary shares outstanding at year-end	28,366,803	24,603,263
Average number of shares taken into account before dilutive impact	24,959,330	24,436,867
Dilutive effect of treasury shares	-73,605	-15,127
Average number of shares taken into account after dilutive impact	24,885,725	24,421,740
UNDILUTED NET EARNINGS PER SHARE	€2.62	€0.10
DILUTED NET EARNINGS PER SHARE	€2.63	€0.10

NOTE 2 | NOTES TO THE BALANCE SHEET

2.5.2.1 Intangible assets

CHANGES AT 31 DECEMBER 2021

Gross values (in €K)	31/12/2020	Increase	Decrease	Reclassification	31/12/2021
Other intangible assets	1,214	300	-	672	2,186
Intangible assets in progress	-	-	-	-	-
Advances and prepayments on intangible assets	711	-	-	-711	-
Amortisation	-1,147	-134	-	-	-1,281
TOTAL	778	166	-	-39	905

CHANGES AT 31 DECEMBER 2020

Gross values (in €K)	31/12/2019	Increase	Decrease	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

2.5.2.2 Property, plant and equipment

CHANGES AT 31 DECEMBER 2021

Gross values (in €K)	31/12/2020	Increase	Decrease	Other changes	31/12/2021
Land*	6,015	9,215	-	-	15,230
Buildings	7,687	-	-	494	8,181
Other property, plant & equipment	5,892	414	-310	8	6,004
Assets under construction	10	30	-	-	40
Advances and prepayments on property, plant and equipment	-	-	-	-	-
Amortisation	-6,134	-1,460	339	-243	-7,498
TOTAL	13,470	8,199	29	259	21,957
<i>Of which right-of-use – finance lease</i>	<i>3,072</i>	<i>-118</i>	<i>-</i>	<i>-</i>	<i>2,954</i>
<i>Of which right-of-use – operating lease</i>	<i>2,241</i>	<i>-459</i>	<i>-</i>	<i>-</i>	<i>1,782</i>

* Land acquisitions correspond to Groupement Forestier FoREY's investment in the timber sector through the acquisition and sustainable management of French forests.

CHANGES AT 31 DECEMBER 2020

Gross values (in €K)	31/12/2019	Increase	Decrease	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>

2.5.2.3 Investment property

CHANGES AT 31 DECEMBER 2021

Values (in €K)	Operated assets	Current assets (including bare land)	Total investment property
31/12/2020	1,011,382	304,865	1,316,247
Reclassifications			
Inventories	193	2,077	2,270
Discontinued projects	-34	-152	-186
Assets held for sale	-8,450	-	-8,450
Acquisitions	-	-	-
Works	16,777	79,737	96,514
Disposals*	-32,481	-316	-32,797
Increase in consolidation scope	85,558	-	85,558
Reclassification**	294,775	-294,775	-
Value creation	-	5,545	5,545
Change in fair value	23,182	35	23,217
31/12/2021	1,390,902	97,016	1,487,918

* This amount corresponds to the net book value of the assets disposed of and transferred.

** Two assets, Shopping Promenade* Cœur Alsace and Shopping Promenade* Claye-Souilly, were delivered in March 2021.

CHANGES AT 31 DECEMBER 2020

Values (in €K)	Operated assets	Current assets (including bare land)	Total investment property
31/12/2019	863,643	230,467	1,094,110
Reclassifications			
Inventories	-2,875	-3,194	-6,069
Discontinued projects	-	-2,898	-2,898
Assets held for sale	-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

The valuation methods used by the independent expert appraisers are set out in Section 2.3.8 "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 2.3.13 "Management of financial risks".

The value of the investment property acquired under finance leases amounted to €42.5 million at 31 December 2021, compared with €91.3 million at 31 December 2020. This change is linked to the early exercise of the option of the finance lease contract for the Clos du Chêne asset in Montevrain (77).

The assets held in Spain represent 7% of investment property, i.e. €104.3 million at 31 December 2021.

The assets held in Portugal represent 13% of investment property, i.e. €196.0 million at 31 December 2021.

The value of investment property in progress measured at cost amounted to €60.3 million at 31 December 2021 compared with €46.1 million at 31 December 2020.

The new item in the consolidation scope is the Carré Sud building in Nîmes (30).

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	
	31/12/2021	31/12/2020
AMOUNT IN THE INCOME STATEMENT	28,762	-19,259
Value creation	5,545	-
Delivery of assets	12,709	-
Change in fair value	10,508	-19,259
TOTAL CHANGES IN THE INCOME STATEMENT	28,762	-19,259

2.5.2.4 Investments in associates

CHANGES AT 31 DECEMBER 2021

Gross values (in €K)	31/12/2020	Income	Dividends	Change in scope	Other changes	31/12/2021
Equity-accounted companies	16,885	2,522	-449	-40	-4,305	14,613
TOTAL	16,885	2,522	-449	-40	-4,305	14,613

The other changes correspond to the reclassification of securities held for sale.

CHANGES AT 31 DECEMBER 2020

Gross values (in €K)	31/12/2019	Income	Dividends	Change in capital	Change in 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 were mainly linked to the income of Sopic Frey for €10.1m, including the gain on the disposal of its assets.

A change in the method of consolidation was made in 2020, at the FRF Group level, following the purchase of additional shares by FREY.

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.

Simplified balance sheet (in €K)	31/12/2021	31/12/2020
Investment property	241,125	241,973
Other non-current assets	-	-
Current assets	16,612	11,277
TOTAL ASSETS	257,737	253,250
Adjusted equity	85,359	80,585
Financial liabilities	109,263	112,653
Other non-current liabilities	-	-
Current liabilities	63,115	60,012
TOTAL LIABILITIES	257,737	253,250

Simplified income statement (in €K)	31/12/2021	31/12/2020
Revenue	12,511	12,582
Profit/(loss) from recurring operations	11,300	11,598
Value adjustments of investment property	-1,005	-10,177
NET PROFIT/(LOSS)	7,834	-1,032

2.5.2.5 Other non-current assets

CHANGES AT 31 DECEMBER 2021

Gross values (in €K)	31/12/2020	Increase in consolidation scope	Increase	Decrease	Other changes	31/12/2021
Guarantees and deposits	7,646	121	8,486	-1,704	-	14,549
Other financial investments	134	-	-	-82	-	52
Financial provisions	-1	-	-63	1	-	-63
TOTAL	7,779	121	8,423	-1,785	-	14,538

"Other changes" correspond to the reclassification of guarantees and deposits to less than one year.

CHANGES AT 31 DECEMBER 2020

Gross values (in €K)	31/12/2019	Increase in consolidation scope	Increase	Decrease	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

2.5.2.6 Inventories and work-in-progress

CHANGES AT 31 DECEMBER 2021

(In €K)	31/12/2021	31/12/2020
Work-in-progress	37,350	41,447
Goods	-	-
Provisions	-1,015	-1,204
TOTAL	36,335	40,243

CHANGES AT 31 DECEMBER 2020

(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

2.5.2.7 Change in net property development inventories

(In €K)	Start of period	Acquisitions	Disposals	Reclassification*	Other**	End of period
2020	44,666	23,129	-27,406	-146	-	40,243
2021	40,243	5,844	-4,696	-2,270	-2,786	36,335

* The reclassifications concern transfers from "Investment property" to "Inventory".

** This item is mainly composed of project discontinuations.

Disposals mainly involve the development projects in Strasbourg - Vendenheim (67).

2.5.2.8 Other current assets**CHANGES AT 31 DECEMBER 2021**

(In €K)	31/12/2021	31/12/2020
Loans, deposits and other receivables within one year	10,711	7,111
Advances and prepayments paid on orders	417	2,753
Associates' current accounts	10,423	9,660
Tax receivables	16,995	22,244
Other receivables	6,257	7,115
Prepaid expenses	3,531	4,118
TOTAL	48,334	53,001

CHANGES AT 31 DECEMBER 2020

(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

2.5.2.9 Cash and cash equivalents**CHANGES AT 31 DECEMBER 2021**

(In €K)	31/12/2021	31/12/2020
Marketable securities	282	279
Cash	84,184	55,882
TOTAL	84,466	56,161

CHANGES AT 31 DECEMBER 2020

(In €K)	31/12/2020	31/12/2019
Marketable securities	279	242
Cash	55,882	97,209
TOTAL	56,161	97,451

2.5.2.10 Non-current financial liabilities

CHANGES AT 31 DECEMBER 2021

	Change (in €K)	31/12/2020	Increase in consolidation scope	Increase	Decrease	Reclassification*	31/12/2021
cash	Bond issues	-	-	-	-	-	-
	Bank loans	472,590	11,971	430,000	-327,103	3,917	591,375
	Right-of-use liabilities – finance lease	26,158	-	-	-13,489	-2,106	10,563
	Right-of-use liabilities – operating lease	1,611	-	234	-	-819	1,026
	Other**	44,608	-	6,000	-	-	50,608
	Guarantees and deposits received	7,167	894	2,010	-1,032	-1,308	7,731
non cash	Bond issues	-	-	-	-	-	-
	Bank loans	-3,246	-	-1,103	154	1,055	-3,140
	Right-of-use liabilities – finance lease	-	-	-	-	-	-
	Right-of-use liabilities – operating lease	-	-	-	-	-	-
	Guarantees and deposits received	311	-	-	-	-	311
	TOTAL	549,199	12,865	437,141	-341,470	739	658,474

* This involves the reclassification of liabilities maturing within one year (see Note 2.5.2.15).

** These are liabilities to other associates in partner companies.

CHANGES AT 31 DECEMBER 2020

	Change (in €K)	31/12/2019	Increase in consolidation scope	Increase	Decrease	Reclassification*	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
	Other**	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

* This involves the reclassification of liabilities due in less than one year (see Note 2.5.2.15) and the reclassification of liabilities related to assets held for sale.

** These are liabilities to other associates in partner companies.

Breakdown by maturity (in €K)	1 to 5 years	>5 years	Total
Bond issues	-	-	-
Bank loans	488,285	99,950	588,235
Finance lease liabilities	10,563	-	10,563
Right-of-use liabilities	942	84	1,026
Guarantees and deposits received	9,030	49,620	58,650
TOTAL	508,820	149,654	658,474

2.5.2.11 Employee commitments

(In €K)	31/12/2021	31/12/2020
START OF PERIOD	879	679
Charges	54	104
Reversals	-	-
Actuarial gains and losses	-112	96
END OF PERIOD	821	879

2.5.2.12 Deferred taxes

(In €K)	31/12/2021		31/12/2020	
	DT Assets	DT Liabilities	DT Assets	DT Liabilities
IFRS - Investment property	-90	27,604	-	12,827
PIDR	136	-	138	-
Capitalisation of losses carried forward	973	-	1,050	-
Other	223	689	170	-46
TOTAL	1,242	28,293	1,358	12,781

The consolidation of BBC Promotion generated a deferred tax liability of €13.5 million.

Reconciliation of deferred tax variances between the balance sheet and the income statement:

(In €K)	Change in deferred tax	
	31/12/2021	31/12/2020
CHANGE IN THE BALANCE SHEET	-15,629	3,202
Amount in the income statement	-	-
Increase in consolidation scope	13,509	-
Impact of hedge financial instruments	-	-
Impact of pension commitments	20	7
Impact of restatements related to right-of-use assets (IFRS 16)	-	-
TOTAL CHANGE OVER THE PERIOD	-2,100	3,209

2.5.2.13 Provisions for liabilities and charges

CHANGES AT 31 DECEMBER 2021

(In €K)	31/12/2020	Increase	Reversals used	Reversals not used	Other changes	31/12/2021
Provisions for litigation	-	-	-	-	-	-
Other provisions for liabilities	80	-	-80	-	-	-
Provisions for retirement benefits (see Section 2.3.21)	879	54	-	-	-112	821
Investments in associates	-	-	-	-	-	-
TOTAL	959	54	-80	-	-112	821

CHANGES AT 31 DECEMBER 2020

(In €K)	31/12/2019	Increase	Reversals used	Reversals not used	Other changes	31/12/2020
Provisions for litigation	-	-	-	-	-	-
Other provisions for liabilities	18	80	-	-18	-	80
Provisions for retirement benefits	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.

2.5.2.14 Other current liabilities

(In €K)	31/12/2021	31/12/2020
Liabilities on acquisitions of fixed assets	44,241	82,900
Customers - Advances and prepayments received	891	805
Social security liabilities	4,274	2,938
Tax liabilities	7,747	10,246
Other liabilities	5,641	6,003
Prepaid income	3,767	3,899
TOTAL	66,561	106,791

2.5.2.15 Current financial liabilities

CHANGES AT 31 DECEMBER 2021

	Change (in €K)	31/12/2020	Increase in consolidation scope	Increase	Decrease	Reclassification*	31/12/2021
cash	Bond issues	-	-	-	-	-	-
	Bank loans	17,265	363	-	-10,995	-3,917	2,716
	Right-of-use liabilities - finance lease	3,506	-	-	-3,506	2,106	2,106
	Right-of-use liabilities - operating lease	821	-	115	-921	819	834
	Guarantees and deposits received	5,404	-	1,883	-1,330	1,308	7,265
	Bank overdrafts (liabilities)	-	-	-	-	-	-
	Bank overdrafts (cash)	-	-	-	-	-	-
	Associates' current accounts	11	196	1,646	-15	-	1,838
non cash	Bond issues	-	-	-	-	-	-
	Bank loans	534	-	1,760	-701	-1,055	538
	Right-of-use liabilities - finance lease	-	-	-	-	-	-
	Right-of-use liabilities - operating lease	-	-	-	-	-	-
	Guarantees and deposits received	-	-	-	-	-	-
	Bank overdrafts (liabilities)	266	28	-	-58	-	236
	Bank overdrafts (cash)	-	-	-	-	-	-
	Associates' current accounts	-	-	-	-	-	-
TOTAL		27,807	587	5,404	-17,526	-739	15,533

* This involves the reclassification of liabilities maturing within one year (see Note 2.5.2.10).

CHANGES AT 31 DECEMBER 2020

	Change (in €K)	31/12/2019	Increase in consolidation scope	Increase	Decrease	Reclassification*	31/12/2020
cash	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
	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
non cash	Bond issues	-	-	-	-	-	-
	Bank loans	-234	-77	1,260	431	-846	534
	Right-of-use liabilities – finance lease	-	-	-	-	-	-
	Right-of-use liabilities – operating lease	-	-	-	-	-	-
	Guarantees and deposits received	-	-	-	-	-	-
	Bank overdrafts (liabilities)	117	38	-	111	-	266
	Bank overdrafts (cash)	-	-	-	-	-	-
	Associates' current accounts	-	-	-	-	-	-
TOTAL		19,436	32,073	1,562	-17,911	-7,353	27,807

* This involves the reclassification of liabilities maturing within one year (see Note 2).

2.5.2.16 Additional information on current and non-current financial liabilities

Breakdown of bank loans and finance lease liabilities before hedging

Net financial debt (in €K)	31/12/2021	31/12/2020
Fixed rate	3,555	4,866
Variable rate	602,841	525,763
TOTAL	606,396	530,629

Unused drawdown rights

At 31 December 2021, the Group had unused drawdown rights of €224 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 2021 (margin included) was 1.38%, compared with 1.48% at 31 December 2020.

This rate of 1.38% breaks down into an average rate of 1.90% on mortgages loans and 1.29% on corporate lines.

Breakdown of nominal value of hedge instruments by maturity

Breakdown by maturity (in €K)	Under 1 year	1 to 5 years	At more than 5 years	Total
Financial instruments	-7,258*	561,529	0	554,271

* The negative amount of the portion at less than one year was caused by the increase in the nominal value of CAPs over the term of the contract.

The percentage of financial debt not subject to interest-rate fluctuations was 92% at 31 December 2021 compared with 97.5% at 31 December 2020.

NOTE 3

NOTES TO THE STATEMENT OF CASH FLOWS

2.5.3.1 Reconciliation of cash on the balance sheet 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)	31/12/2021	31/12/2020
Cash and cash equivalents (Note 2.5.2.9)	84,466	56,161
Marketable securities – Other investments	-	-
Bank overdrafts (Note 2.5.2.15)	-236	-266
Reclassification of bank overdrafts consisting of short-term financial debt	-	-
TOTAL	84,230	55,895

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 2021, the Group had five corporate lines of a total nominal amount of €740 million, €516 million of which had been drawn down.

2.5.3.2 Breakdown of “Change in working capital requirements related to operating activities”

(In €K)	31/12/2021	31/12/2020
Inventories (see Notes 2.5.2.6 and 2.5.2.7)	1,637	10,493
Trade receivables	4,029	-8,130
Other receivables	8,994	-7,013
Trade payables	-4,538	-3,728
Other liabilities	-2,605	-322
TOTAL	7,517	-8,700

The change in trade receivables was mainly due to the Covid-19 health crisis in 2020.

The change in other receivables relates to VAT credits that will have been repaid in the first half of 2022.

2.5.3.3 Breakdown of “Acquisition of fixed assets”

(In €K)	31/12/2021	31/12/2020
Acquisition of property, plant and equipment (see Note 2.5.2.1)	-300	-795
Acquisition of property, plant and equipment (see Note 2.5.2.2)	-9,658	-5,346
Investment property valuation	-94,851	-89,107
Change in liabilities on acquisitions of fixed assets	-15,625	12,089
TOTAL	-120,434	-83,159

The change in payables on acquisitions of fixed assets relates to the deliveries of two assets, Shopping Promenade® Cœur Alsace and Shopping Promenade® Claye-Souilly, in March 2021.

2.5.3.4 Breakdown of “Changes in consolidation scope”

(In €K)	31/12/2021	31/12/2020
Cash flows related to equity investments*	-69,939	-
Flows related to changes in ownership percentage**	-	-14,635
TOTAL	-69,939	-14,635

* In 2021, these mainly involved cash flows net of disbursements in relation to the acquisition of the companies that owned the Carré Sud assets in Nîmes (30).

** In 2020, this refers to the acquisition of additional equity interests in the FRF sub-tier.

NOTE 4 OFF-BALANCE SHEET COMMITMENTS

2.5.4.1 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)	31/12/2021	31/12/2020
Less than one year	2,517	4,368
One to five years	11,234	28,257
More than five years	-	-
AMOUNT OF FINANCE LEASE PAYMENTS	13,751	32,625

(In €K)	31/12/2021	31/12/2020
Less than one year	2,500	4,209
One to five years	10,700	17,115
More than five years	-	16,091
PRESENT VALUE OF FINANCE LEASE PAYMENTS	13,200	37,415

The change stems from the finance lease of the Clos du Chêne asset in Montevrain (77), which was exercised in advance, on 24 November 2021.

At 31 December 2021, annual rents on the basis of signed subleases amounted to €2.3 million, compared with €4.5 million at 31 December 2020.

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 €2.7 million, compared with €7.7 million at 31 December 2020.

2.5.4.2 Other commitments given

(In €K)	31/12/2021	31/12/2020
Mortgage guarantees	98,294	133,560
Pledges of mortgaged assets	2,464	4,704
Deposits and earnest payments	7,146	11,228
Other securities and deposits	680	680

It should be recalled that there are bank covenants linked to the financing subscribed by FREY Group (Note 2.3.13).

There were no commitments given relating to Group companies' interests in joint ventures at 31 December 2021.

2.5.4.3 Lease commitments - Lessor

The amount of the minimum future payments to be received in relation to operating leases amounted to:

(In €K)	31/12/2021	31/12/2020
Less than one year	70,767	64,509
One to five years	144,878	118,238
More than five years	24,054	17,337
AMOUNT OF OPERATING LEASE PAYMENTS	239,699	200,084

2.5.4.4 Other commitments received

(In €K)	31/12/2021	31/12/2020
Bank deposits (leases signed with lessors)	5,527	4,551
Bank deposits (completion of retail units)	6,155	7,166
Residual drawing rights on long-term borrowings	224,000	212,000
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 2021.

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)	31/12/2021	31/12/2020
Provision of services ⁽¹⁾	611	534
Marketing fees ⁽²⁾	65	36
Overheads ⁽³⁾	-	67
Net current account interest received ⁽⁴⁾	95	47
TOTAL OTHER ASSOCIATES	771	684

(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 balance sheet are as follows:

(In €K)	31/12/2021	31/12/2020
Trade receivables	154	206
Current accounts	10,423	9,648
TOTAL OTHER ASSOCIATES	10,577	9,854

The existing relations between FREY Group and the other affiliated companies are as follows:

- Firmament Participations, with a shareholding of 26.5%: a liquidity agreement was signed in July 2017 between Firmament Participations and FREY, for a half-yearly amount of €10,000. No other cash flows were recognised over the financial year, except for the dividend approved by the General Meeting of 11 May 2021 and the subscription to the capital increase;
- AG Real Estate*, with a shareholding of 11.2% (* stake included in LOUVRESSES DEVELOPMENT II, an entity of the AG INSURANCE group): there were no cash flows with the Group over the financial year, except for the dividend approved by the General Meeting of 11 May 2021;
- Prédica, with a shareholding of 19.7%: there were no cash flows with the Group over the financial year, except for the dividend approved by the General Meeting of 11 May 2021;
- Cardif Assurance Vie, with a shareholding of 12.5%: there were no cash flows with the Group over the financial year, except for the dividend approved by the General Meeting of 11 May 2021;
- Sogecap, with a shareholding of 12.5%: there were no cash flows with the Group over the financial year, except for the dividend approved by the General Meeting of 11 May 2021;
- Primonial, with a shareholding of 8.4%: there were no cash flows with the Group over the financial year, except for the dividend approved by the General Meeting of 11 May 2021;
- Free float shareholding amounting to 9.2%: there were no cash flows with the Group over the financial year, except for the dividend approved by the General Meeting of 11 May 2021.

NOTE 6 | SENIOR EXECUTIVE REMUNERATION

The senior executives received remuneration from the Company amounting to €2.0 million for the 12-month period between 1 January 2021 and 31 December 2021; this remuneration amounted to €2.1 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 2021

Amounts (in €K)	F.C.N.	Grant Thornton	Other	Total
Parent company	138	139	-	277
Subsidiaries (France and Spain)	76	95	49	220
Ancillary assignments	5	44	6	55
TOTAL	219	278	55	552

31 DECEMBER 2020

Amounts (in €K)	F.C.N.	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

2.6 EVENTS SUBSEQUENT TO 31 DECEMBER 2021

In January 2022, FREY added ESG (environmental, social and governance) performance criteria to all its corporate financing currently in place. This adjustment of all the Group's corporate debt took place after the inaugural signature, on 10 November 2021, with its historical banking partners, of two medium-term credit lines with ESG performance criteria for a total amount of €150 million over five years. FREY therefore amended its existing contracts (total outstandings of €520 million) to transform them into responsible lines. Responsible bank loans with a CSR component now represent 100% of the Group's corporate financing.

On 7 January 2022, FREY sold its assets in Thonon-les-Bains (74). This asset was classified under assets held for sale in the consolidated financial statements at 31 December 2021.

On 15 February 2022, FREY sold its asset in Orléans (45) for €2.5 million. This asset was classified under assets held for sale in the consolidated financial statements at 31 December 2021.

On 15 February 2022, FREY sold its Bonneuil shares for €5.7 million including the current account reimbursement. These investments in associates were classified under "assets held for sale" in the consolidated financial statements at 31 December 2021.

On 18 February 2022, FREY signed a medium-term credit line with ESG (environmental, social and governance) performance criteria for a total amount of €70 million over five years, with extension options.



◀ **Parc Vallès**
Barcelona
Spain

3

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Financial year ended 31 December 2021

To the 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 2021, 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 2021 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 balance sheet, property has been recognised at a net book value of €1,488 million, representing 84.8% of total assets as at 31 December 2021.

Pursuant to IAS 40, FREY has opted to value and recognise its investment property according to the fair value method, as indicated in Note 2.3.8 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

Our work notably consisted in:

- 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.

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

Pursuant to the professional standards on the due diligence of Statutory Auditors' in relation to annual and consolidated financial statements presented in the single European electronic reporting format, we also verified compliance with this format, as defined by Delegated European Regulation 2019/815 of 17 December 2018, in the presentation of the consolidated financial statements to be included in the annual financial report mentioned in paragraph I of Article L. 451-1-2 of the French Monetary and Financial Code, prepared under the responsibility of the Chairman. As regards the consolidated financial statements, our due diligence included verifying that the mark-up of said financial statements complies with the format defined by the aforementioned regulation.

Based on our work, we concluded that the presentation of the consolidated financial statements to be included in the annual financial report complies, in all material respects, with the single European electronic reporting format.

It is not our responsibility to verify that the consolidated financial statements that will be included by your company in the annual financial report filed with the AMF correspond to those on which we carried out our work.

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 2021, Grant Thornton was in the 15th consecutive year of its assignment, and FCN in its 12th 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. Moreover, it:

- 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, 24 March 2022

The Statutory Auditors

Grant Thornton
French member of Grant Thornton International
Amandine Huot-Chailleux

FCN
Jean-Michel François



◀ **Clos du chêne**
Montévrain (77)

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CORPORATE FINANCIAL STATEMENTS - SA FREY

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Financial year ended 31 December 2021

4.1 BALANCE SHEET AT 31 DECEMBER 2021

BALANCE SHEET - ASSETS

(In €)	Gross	Amort./Depr./Prov.	31/12/2021	31/12/2020
Intangible assets	1,559,704	617,850	941,854	310,891
Property, plant and equipment	363,838,734	42,113,350	321,725,384	201,791,399
Non-controlling	280,147,485	13,935,349	266,212,136	219,665,909
Other financial investments	18,967,401	31,111	18,936,290	6,403,167
FIXED ASSETS	664,513,324	56,697,660	607,815,664	428,171,366
Work-in-progress	4,715,862	23,500	4,692,362	5,061,679
Advances and prepayments paid on orders	47,430		47,430	3,067
Trade receivables and related accounts	15,901,026	1,732,329	14,168,696	9,747,481
Other receivables	455,256,606	1,404,952	453,851,653	415,101,834
Marketable securities (treasury shares)	1,977,793		1,977,793	288,949
Cash	10,128,033		10,128,033	6,628,905
CURRENT ASSETS	488,026,752	3,160,781	484,865,971	436,831,914
Prepaid expenses	2,983,309		2,983,309	410,158
Loan issue costs to be amortised	3,805,949		3,805,949	3,418,817
Bond redemption premiums				
ACCRUALS	6,789,258		6,789,258	3,828,975
GRAND TOTAL	1,159,329,334	59,858,442	1,099,470,892	868,832,256

BALANCE SHEET - LIABILITIES

(In €)	31/12/2021	31/12/2020
Share capital	70,917,007	61,508,158
Issue, merger and contribution premiums	469,738,577	398,128,466
Legal reserve	2,814,573	1,721,250
Other reserves	612	612
Retained earnings		-14,499,485
Net profit/(loss) for the year	-9,863,710	21,866,472
REGULATED PROVISIONS	656,889	
Equity	534,263,949	468,725,472
PROVISIONS FOR LIABILITIES	567,262	18,943
Provisions for liabilities and charges	567,262	18,943
Convertible bonds		
Other borrowings and financial debt	540,201,258	382,279,991
Advances and prepayments received on orders in progress	156,031	66,937
Trade payables and related accounts	4,419,021	3,197,556
Liabilities for non-current assets	10,957,435	8,743,253
Tax and social security liabilities	2,871,055	2,599,209
Other liabilities	5,902,569	3,007,932
LIABILITIES	564,507,371	399,894,878
Prepaid income	132,309	192,962
GRAND TOTAL	1,099,470,892	868,832,256

4.2 INCOME STATEMENT AT 31/12/2021

(In €)	France	Export	31/12/2021	31/12/2020
Net revenue ⁽¹⁾ (2)	22,221,299		22,221,299	17,015,612
Other income			8,644,578	5,535,027
OPERATING INCOME			30,865,877	22,550,640
Purchase of raw materials and other supplies			-1,538,079	-1,904,007
External costs			-15,139,917	-10,694,445
Taxes, duties and similar payments			-3,217,772	-1,562,741
Payroll expenses			-6,263,155	-5,007,621
Operating liabilities			-11,164,930	-5,273,898
Other operating expenses			-1,007,709	-896,284
OPERATING EXPENSES			-38,331,566	-25,338,996
OPERATING RESULTS			-7,465,688	-2,788,356
JOINT OPERATIONS (LOSS)			-534,170	-454,602
Financial income			18,370,986	37,595,419
Financial expenses			-21,672,514	-14,554,047
NET FINANCIAL INCOME/(EXPENSE)			-3,301,527	23,041,372
PRE-TAX PROFIT/(LOSS)			-11,301,385	19,798,414
Non-recurring income			18,884,659	14,639,357
Non-recurring expenses			-18,280,774	-12,332,185
NET NON-RECURRING INCOME/(EXPENSE)			603,885	2,307,172
Income tax or tax credit			-833,789	-239,114
NET PROFIT/(LOSS)			-9,863,710	21,866,472

(1) 31/12/2021 including lease credit notes for the period November 2020 = €487,255.

(2) 31/12/2021 including lease credit notes for 2021 = €113,946.

4.3 SIGNIFICANT EVENTS

PROPERTY INVESTMENT

- In February 2021, FREY became the leading real estate company in France;
- In March 2021, FREY delivered its Shopping Promenade' asset in Claye-Souilly (77);
- In April 2021, FREY sold some of its assets in Claye-Souilly (owned by the merged company SASU FRP III) for €17.7 million;
- In June 2021, FREY became the first French real estate company to be B Corp™ certified;
- In November 2021, FREY acquired land and buildings in Saint-Ouen (93) and launched a project that will be developed in several phases. The programme will amount to 25,000 m².

CAPITAL INCREASE

- In June 2021, FREY offered an option for the payment of the 2020 dividend in shares and thus strengthened its equity to the tune of €10.29 million. The Company distributed 359,524 new shares and the share capital grew to €62.4 million;
- In December 2021, FREY launched a capital increase with preferential subscription rights (PSR) in the amount of €102.1 million, by issuing 3,404,016 new shares. The share capital was thus increased to €70.9 million.

BORROWING AND CORPORATE CREDIT LINES

- In July 2021, FREY signed two one-year extensions, for its €100 million loan, until 2027, and for its €70 million loan, until 2026;
- In November 2021, FREY signed two medium-term credit lines with ESG (environmental, social and governance) performance criteria for a total amount of €150 million over five years, with extension options. The financial conditions of these credit lines are linked to compliance with four major CSR commitments by 2030, namely: continued investment in and operation of sustainably managed French forests through FoREY; obtaining environmental certifications; developing low-carbon mobility; and maintaining the B Corp™ certification obtained in 2021;
- New issue, amendment and renewal costs were capitalised for an amount of €1.14 million;
- FREY took over the bank debt of SAS LA PLAINE following the merger.

SHARES, MEMBERSHIP AND EQUITY INVESTMENTS

- In January 2021, FREY joined the SOCIAL MARKET association;
- In July 2021, FREY acquired a company that owned a “Carré Sud” shopping centre in Nîmes for €60.7 million, and its subsidiary, including €3.2 million in share-acquisition costs;
- In October 2021, following the buyback of 10 equity stakes from FAP, FREY held 100% of FREY MURS 01;
- In November 2021, two REITs, SAS La Plaine and SASU FRP III, were merged into FREY with retroactive effect from 1 January 2021;
- In December 2021, FREY took part in the recapitalisation by capital increase and reduction of FAP's share capital by incorporation of the FREY current account.

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

subsidiaries, FREY established the EIG FREY SOLIDARITÉ 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.

Total receivables sold in 2021 by subsidiaries to EIG FREY SOLIDARITÉ amounted to €1,053 thousand, of which €537 thousand for FREY SA (€460 thousand in gratuity and €76 thousand in the spreading of receivables).

FREY SA's share in the loss of EIG FREY SOLIDARITÉ in respect of the 2021 financial year amounted to €534 thousand. As is the case for the losses of the transparent subsidiaries, this amount was recognized as a current account impairment at 31 December 2021 at FREY SA. In order to avoid the asymmetry of presentation expected in 2022, 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 2021 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 €914 thousand. These recovery prospects are not in question.

On 28 October 2020, another lockdown was announced with new restrictions imposed on retailers.

Revenue for 2021 takes into account the consequences of the second lockdown, and credit notes were established in 2021 for a total amount of €487 thousand.

FREY SA declared a rental tax credit for a total amount of €550 thousand. This amount includes the rental tax credits of tax-transparent real estate subsidiaries.

The government will subsidise the rents, fees and expenses of certain businesses closed from February to May 2021 due to the Covid-19 pandemic, pursuant to the Decree of 16 November 2021. Lessees benefiting from this aid will receive, during Q2 2022, the repayment of rents and expenses for Q1 2021.

The health crisis also had an impact on doubtful trade receivables. The appraisal of the impairment of trade receivables includes the eligibility, or otherwise, of our tenants for government aid decided in 2021 and paid in 2022.

DIVIDENDS

At the General Meeting of 11 May 2021, shareholders voted to distribute a dividend of €1.5 per share, amounting to a paid dividend of €36,875,574, of which €10,285,295 in shares and €26,590,279 in cash, with treasury shares on the distribution date not conferring dividend rights.

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 was €1,099,470,892 and the net accounting income amounted to a loss of -€9,863,710.

The financial year lasts 12 months covering the period from 01/01/2021 to 31/12/2021.

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 - <i>façades</i>	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.

Pursuant to Article 745-6 of the French General Accounting Plan, the technical loss of €35,332,200 was recognised in the corresponding sub-accounts of the underlying assets:

- merger loss - Land: €18,213,275;
- merger loss - Buildings, fixtures and fittings: €17,118,925.

Technical loss:

- is not depreciated for the portion allocated to "Land";
- is depreciated at the same rate as the assets of the "Buildings, fixtures and fittings" item, *i.e.* over the remaining useful life of the asset at the date of the merger.

Financial assets/related receivables and/or current accounts

Financial assets are recognised at their acquisition cost, including ancillary expenses.

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.

An impairment 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.

FREY recorded special amortisation allowances relating to the acquisition of shares in a company.

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 11 May 2021 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.

Hedging expenses are spread over the term of the hedge through prepaid expenses.

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 Executive 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 fixed term of the lease.

At 31 December 2021, they amounted to €132.3 thousand.

Lessors' contributions paid by the Company are recognised as invoices to be prepared. They are deducted from rental income on a straight-line basis over the fixed term of the leases.

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.

Free share allocations recognised in non-recurring income and expenses offset each other in an equivalent manner.

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-balance sheet 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.

In September 2021, 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.

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.

PENSION COMMITMENTS AND RETIREMENT BENEFITS

Pension commitments estimated as at 31 December 2021 amounted to €279 thousand, compared to €327 thousand at 31 December 2020.

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 2021 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 0.82%.

Actuarial assumptions other than the discount rate have not been changed.

4.5 ADDITIONAL INFORMATION

AVERAGE WORKFORCE

Salaried workforce for the financial year: 30.45 people.

Salaried workforce for the previous financial year: 30.23 people.

SENIOR EXECUTIVE REMUNERATION

The senior executives received €1.3 million in remuneration from the Company for the financial year; this remuneration amounted to €1.38 million for the previous financial year.

IDENTITY OF CONSOLIDATING ENTITY

FREY is the parent company of the consolidated FREY Group.

RELATED-PARTY TRANSACTIONS

Cash

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 €441,166 thousand at 31 December 2021.

The return on these current accounts generated financial income of €4,831 thousand for FREY, and no financial expense.

Financial income from participating loans to subsidiaries amounted to €2,362 thousand.

The Company also presents a current account contribution for the economic interest group in the amount of €1,037 thousand which is not remunerated.

Provision of services

FREY provided the following services on behalf of its subsidiaries during the 2021 financial year:

Accounting assistance

The corresponding income in the corporate financial statements amounted to €349 thousand for the 2021 financial year.

Management fees

The corresponding income in the corporate financial statements amounted to €3,958 thousand for the 2021 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 €784.7 thousand for FREY, compared with invoiced rents amounting to €16,755 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

In January 2022, FREY added ESG (environmental, social and governance) performance criteria to all its corporate financing currently in place. This adjustment of all the Group's corporate debt took place after the inaugural signature, on 10 November 2021, with its historical banking partners, of two medium-term credit lines with ESG performance criteria for a total amount of €150 million over five years. FREY therefore amended its existing contracts (total outstandings of €520 million) to transform them into responsible lines. Responsible bank loans with a CSR component now represent 100% of the Group's corporate financing.

On 7 January 2022, FREY sold its assets in Thonon-les-Bains (74). This asset was classified under assets held for sale in the consolidated financial statements at 31 December 2021.

4.6 NOTES TO THE BALANCE SHEET

NOTE 1 | STATEMENT OF NON-CURRENT ASSETS

(In €)	31/12/2020	Increases	Reclassifications	Decreases	31/12/2021
INTANGIBLE ASSETS	887,004	672,700			1,559,704
Land ⁽¹⁾	20,099,406	38,817,120		9,261,989	49,654,537
<i>Including loss</i>		<i>18,213,275</i>		<i>5,901,050</i>	<i>12,312,225</i>
Buildings, fixtures and fittings ⁽¹⁾	105,719,539	173,788,774		14,226,177	265,282,136
<i>Including loss</i>		<i>16,537,519</i>		<i>4,673,523</i>	<i>11,863,996</i>
Other property, plant & equipment	4,644,839	1,596,859		304,373	5,937,324
<i>Including loss</i>		<i>581,405</i>		<i>140,484</i>	<i>440,922</i>
Assets under construction ⁽²⁾	84,931,778	59,555,033	101,522,076		42,964,733
Advances and prepayments	710,939			710,939	
PROPERTY, PLANT AND EQUIPMENT	216,106,501	273,757,786	101,522,076	24,503,481	363,838,730
Equity investments ⁽³⁾	118,568,444	70,839,783		28,256,676	161,151,551
Receivables from equity investments ⁽⁴⁾	104,947,466	14,096,624		48,154	118,995,936
Other financial investments ⁽⁵⁾	6,484,278	18,218,639		5,735,516	18,967,401
<i>Of which liquidity agreement</i>	<i>748,659</i>	<i>32,668</i>			<i>781,327</i>
FINANCIAL INVESTMENTS	230,000,187	103,155,046		34,040,346	299,114,888
TOTAL	446,993,693	377,585,532	101,522,076	58,543,827	664,513,322

(1) In 2021, SAS la PLAINE and SASU FRP III merged into SA FREY for an amount of €32.8 million in land and €78.3 million in construction. These amounts take into account the technical loss calculated for each of these companies.

In 2021, FREY sold some of its assets in Claye-Souilly (formerly owned by FRP III) and a plot of land in Saint-Quentin.

(2) In March 2021, SA FREY delivered its Shopping Promenade® asset in Claye-Souilly (77) and commissioned Phase 3 at the Cesson site in November.

(3) In July 2021, FREY acquired a company that owns a "Carré Sud" shopping centre in Nîmes.

(4) The Company paid an additional €14 million on the loan granted to its subsidiary in Portugal, FREY PROP.

(5) In November 2021, FREY acquired land and buildings in Saint Ouen (93). Financial assets consist of guarantee deposits paid as part of off-plan sales.

(In €)	31/12/2020	Increases	Reclassifications	Decreases	31/12/2021
Retail investments (4.8)					
BBC PROMOTION		60,658,623			60,658,623
FAP	7,657,500	9,972,560			17,630,060
FREY MURS 01	9,900	1			9,901
FRP III	28,038,177			28,038,177	
LA PLAINE	9,900	208,599		218,499	
Dormant companies	82,852,967				82,852,967
TOTAL	118,568,444	70,839,783		28,256,676	161,151,551

NOTE 2

STATEMENT OF DEPRECIATION, AMORTISATION AND PROVISIONS ON NON-CURRENT ASSETS

(In €)	31/12/2020	Charges	Decreases	31/12/2021
INTANGIBLE ASSETS	576,113	41,737		617,850
Land				
Buildings, fixtures and fittings	12,687,104	34,148,822	7,048,816	39,787,109
<i>Including loss</i>		1,245,555		1,245,555
Technical facilities, machinery and tools	41,412	9,709		51,120
Other property, plant & equipment	1,586,586	726,933	38,398	2,275,120
<i>Including loss</i>		62,863		62,863
PROPERTY, PLANT AND EQUIPMENT	14,315,102	34,885,463	7,087,215	42,113,349
TOTAL	14,891,215	34,927,200	7,087,215	42,731,200

NOTE 3

STATEMENT OF OTHER PROVISIONS

(In €)	31/12/2020	Charges	Reversals not used	Reversals used	31/12/2021
REGULATED PROVISIONS		656,889			656,889
Special amortisation ⁽¹⁾		656,889			656,889
PROVISIONS FOR LIABILITIES AND CHARGES	18,943	567,262		18,943	567,262
Provisions for foreign exchange losses	18,943			18,943	
Other provisions for liabilities and charges ⁽²⁾		567,262			567,262
PROVISIONS FOR IMPAIRMENT	10,699,294	12,830,331		6,402,383	17,127,242
Provisions for equity investments ⁽³⁾	3,900,000	10,035,349			13,935,349
Provisions for customer loans	31,111				31,111
Provisions for inventories and work-in-progress		23,500			23,500
Provisions for trade receivables	786,059	1,366,530		420,259	1,732,329
Provisions for impairment of current accounts ⁽⁴⁾	5,982,124	1,404,952		5,982,123	1,404,952
TOTAL	10,718,237	14,054,483		6,421,326	18,351,393

(1) Special amortisation in relation to the acquisition of BBC PROMOTION shares.

(2) Provision for free share allocation plans.

(3) Additional impairment of FAP shares in the amount of €9,973 thousand following the recapitalisation.

(4) Impairment and reversals relating to subsidiaries' losses for the year.

NOTE 4 | STATEMENT OF RECEIVABLES AND LIABILITIES

Statement of receivables (in €)	31/12/2021			31/12/2020
	Gross amount	At 1 year at most	Over 1 year	
Receivables from equity investments	118,995,936	72,718	118,923,217	104,947,465
Loans	31,111	31,111		31,111
Other financial investments	18,936,290	9,010,382	9,925,907	6,403,167
<i>Of which concerning related entities</i>				
Trade receivables	15,901,025	11,874,216	4,026,809	10,533,540
<i>Of which concerning related entities</i>	4,750,082	4,750,082		4,307,949
Personnel and related accounts	20,304	20,304		20,305
Social security and similar bodies	3,875	3,875		2,768
Income tax	30,513	30,513		13,963
State - Value-added tax	9,606,531	9,606,531		4,361,569
Other taxes and similar payments	553,626	553,626		
Group and associates ⁽¹⁾	442,202,641	442,202,641		413,661,252
<i>Of which concerning related entities</i>	442,202,641	442,202,641		413,661,252
Miscellaneous debtors	2,839,112	2,839,112		3,024,101
<i>Of which concerning related entities</i>				
Prepaid expenses	2,983,309	759,844	2,223,465	410,158
<i>Of which concerning related entities</i>	253,077			17,145
TOTAL	612,104,279	477,004,879	135,099,399	543,409,399

Statement of liabilities (in €)	31/12/2021				31/12/2020
	Gross amount	At 1 year at most	At over 1 year and 5 years or less	At over 5 years	
Bond issues					
• Less than one year at inception					
With credit institutions					
• Less than one year at inception ⁽¹⁾	217,066,900	217,066,900			228,447,795
• More than one year at inception	319,260,000	648,000	201,092,000	117,520,000	151,350,000
Guarantees and deposits received	3,874,358	1,164,951	2,258,909	450,497	2,482,196
Trade payables and related accounts	4,419,021	4,419,021			3,197,556
<i>Of which concerning related entities</i>	457,780	457,780			342,390
Personnel and related accounts	1,364,268	1,364,268			673,438
Social security and similar bodies	677,894	677,894			455,842
State - Income tax					
State - Value-added tax	673,662	673,662			1,291,596
State - Other taxes and duties	155,229	155,229			178,333
Liabilities for non-current assets	10,957,435	10,957,435			8,743,253
<i>Of which concerning related entities</i>	664,453	664,453			128,379
Group and associates ⁽¹⁾	6	6			1,311,026
<i>Of which concerning related entities</i>					1,311,020
Other liabilities					
Less than one year at inception	5,902,563	5,902,563			1,696,906
Prepaid income	132,309	45,225	87,083		192,963
TOTAL	564,483,649	243,075,159	203,437,992	117,970,497	400,020,904

(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 DEBT

Bank debt

At 31 December 2021, the outstanding amount of credit drawn by the Company was €535.3 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 0.572% at 31 December 2021, was 1.33%.

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 balance sheet headings (in €)	31/12/2021	31/12/2020
Loans and financial debt from credit institutions (accrued interest)	1,066,900	477,445
Trade payables and related accounts	3,045,361	2,074,897
Debt on non-current assets	10,648,585	8,411,251
Personnel and related accounts	1,916,203	992,959
Tax and social security liabilities	177,531	884,124
Other liabilities	27,829	20,749
TOTAL	16,882,409	12,831,775

NOTE 7 | DEFERRED INCOME

Deferred income included in the following statement of financial position headings (in €)	31/12/2021	31/12/2020
Trade receivables and related accounts ⁽¹⁾	11,041,349	6,348,309
State - Value added tax	2,092,292	1,723,787
Accrued interest receivable	570,500	2,605,706
Other deferred income	253,897	1,664,405
TOTAL	13,958,038	12,342,207

(1) Of which €4,750 thousand relates to billing of fees.

The change from one year to the next is due to the increase in lessor investment due to the opening of the Shopping Promenade* in Claye.

NOTE 8 | DEFERRED EXPENSES

At 31 December 2021, loan issue costs under the Corporate items amounted to €3,806 thousand.

These expenses are amortised over the term of the credit.

NOTE 9 | PREPAID EXPENSES AND INCOME

At 31 December 2021, prepaid expenses amounted to €2,983 thousand, compared with €410 thousand at 31 December 2020. They relate exclusively to operating expenses. The significant change is due to the spreading of expenses related to the subscription of rate caps.

At 31 December 2021, prepaid income amounted to €132 thousand, compared with €193 thousand at 31 December 2020. 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	24,603,263	€2.50
Shares issued during the year ⁽¹⁾	3,763,540	€2.50
Shares redeemed or cancelled during the year		
SHARES OR SECURITIES COMPRISING THE SHARE CAPITAL AT THE END OF THE FINANCIAL YEAR	28,366,803	€2.50

(1) Including 359,524 new shares issued following the distribution of dividends in May 2021 and 3,404,016 new shares from the capital increase in December 2021.

At 31 December 2021, the Company held:

- 9,347 of its own shares with a book value of €307 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 2021.

- 64,258 shares with a book value of €1,978 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 €)	31/12/2020	Allocation of earnings	Dividends paid	Capital increase	31/12/2021
Share capital	61,508,158			9,408,850	70,917,008
Issue premium	398,128,465		-30,601,911	102,212,024	469,738,578
Regulated reserves	612				612
Legal reserve	1,721,250	1,093,324			2,814,574
Other reserves					
Retained earnings	-14,499,485	20,773,148	-6,273,663		
Profit/(loss) 31/12/2020	21,866,471	-21,866,471			
Profit/(loss) 31/12/2021		-9,863,711			-9,863,711
Regulated provisions					656,889
TOTAL	468,725,472	-9,863,711	-36,875,574	111,620,874	534,263,949

NOTE 12 | BREAKDOWN OF INCOME TAX AT 31 DECEMBER 2021

	Profit/(loss) before tax	Tax credit	Net profit/(loss)
Profit from recurring operations	-11,301,386	833,790	-10,467,596
Net non-recurring income/(expense)	603,885		603,885
TOTAL	-10,697,501	833,790	-9,863,711

4.7 NOTES TO THE INCOME STATEMENT

NOTE 13 | REVENUE

4

Revenue for the financial year ended 31 December 2021 amounted to €22,221,299 and broke down as follows:

(In €)	31/12/2021	31/12/2020
Rental income	16,154,255	8,975,201
Provision of intra-group services	4,307,857	3,926,344
Off-plan sales (land and buildings)	673,909	2,698,746
Re-invoicing of work	546,720	1,215,167
Entry fees	56,734	46,604
Rental management fees	291,852	128,732
Miscellaneous income	189,972	24,817
TOTAL	22,221,299	17,015,612

The increase in rental income is due to the merger of FRP III and La Plaine, as well as the *prorata temporis* effect of the delivery in 2021 of the Shopping Promenade[®] in Claye-Souilly.

The increase in intra-group services is linked to the increase in revenue from the various entities as well as to the corresponding expenses.

NOTE 14 | FINANCIAL INCOME

(In €)	31/12/2021	31/12/2020
Financial income from equity investments ⁽¹⁾	5,357,476	13,131,980
Dividends (details 4.8)	127,739	80,863
Current account interest	4,831,135	4,514,505
Interest on participating loans	2,362,290	2,387,998
Reversal of financial impairments	18,943	72,858
Reversal of impairment of financial assets	5,527,521	2,352,518
Merger profit (SECLIN 01)		12,546,315
Disposal of shares ⁽²⁾		2,474,381
Gain on exchange rate differences	42,200	
Miscellaneous	103,682	34,000
TOTAL	18,370,987	37,595,418

(1) The change from one year to the next was notably due to the allocation to FREY SA, in 2020, by its subsidiary SOPIC, of SOPIC's 2019 income from the capital gain on the disposal of its asset.

(2) Sale of shares in a Spanish company LRAR ESPANA.

NOTE 15 | FINANCIAL EXPENSES

(In €)	31/12/2021	31/12/2020
Loan interest	-4,449,978	-3,240,497
Other financial expenses - hedges	-2,381,144	-1,139,927
Current account interest		-68,020
Share of net profit/(loss) from transparent subsidiaries	-2,939,026	-2,366,427
Loss on universal transfer of assets/Merger of companies	-915,589	-341,242
Financial write-down charges ⁽¹⁾	-10,906,131	-5,527,521
Disposals of shares ⁽²⁾		-1,870,412
Foreign exchange loss	-80,439	
Miscellaneous	-208	
TOTAL	-21,672,514	-14,554,046

(1) Impairment including €605 thousand relating to losses on transparent subsidiaries, €9,972 thousand for FAP and the balance relating to other subsidiaries.

(2) Sale of shares in a Spanish company LRAR ESPANA.

NOTE 16 | NET NON-RECURRING INCOME/(EXPENSE)

Net non-recurring income/(expense) for the financial year ended 31 December 2021 totalled €604 thousand and broke down as follows:

(In €)	Expenses	Income
Value of property, plant and equipment and intangible assets disposed of ⁽¹⁾	-16,997,745	18,200,791
Disposals of securities	-50,000	106,500
Allocation of shares to employees	-574,705	574,705
Penalties/Tax adjustments/Disputes/Bonuses	-1,435	2,664
Special amortisation for acquisition of securities	-656,889	
TOTAL	-18,280,774	18,884,660

(1) Sale of the asset in Claye (77), ST Quentin (02).

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4.8 OTHER INFORMATION

OFF-BALANCE SHEET

Commitments given

	31/12/2021	31/12/2020
Mortgage guarantees ⁽¹⁾	€21,011 thousand	
Deposits and earnest payments	€4,488 thousand	€4,408 thousand

(1) Mortgage commitment on the loan signed by SAS LA PLAINE before the merger.

Commitments received

	31/12/2021	31/12/2020
Bank deposits (leases signed with lessors)	€2,394 thousand	€1,443 thousand
Bank deposits (completion of retail units)	€2,671 thousand	€3,473 thousand

At 31 December 2021, the Company also had a residual draw-down right of €224 million on its financing signed with its financial partners.

Covenants

At 31 December 2021, all the covenants of the loan deeds signed by FREY SA were complied with.

Consolidated ratios	LTV	ICR	Collateralised debt
Relevant debt	€516.0 million	€516.0 million	€516.0 million
Required ratios	<= 60.0%	>= 2	< 20.0%
Ratios at 31/12/2021	32.2%	5.8	5.6%

As well as the covenants of the loan initially signed by SAS LA PLAINE.

Asset ratios	LTV excluding stamp duty	ICR	DSCR
Relevant debt	€18.8 million	€18.8 million	€18.8 million
Required ratios	< 65.0%	> 2.0	> 120%
Ratios at 31/12/2021	28.4%	9.3	491.6%

FINANCIAL INSTRUMENTS

Hedge type	Start date	Initial amount	Mark-to-Market to valuation	Provisions in the balance sheet	Expiry date
BNP SWAP	25/07/2019	€120,000 thousand	€0.1 thousand	No	25/07/2022
CAP BNP	30/06/2021	€16,852 thousand	€1,671 thousand	No	30/06/2026
CADIF SWAP	24/05/2017	€25,000 thousand	-€101 thousand	No	24/05/2022
CACIB SWAP	24/05/2017	€25,000 thousand	-€101 thousand	No	24/05/2022
CAP CACIB	01/07/2020	€34,067 thousand	€327 thousand	No	01/01/2025
CAP CACIB	30/06/2021	€16,852 thousand	€1,643 thousand	No	30/06/2026
CIC SWAP	29/12/2017	€50,000 thousand	-€433 thousand	No	30/12/2022
CAP CIC	01/07/2020	€34,030 thousand	-€336 thousand	No	01/01/2025
LCL SWAP	28/07/2017	€50,000 thousand	-€336 thousand	No	28/07/2022
CAP LCL	01/07/2020	€34,067 thousand	€321 thousand	No	02/01/2025
CAP SG	01/07/2020	€34,067 thousand	€671 thousand	No	02/01/2025
CAP SG	30/06/2021	€16,852 thousand	€1,617 thousand	No	30/06/2026
LCL SWAP (LA PLAINE)	17/12/2018	€14,628 thousand	-€667 thousand	No	16/12/2026
CAP LCL	14/09/2021	€16,852 thousand	€1,643 thousand	No	30/06/2026

Free share allocation plans in effect within the Company at 31 December 2021

The table below shows the free share allocation plans in effect within the Company at 31 December 2021:

	Plan No. 6	Plan No. 7	Plan No. 8	Plan No. 9	Plan No. 10	Plan No. 11	Plan No. 12	Plan No. 13
Date of Board meeting:	10/05/2017	10/05/2017	20/06/2018	20/06/2018	07/03/2019	10/07/2019	02/04/2020	31/03/2021
Total number of shares allocated free of charge of which:	4,101	31,020	41,826	1,301	35,502	4,567	36,197	47,015
<i>Corporate officers</i>								
• François Vuillet-Petite	4,101	-	4,672	146	4,348	-	4,348	6,522
• Pascal Barboni	-	4,101	4,672	73	4,831	-	4,831	7,247
• Sébastien Eymard	-	6,792	4,672	73	4,831	-	4,831	7,247
• François Anglade		3,204	3,471	45	3,382		3,382	5,073
• Date shares vested:	10/05/2019	10/05/2019	20/06/2020	20/06/2020	07/03/2021	10/07/2021	02/04/2022	11/05/2022
Retention period ends:	10/05/2021	10/05/2021	20/06/2022	20/06/2022	07/03/2023	10/07/2023	02/04/2024	11/05/2023
Number of shares vested at 31 December 2021:	4,101	30,187	36,282	1,049	16,253	3,567	0	0
Cumulative number of shares cancelled or lapsed:	0	833	5,544	252	19,249	1,000	3,623	0
Free shares allocated and outstanding at 31 December 2021:	0	0	0	0	0	0	32,574	47,015

SUBSIDIARIES AND EQUITY INVESTMENTS

	Share capital	Equity	Percentage of share capital held	Net book value of securities	Revenue excl. tax	Net profit/ (loss) of last financial year
1. Subsidiaries (interest over 50%)						
SNC IF GT	€10,000	€340,785	99.00%	€9,900	€6,676,005	€330,785
SASU FAP	€3,757,500	€2,453,969	100.00%	€3,757,500	€2,450,165	-€1,679,280
SL Frey Invest	€100,000	-€4,441,387	100.00%	€1	€160,000	-€342,112
SNC IF Plein Sud	€10,000	€1,130,147	99.00%	€9,900	€2,648,551	€1,120,147
SNC IF Bezannes	€10,000	€37,821	99.00%	€9,900	€394,582	€27,821
SNC IF Saint Parres	€10,000	€88,997	99.00%	€9,900	€0	-€119,220
SNC IF Plein Ouest	€10,000	€278,415	99.00%	€9,900	€708,305	€268,415
SNC IF Plein Est	€10,000	€844,093	99.00%	€9,900	€2,560,524	€834,093
SAS IF Clos du Chêne	€10,000,000	€9,813,944	100.00%	€16,252,450	€2,497,966	€217,759
SCI FREY Murs 01	€10,000	€2,364	100.00%	€9,901	€0	-€7,636
SCI IF VALENTINE	€10,000	-€111,166	99.90%	€9,990	€0	-€121,166
SCI IF ALLONDON	€10,000	-€130,602	99.90%	€9,990	€0	-€140,602
SCI IF ECOPOLE	€500,000	€317,304	99.00%	€495,000	€0	-€182,896
SCI IF ZCN INVESTISSEMENT	€10,000	€435,022	99.00%	€9,900	€5,909,873	€425,022
SASU FREY MURS 02	€10,000	€284,284	100.00%	€10,000	€0	€273,284
GF FOREY	€10,000	-€34,776	99.90%	€9,990	€85,435	-€44,776
SA FREYPROP	€2,000,000	-€526,237	70.00%	€1,400,000	€0	€755,277
SAS BEC PROMOTION	€420,000	€7,640,578	100%	€60,658,623	€5,466,205	€2,495,578
SAS Frey Retail Fund 1	€1,736,904	€1,864,923	66.67%	€1,583,961	€284,693	€90,774
SNC Frey Retail Fund 2	€80,127,244	€95,929,430	62.08%	€60,936,145	€0	€12,493,098
2. Equity investments (0% to 50% interest)						
SCI Sopic FREY	€244,340	€235,884	50.00%	€154,336	€0	-€8,455
SCI Agenaise d'Investissement	€6,000	€5,819,584	50.00%	€3,000	€2,301,525	-€45,657
SCI PI	€10,000	€82,842	50.00%	€5,000	€498,544	€72,842
SC FREY RETAIL VILLEBON	€6,161,684	€38,465,287	5.00%	€1,846,005	€8,248,333	€1,545,182
SCI Tervilloise d'Investissement	€10,000	€42,244	50.00%	€5,000	€599,873	€57,585
Citizens by FREY	€5,000	-€1,243,033	0.20%	€10	€452,979	-€596,896
3. Membership						
Association SOCIAL MARKET	€0	€0	100%	€0	€19,612	€0

DIVIDENDS RECEIVED

SAS Frey Retail Fund 1 (subject to corporation tax)	€16,279
SAS FREY Murs 02 (subject to corporation tax)	€111,460

STATEMENT OF LOANS AND ADVANCES GRANTED TO SUBSIDIARIES

Loans

1. Subsidiaries (interest over 50%)

SL Frey Invest	€4,895,936
SA Freyprop	€114,100,000

Current accounts

Subsidiaries (interest over 50%)

SASU FAP	€59,559,860
SNC IF Plein Sud	€23,385,330
SL Frey Invest	€103,229,299
SNC IF Bezannes	€855,947
SNC IF Saint Parres	€14,402,370
SNC IF Plein Ouest	€9,584,542
SNC IF Plein Est	€32,706,252
SAS IF Clos du Chêne	€45,362,207
SCI FREY Murs 01	€139,520
SCI IF Valentine	€4,627,478
SCI IF Allondon	€9,831,864
SCI IF Ecopol®	€10,629,702
SNC IF Gestion et Transactions	€1,293,841
SCI IF ZCN Investissement	€84,900,961
SASU FREY Murs 02	€1,262,158
SCI Sopic	€46,882
SCI FRF2	€3,010,253
BBC Promotion	€12,499,524
GF Forey	€14,500,518

3. Equity investments (1% to 50% interest)

SCI Agenaise d'Investissement	€5,497,805
SCI La Patroclienne d'Investissement	€523,489
SC FREY Retail Villebon	€1,923,035
Citizers by FREY	€322,741
SCI Tervilloise d'Investissement	€703,434

4. Membership

SOCIAL MARKET	€366,638
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◀ Shopping Promenade®
Coeur Picardie
Amiens (80)

5

STATUTORY AUDITORS' REPORT ON THE CORPORATE FINANCIAL STATEMENTS

Financial year ended 31 December 2021

To the 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 2021, 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 2021 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 2021, equity investments were recorded in the balance sheet at a net value of €161 million, while related receivables and current accounts amounted to €556 million, representing a total of 65% 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 2021, €322 million in operating assets (land and buildings) are shown on the statement of financial position, representing 29.3% 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;
- assessed the breakdown of merger losses and the allocation of technical losses to the underlying assets and items;
- corroborated the assumptions and valuation methods underlying the valuations implemented by the independent experts;
- compared the net book values of operating assets (including technical losses) with the appraisal values excluding transfer taxes;
- 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

Pursuant to the professional standards on the due diligence of Statutory Auditors' in relation to annual and consolidated financial statements presented in the single European electronic reporting format, we also verified compliance with this format, as defined by Delegated European Regulation 2019/815 of 17 December 2018, in the presentation of the annual financial statements to be included in the annual financial report mentioned in paragraph I of Article L. 451-1-2 of the French Monetary and Financial Code, prepared under the responsibility of the Chairman.

Based on our work, we concluded that the presentation of the annual financial statements to be included in the annual financial report complies, in all material respects, with the single European electronic reporting format.

It is not our responsibility to verify that the annual financial statements that will be included by your company in the annual financial report filed with the AMF correspond to those on which we carried out our work.

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 2021, Grant Thornton was in the 15th consecutive year of its assignment, and FCN in its 12th 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. Moreover, it:

- 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, 24 March 2022

The Statutory Auditors

Grant Thornton
French member of Grant Thornton International
Amandine Huot-Chailleux

FCN
Jean-Michel François



◀ **Forêt La Ténézaire**
Haute-Loire (43)

6

FREY: A COMMITTED 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 objective of achieving carbon neutrality by 2030, with three significant commitments: to invest €35 million to acquire and operate sustainably managed forests in France, with a view to supplying the French timber construction sector; to use wood, on a massive scale, as a bio-sourced material for the construction of its projects; and to publish, on a yearly basis, the financial impact of its carbon footprint on its profitability (Net result Group share – Carbon).

After becoming a “*Entreprise à Mission*” in January 2021, FREY once again makes its mark in the French retail property sector by becoming in June 2021, the first French real estate company, as well as the first French listed company, to obtain the highly demanding and independent B Corp™ (Benefit Corporation) certification aimed at assessing the environmental and societal impact of a company. This international certification follows a rigorous and in-depth assessment of the Company’s social and environmental performance, as well as of its governance. It measures the way in which companies manage their employees, their relations with their customers and suppliers, their ecological footprint and their interactions with their communities. At the end of a rigorous audit of several months conducted by the B Lab® teams, the non-profit organisation in charge of certification, FREY was awarded 102.2 points⁽¹⁾. With this score, the Group provides an indisputable guarantee of its ESG commitment for all its stakeholders: shareholders, bankers, suppliers, retailers, local authorities and consumers. To date, B Corp™ has been awarded to over 4,000 companies worldwide, including 160 in France. FREY thus joins the very closed circle of “Benefit Corporations” in France and confirms its status as a responsible and committed company.

(1) Several hundred questions make up the questionnaire developed by B Lab®. A score of 80 points must be achieved to obtain certification. According to a Goodwill Management study published in 2020, only 5% of companies engaging in the process obtain certification.

6.1 MISSION REPORT



6

Joint int

“ It's more important to be fair than to be popular ”



Nathalie Palladitcheff
President of the Mission Committee

What is your vision of the company's role in society today?

Nathalie Palladitcheff:

I believe in the company's commitment to organised, responsible, concerted growth and to the economic development of communities. It is an ambitious but fundamental issue. The company's role is to respond to a need and to propose solutions to environmental and societal issues. It is an absolute necessity to pave the way to a meeting of priorities and cohesion and to maintain this essential link between the company and society. The "Entreprise à Mission" is an affirmation of this role and ambition.

Antoine Frey:

The company is now the real arena for action to meet the issues we are all facing. Its governance and agility give it the assets to serve not only the interests of its shareholders but also to take action for the common good in line with its economic activities. At FREY, we design, manage and transform the places that make up the living environment of communities. It is therefore in this crucial space that we must take a proactive and pragmatic approach.

Through its status as an "Entreprise à Mission", what is your vision of FREY's commitment?

Nathalie Palladitcheff:

By becoming an "Entreprise à Mission", FREY is expressing both its courage and its humility. The courage to ask questions and expose itself. Humility in knowing that not every question will be answered. Making this twofold statement is a Mission in itself. FREY is also involving all its employees to this project. The Mission responds to this search for meaning, which is extremely persistent today. The "Entreprise à Mission" is in this way a rallying tool, a framework, which further justifies the involvement of employees in the company.

Antoine Frey:

Purely economic performance objectives are no longer sufficient to motivate teams and meet society's expectations. It is therefore essential to unite employees around more ambitious objectives that are more closely and personally important to them. The "Entreprise à Mission" is a framework for reflection and guidance. It is around our core business that we define our Mission. It is not a Mission for the sake of a Mission. It is also a commitment to be accountable to all our stakeholders in a clear and transparent way.

erview

With this new status, what do you see as the major challenges for FREY going forward? And what are the risks?

Nathalie Palladitcheff:

There is always a big responsibility to be ahead of the curve. It is a risk for FREY and a commitment for the company. FREY must be fully aware of its strengths and weaknesses, and remain lucid and realistic in the face of the undeniable risks involved in this approach. But the risk is much greater if we do nothing in the current environmental and social context. The “Entreprise à Mission” addresses a concern for heritage, which is all the more important in the real estate sector. What will we leave to future generations? FREY’s approach is fair, sustainable and creates value for future generations of the real estate industry.

Becoming an “Entreprise à Mission” is also about having the courage to expose the company and to commit. FREY is becoming an object of attention and interest, closely observed on its ability to take action. To deal with criticism, we must be confident in what is right for the company and for the community it serves, without seeking to achieve some form of popular unanimity. We have to show this perseverance, this conviction, and remain agile, without ever losing sight of the objective. The Mission Committee will be there to act as a watchdog and raise alerts if necessary.

Antoine Frey:

More than an altruistic approach, this transition is certainly the best investment we have made in the company’s interest. It is the prospect of combining financial benefits with benefits to society. Reinventing ourselves is vital for the company to find our place in the real estate ecosystem of tomorrow. We must now find our balance: we must not over-promise, as the risk of going to extremes would undermine the credibility of the approach taken.

The “Entreprise à Mission” is a proactive, lucid and pragmatic exercise; we must find a balanced commitment in line with the company’s purpose and with the challenges at hand



Antoine Frey
Chairman of FREY

“Real estate must not remain at a standstill”



Shopping Promenade® Cœur Alsace - Strasbourg

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06 | 07

Towards the “Société à Mission”

2008 - 2021:
responsible innovation at the heart of our DNA



Creation of FREY
and IPO on the Stock Exchange (Euronext)
Creation of Greencenter,
1st eco-responsible retail park concept

Soissons
1st French retail park
to receive HQE Retail certification



1st French requalification
of a commercial zone
at the entrance to a city (Troyes),
1st real estate company to receive
HQE development certification

**Creation of the
Shopping Promenade® concept,**
a new generation of experiential and
responsible outdoor shopping centres.
Opening of the 1st opus in Amiens

Shopping Promenade®



Creation of CITIZERS,
new Group entity in charge of developing
mixed-use urban projects in the heart of cities

**1st carbon footprint and
definition of the climate strategy**
Objective to achieve carbon neutrality by 2030.
Creation of the FoREY forestry group

FOREY

FREY - Mission Report 2021



January
FREY becomes an
Entreprise à Mission
and modifies its statutes.
Its mission statement:
**Restoring retail to the
service of the common good**

January to June
Definition of the roadmap
and operational objectives
with the teams



June
B Corp certification,
102.2 points

1 July
**1st Mission
Committee meeting**



2nd half of the year
**Adjustment of
the roadmap
and indicators**

25 January
**2nd Mission
Committee meeting**



B Corp, the start of an adventure

In June 2021, FREY was both the first real estate company and the first French listed company to receive B Corp (Benefit Corporation) certification.

Issued by the independent organisation B Lab, this international certification is one of the most demanding and confirms the company's responsible environmental and social practices.

With a score of 102.2 points⁽¹⁾, FREY demonstrates its level of commitment to its stakeholders (shareholders, investors, suppliers, retailers, local authorities, employees and visitors to its retail sites).

This certification marks both the concrete evidence of these years of commitment and the beginning of a new journey towards making an even more positive impact.

⁽¹⁾ Awarded on the basis of responses to a questionnaire of more than 200 questions (the BIA) and following an in-depth audit lasting several months. A minimum score of 80 points is required for certification.

Our Mission

Restoring retail in the service of the common good

We are FREY, a responsible real estate company

A planner, developer, investor and manager, FREY is a real estate company specialising in the development and operation of outdoor shopping centres in France, Spain and Portugal. The Group also carries out major urban renewal and mixed-use projects in dense urban areas.

We are not going to save the world but...

Through its concepts, its construction methods and the way it operates its sites, FREY is involved on a daily basis in making society more responsible, respectful of the environment and socially beneficial to its eco-system and its stakeholders. To go further, the company has adopted a Mission Statement with 4 objectives⁽¹⁾:

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

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



Shopping Promenade® Cœur Picardie - Amiens

At a time when physical retail is undergoing numerous changes, FREY has become the first real estate company to adopt the status of an "Entreprise à Mission".

With this raison d'être and these objectives, FREY affirms its conviction that the role of retail goes far beyond that of the simple commercial transaction and participates in bringing people together and breaking down barriers and contributes to the local economy.

Its shopping centres are unlike any other. They are above all collective, lively, friendly and responsible points of interest. Living spaces essential to urban diversity,

Living spaces essential to social cohesion,
Living spaces essential to the local economy,
Living spaces essential to the environmental transition.

FREY's teams are committed to taking up a major challenge shared with all their stakeholders: to prove that, beyond serving its own interests, a company can also be an actor in powerful, sustainable and profitable change for all.

What is a "Société à Mission"?

The "Société à Mission" status was introduced into French corporate law by the PACTE law of 2019. According to the law, a "Société à Mission" is a company that:

Incorporates its raison d'être into its statutes;
Incorporates one or more social, environmental and societal objectives in its statutes. It can thus combine economic performance with a contribution to the common good;

Establishes a Mission Committee to monitor the implementation of the Mission;
Designates an independent third party to verify the achievement of the objectives;
Declares itself at the registry of the commercial court.

The "Société à Mission" scheme is a French innovation. The status of "Société à Mission" is the only one that combines freedom to define its own unique mission, unlimited profitability, and two levels of control

*What I admire about them,
is their willingness to listen and act*

The view of...



François
Lemarchand

With this Mission, FREY demonstrates that the future of retail lies in its ability to create value other than financial value by taking a long-term view. This is where FREY is ahead of the curve.

*With this in mind, retail involves:
Serving a local community by providing spaces where people are happy to meet around common areas and activities (art, culture, association, catering, etc.)
Committing to supporting retailers in their transformation and proposing new modes of consumption that meet consumers' expectations (second-hand, social economy players, etc.)
Demonstrating environmental responsibility in terms of architecture, materials, waste treatment, preservation of biodiversity, energy efficiency, etc.*

If FREY is ahead of the curve on many issues and has made considerable progress, there is still much progress to be made to achieve a level of excellence equal to the Mission: reinventing mobility to reduce our dependency on the car, recycling waste on site, developing dialogue with the surrounding urban space.

The Mission Committee will be there to support and interrogate FREY along this path. What I admire about them is their willingness to listen and to act. Our joint work must therefore be intensified and go into greater depth on the most complex issues.

All actors in

On 29 January 2021, FREY's shareholders unanimously approved the resolution to allow it to adopt the status of a "Société à Mission", in accordance with Law No. 2019-486 of 22 May 2019, known as the "PACTE" law.

In this context, FREY has set up a Mission Committee, a separate social body responsible for monitoring the execution of the Mission.

The Mission Committee is a powerful innovation that brings the voices of the company's stakeholders into its governance.

The Mission Committee

For FREY, the Mission Committee is an essential body for listening, dialogue and criticism. Being part of the Mission Committee allows each member to play the role of a challenger, a real "critical friend" dedicated to the company and the implementation of its Mission. The role of the Committee is to:

- Monitor the execution of the Mission and the means deployed by FREY to achieve the objectives set (operational commitments, action levers, performance indicators).
- Adopt a Mission Report, attached to the company's management report.
- Ensure compliance with the Mission and report any shortcomings or obstacles to its achievement.
- Carry out any work necessary for the fulfilment of its role and the preparation of its report.

It is made up of 7 members, the majority of whom represent external stakeholders.

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Nathalie Palladitcheff,

President of the Mission Committee,

President and Chief Executive Officer of Ivanhoé Cambridge, a real estate investment and development group and subsidiary of the Caisse de Dépôt et Placement du Québec, one of the world's largest institutional fund managers. Nathalie is responsible for ensuring the growth and development of the company.

4

Carine Stoeffler,

Risk manager at FREY, she joined the Group's teams in 2009 first as Accounting Director and then as Head of Reporting and Consolidation. Drawing on her knowledge of the Group and its operations, Carine became Risk Manager in November 2019.

7

Clémence Bechu,

Director of development for the urban planning and architecture agency Bechu & Associés. Clémence, who graduated from the University of Dauphine Paris with an MSG and a Master's in Project Management, is responsible for the development of the agency and the management of the operational teams.

2

Elisabeth Laville,

Founder of the Utopies consulting agency, Elisabeth graduated from HEC in 1988 and spent a few years in strategic planning at two advertising agencies before creating Utopies in 1993. She has since been recognised as one of Europe's leading experts on sustainable development.



the Mission



6

1

François Lemarchand, member of FREY's Board of Directors as an independent director. In 1976, he created and still presides over the family holding company Mercator SA. Founder and former president of Nature et Découvertes, François also created the "François Lemarchand" foundation and is involved in other foundations with an ecological focus and sponsorship.

5

Robert Herrmann, politician and former President of the Strasbourg Eurometropole, he was a local elected official from 1989 to 2020. Robert is now an entrepreneur in the field of business and management consulting.

3

Christophe Garot, Managing Director France of Bopro, a sustainable development consulting agency. With a university and technical background, Christophe has over 20 years' professional experience in the tertiary real estate sector.

Our first meetings

The Mission Committee meets at least twice a year along with the members of the FREY Management Committee

Minutes of each meeting are taken to reflect the Committee's discussions and proposals. The members of the CODIR meet at the end of each Committee meeting to share the recommendations of its members and make decisions on the implementation of the Mission.

The first meeting of the Mission Committee took place on 1 July 2021. This one-day meeting began with a visit to the new Shopping Promenade® in Strasbourg - Coeur d'Alsace.

The objectives of this installation meeting were to:

- Introduce ourselves to one another,
- Present FREY's activities and products,
- Discuss the defined Mission with a view to revising and enriching its operational objectives, initial indicators and commitments,
- Refine the roadmap.

Following this first meeting and the recommendations of the Mission Committee, the CODIR has developed its roadmap to make it more operational.



The Mission Committee met for a second time on 25 January 2022.

The meeting was an opportunity to hear and discuss the Mission Committee's views and recommendations on the following issues:

- The new version of the roadmap worked on by the teams,
- This report,
- Actions and projects planned for 2022.

*The process is exciting and positive
but it takes time*

This first year has enabled us to lay the foundations of the Mission Committee's framework and role, and to define its roadmap, in a very exceptional context linked to the health crisis.

We will now shift up a gear to meet the challenges and expectations of society. Each member brings their own rich and complementary expertise, but we all still have to learn: we can't just play our roles as Committee members by ear. To this end, we need to be supported by FREY to understand their practices better. We also need time to get to know one another. The Committee is therefore a space for exchange that is in development.

For me, being part of a Mission Committee means being able to understand complex subjects in depth, in a spirit of co-construction and interaction with the other members and the FREY teams.

This is an exciting and positive process, but it takes time. The Committee will be there to support, to alert, to check consistency and to maintain the level of ambition so as never to lose sight of the objectives set.

The view of...



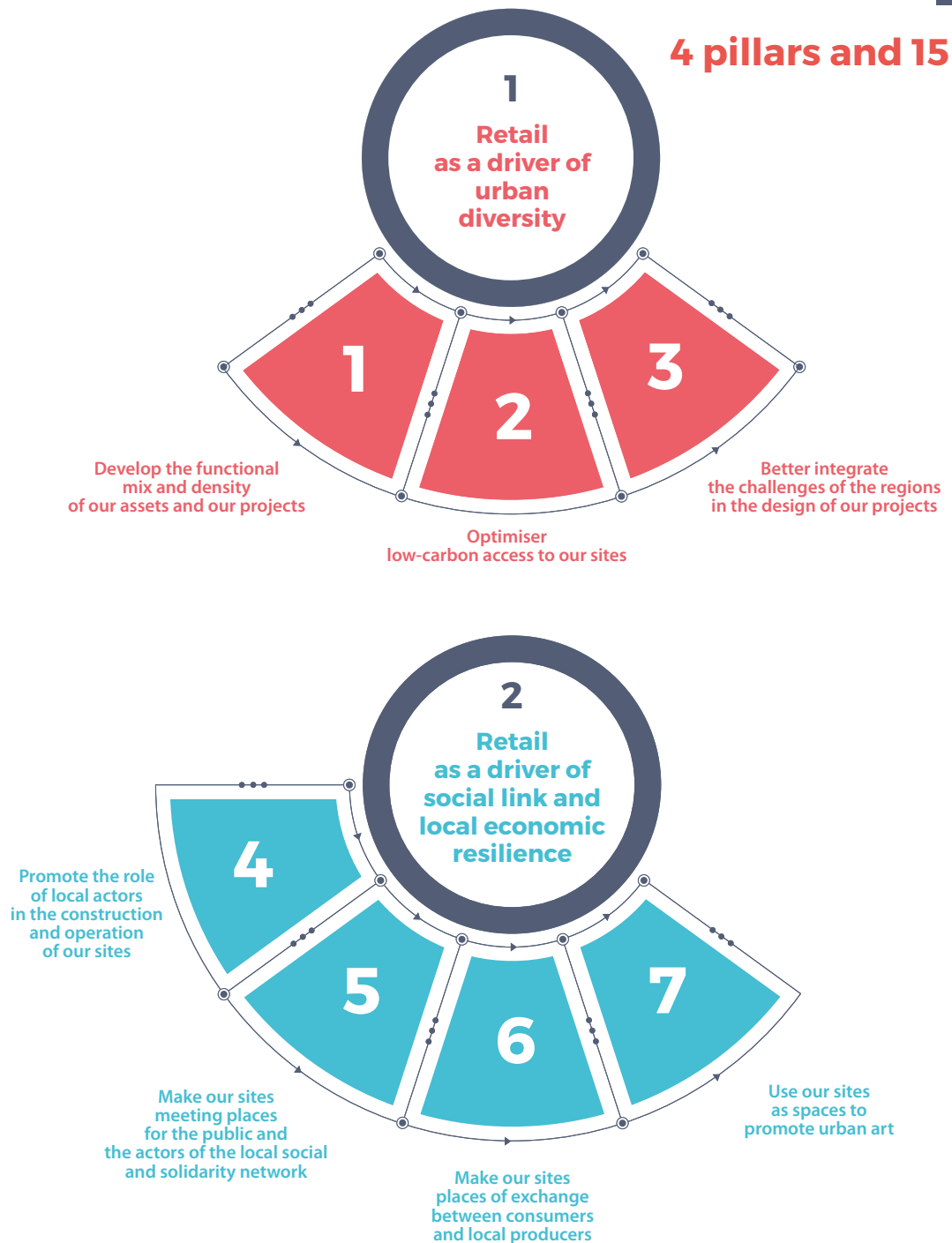
Robert
Herrmann



Shopping Promenade® Montmajour - Arles

Charting

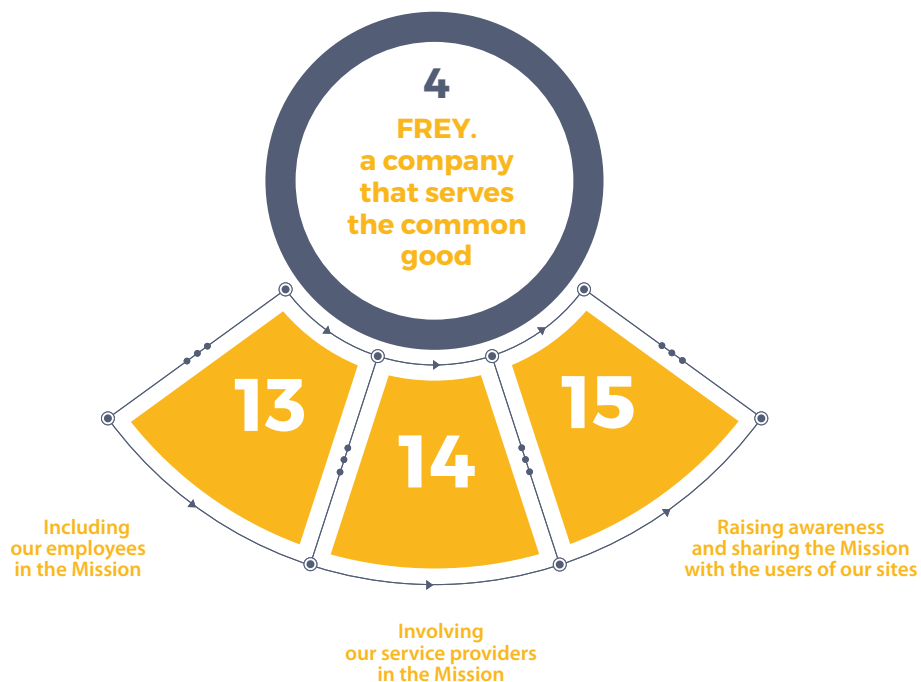
4 pillars and 15 Open



FREY - Mission Report 2021

the course

rational objectives



FREY - Mission Report 2021

16 | 17

Pillar 1

Shopping Promenade®

CŒUR ALSACE



Establishment of a SoMED medical office in the Shopping Promenade Cœur Alsace



The planned opening of a Cuisine Mode d'Emplois in the heart of the future Palais du Commerce in Rennes meets an identified need for professional integration in the greater Rennes area



3
TARGETS

1

Develop the functional mix and density of our assets and our projects

2

Optimise low-carbon access to our sites

3

Better integrate regional challenges in the design of our projects



CLOS DU CHÊNE



Cycling paths and garages, tyre inflation stations... these are all examples of services and equipment made available to users as part of the development of soft mobility in FREY parks

FREY - Mission Report 2021

Retail as a driver of urban diversity

Challenges and key issues

Faced with the need to increase the density and sharing of urban spaces in order to fight against land take, we need more than ever mixed-use spaces that can offer various experiences and new combinations that contribute to the dynamism of urban life, that are adaptable and can anticipate future needs.

FREY is therefore committed to re-imagining shopping centres to make them mixed spaces with a variety of uses (retail, leisure, services, offices, housing, productive spaces, etc.), integrated into their environment and meeting the needs of the regions.

*The winning triptych of
"economy, ecology and regionality"
must be the guiding principle of the urban mix*

With this focus, FREY demonstrates its desire to act in the interest of the city: it has all the means to do so. When we talk about mix and density, several topics arise:

- Considering the functional mix of solid structures but also empty ones that can accommodate entertainment and gathering spaces as well as green spaces, with ornamental, recreational and ecological functions;
- Taking into account in situ transport and connection issues at the city level;
- Positioning ourselves in the healthcare space by integrating the "Care" dimension in addition to the "Cure" (care and prevention centres, alternative and holistic medicine, massages, yoga, sport, food tasting, etc.);
- Participating in the knowledge economy and in our learning society (training centres implemented by the major retailers, digital schools, etc.);
- Taking advantage of the office revolution and looking at the development potential of third places. FREY has all the resources to offer urbanites who have chosen to leave big cities a living space that combines pleasure, leisure, well-being and work.
- Integrating the housing dimension without waiting for the development of urban planning and integrate it, for example, in hybrid products such as managed residences or hotel accommodations, in order to improve the mix of uses.

In the end, the winning triptych of "economy, ecology and regionality" must be the guiding principle of the urban mix to move forward in the right direction!

The view of...



Clémence Bechu

Objective 1

Develop the mix and density of our sites and projects



In 2021, FREY carried out an analysis of the level of functional mix of its sites. The results showed that 22% of the sites' surface area is occupied by activities other than retail (leisure, restaurants, services, etc.). The ambition in the short and medium term is to increase this proportion. In the longer term, the Group's ambition is to increase the density of its commercial premises by welcoming new regulated uses (housing, hotels, offices, logistics, etc.).

(*) See page 37
the scope
of the Mission

Vision 2025	Targets 2022
Diversity Maintain a mixed-use share of 30% of the GLA of projects	Achieve a mixed-use share of 30% of the GLA of current projects^(*)
Density Boost density and accommodate new regulated uses within existing sites	Engage in discussions with local authorities on increasing density and accommodating new types of regulated uses (housing, office, hotel, logistics, etc.) on 100% of sites^(*)



Mixed use at the heart of FREY's business lines

Mixed use is not a new concern. For several years, FREY has been striving to develop innovative spaces within its sites and at the core of its projects via:

- The development of Social Clubs in 4 Shopping Promenades®: based on the concept of creating genuine cultural and associative centres, these gathering spaces celebrate proximity and local roots by offering space to actors who are essential to the life and vibrancy of the region.
- The creation in 2019 of Citizers, a subsidiary in charge of the development of mixed urban projects located in the heart of cities. Citizers transcends monofunctional logic and creates innovative urban mixed projects based on the unprecedented coexistence of new forms of places (work, hospitality, culture, commerce, restaurants, leisure).
- Hosting of service activities (medical and paramedical practices, bank branches, insurance offices, banks, etc.) in order to complete the local offer for inhabitants.

Objective 2

Optimise low-carbon access to our sites



In 2021, FREY deployed its own methodology to analyse the level of external and internal connection of its sites⁽¹⁾ in terms of low-carbon mobility (public transport, soft mobility). This inventory revealed the heterogeneity of its assets and the potential for improvement at each site.

(1) Scope retained:
eligible scope
of the Mission
(see page 37)
excluding Carré Sud
Nîmes and the 2
international assets

Vision 2025	Targets 2022
Create a focus group for each site with the various stakeholders to improve external connections (public transport, cycle paths, pedestrian routes) Improve the quality of the infrastructures for non-carbon based mobility within our sites	Define a methodology for working with stakeholders to develop external connections and apply it to a first site Improve infrastructure and services related to internal soft mobility on 2 pilot sites

Objective 3

Better integrate the challenges of the regions in the design of our projects



FREY currently takes into account regional issues in each of its projects through regular exchanges with local decision-makers and managers, but this approach must be systematised and formalised through a common methodology.

Vision 2025	Targets 2022
• 100% of projects^(*) adopting a methodology and a frame of reference for the analysis of regional issues • Institutionalise meetings and exchanges with a panel of project stakeholders (companies, retailers, craftspeople, artists, producers, associations, etc.)	• Define the analysis framework and test it on 1 project

(*) See page 37
the scope
of the Mission



Shopping Promenade® Cœur Alsace - Strasbourg

Pillar 2

Shopping Promenade®
— CLAYE-SOUILLY —



Construction of the Shopping Promenade® in Claye-Souilly

Work by the artist Cézart on the Green7 shopping centre in Salaise-sur-Sanne



Green7
SALAISE SUR SANNE - PARC COMMERCE



Retail as a driver of social link and local economic resilience

Challenges and key issues

FREY has long been attentive to the user-friendliness and usefulness of its sites, and is strengthening its commitment to the economic and social development of the regions in order to share the value of its sites with local players and inhabitants.

At a time when e-commerce is exploding, people have become more isolated and local retail is being undermined

by the health crisis, FREY wishes to be an economic partner of the regions, to support local entrepreneurs and producers, to offer spaces to associations and actors in the social and solidarity economy and to emphasise the importance of art and culture. FREY's ambition is to make its sites authentic places that encourage encounters and contribute to local economic life.

Frey is breaking new ground in terms of commitment and innovation for commercial real estate

The view of...



Credit: © Philippe Zamboni

Élisabeth Laville

By integrating social link, local economic roots, support for local players and the promotion of the social and solidarity economy into its objectives, FREY is breaking new ground in terms of commitment and innovation in commercial property:

- Work with local suppliers and promote local production, producers and know-how at various levels according to sectors and products;
- Hosting and supporting local businesses. When we talk about the local economy, consumers do not necessarily think of local franchises of national brands, but of small independent companies that manufacture locally. For example, FREY is committed to supporting local brands already established in the city centre by offering them a second space to boost their visibility within its centres. It is through these types of initiatives that FREY will play a role as an economic developer.

- Creating social connections by meeting needs that go beyond the mere consumption of material goods.

And this is what makes FREY centres so original: their ability to bring together the commercial and the non-commercial, the tangible and the intangible in a single place (shops, leisure activities, medical centres, spaces for associations, urban art exhibitions).

- Promoting street art and showcasing its intrinsic value and identity. The sites need to become cultural destinations in their own right - and even open-air museums - through partnerships and artistic sponsorship.

On all these subjects, FREY has already laid significant groundwork. The progress path mapped out by the Mission Committee will involve transforming isolated initiatives into more systematic and comprehensive policies, raising visitors' awareness of local consumption, mobilising retailers, promoting the circular economy as a lever for relocalisation, etc.

Objective 4

Promote the role of local actors in the construction and operation of our sites



FREY is a player closely involved with the regions.

To measure this involvement, an analysis of the percentage of local actors among its partners was carried out.

- **29%** of the Shopping Promenade® construction budgets (excluding Cœur Alsace)⁽¹⁾ were allocated to local companies⁽²⁾,
- **89%** of 2021 budgets allocated to local companies⁽²⁾ for site management⁽⁴⁾,
- **30%** of rents represented by local tenants⁽³⁾ within the portfolio⁽⁴⁾ (of which 2/3 for local franchises and 1/3 for local independent businesses).

Vision 2025	Targets 2022
• Maximise the economic impact and benefits for the regions through the presence of local players in the construction and operation of the sites	Construction companies: • 30% of local companies⁽²⁾ involved in the work on the Docks de Saint-Ouen and Open Grand Genève projects • 100% of contracts including an integration or training clause. Service providers: • Maintain 90% of 2022 budgets allocated to local companies⁽²⁾ for site management • 100% of contracts integrating the responsible operation charter Tenants: • Maintain 30% of rents by local tenants⁽³⁾ within the portfolio⁽⁴⁾ • Add a "local impact" component to the responsible lease

⁽¹⁾ As the Shopping Promenade® Cœur Alsace in Strasbourg is located in the Grand Est region, the historical region of the FREY Group, it has an overweighing of local businesses that are historical partners of FREY. For the three Shopping Promenade® outside the Grand Est (Amiens, Arles, and Claye Souilly), the share of local businesses is 29%

⁽²⁾ A local business is a business domiciled in the region where the site is located, or with a regional subsidiary in the region where the site is located. Note that this calculation includes the main contracting companies and all their subcontractors

⁽³⁾ A local lessee is an independent retailer or franchisee whose company is domiciled in the region where the site is located

⁽⁴⁾ Scope retained: eligible scope of the Mission (see page 37) excluding Carré Sud Nîmes and the 2 international assets

^(*) See page 37 the scope of the Mission



Organisation of a summer market on the Shopping Promenade® in Arles

Objective 5

Make our sites places of encounter between the public and actors in the local social and solidarity network



A pioneer in environmental commitment since its creation in 2008, FREY has also undertaken since 2019 to maximise the role of its sites as drivers of social link via:

- **The establishment of 4 Social Clubs**, genuine cultural and associative centres.
- **The creation of 1 Social Market**, a solidarity shop entirely dedicated to second-hand products and to the actors of the Social and Solidarity Economy. The first pilot shop has been in test mode in the Shopping Promenade[®] in Strasbourg since March 2021.
- The organisation of social and solidarity events (Pink October in Strasbourg, Care & Share in Amiens, World Clean Up Day in Marne-la-Vallée and Salaise-sur-Sanne, etc.)

Vision 2025	Targets 2022
• 100% of sites^(*) involved in the promotion of local social and solidarity activities • Continue to develop Social Clubs in France and abroad • Hold more events that bring people together in a convivial sitting	Design and deployment: • 1 “hybrid” social club in Saint-Ouen - Les Docks • 3 association events • 1 large responsible flea market



Social Club and Social Market on the Shopping Promenade[®] Cœur Alsace in Strasbourg

Objective 6

Make our sites places of exchange between consumers and local producers



Spaces or events to promote local producers have been developed on certain sites:

- Agroparc, a producer shop and market hall at the Shopping Promenade[®] in Strasbourg,
- 3 days of local producers' and craftspeople's markets on the Shopping Promenade[®] in Arles
- The implementation of the “La Ruche qui dit Oui” concept for the distribution of local products on the Shopping Promenade[®] in Amiens.

Vision 2025	Targets 2022
• Organise at least 1 action per year promoting local producers and craftspeople on 100% of sites^(*)	• Sustain existing actions • Organise 1 market of local producers and craftspeople on 2 new sites

(*) See page 37 the scope of the Mission

Shopping Promenade®

— CŒUR ALSACE —



A project rooted in the Strasbourg area

Inaugurated in March 2021, the Shopping Promenade® Cœur Alsace is located in 4 municipalities of the Strasbourg Eurometropole, within the North Commercial Zone. This latest generation open-air shopping centre marks the first stage of the vast urban redevelopment project carried out by FREY on behalf of the Strasbourg Eurometropole.

Thinking local within the Shopping Promenade® Cœur Alsace is an integral part of the development of the project, with 3 objectives:

• Supporting local employment

The installation of 86 brands has led to the creation of around 500 full-time equivalent jobs.

Thanks to the signature of an Employment Agreement by FREY and Pôle Emploi, the vast majority of these jobs were given to people living in the local area.

• Welcoming SSE (Social and Solidarity Economy) actors

A new concept of solidarity shop, the SOCIAL MARKET, promoting social link, the local economy and responsible consumption has been developed. Run by social economy associations and local retailers, this space has been designed to facilitate recycling, distribute second-hand products and support integration through employment.

• Promoting short circuits

The site is home to an Agroparc on more than 5 hectares dedicated to the cultivation of organic products distributed on site via an ultra-short circuit. Carried out in collaboration with the local farmers' collective Le Sillon, it is based on a strong conviction: to restructure the retail and urban space of a city entrance by highlighting the opportunities of the surrounding land, and to restore contact with local agriculture. This project was designed with the involvement of all local stakeholders: public authorities, elected representatives and farmers.

The products of this Agroparc as well as those of 30 producers who are members of the collective are sold and promoted in the Le Sillon shop located in the centre of the Shopping Promenade® site.

Objective 7

Use our sites as spaces to promote urban art



Street art was part of the creation of the first Shopping Promenade® in Amiens in 2017. Since then, it has been present as a strong marker on 100% of FREY's projects(*). IN addition to the production of the works, there are occasional events such as festivals, intended to enhance and highlight this urban art. The objective? To make these commercial spaces open-air museums, ensuring that urban art is accessible to all.

Today

7
sites concerned

87
works created

Vision 2025	Targets 2022
• 100% of sites offering a unique artistic experience to visitors^(*)	• 3 new sites concerned • 23 new works created, in part by local artists • Organise the 4th edition of the Street art festival of Clos du Chêne-Marne la Vallée (10 artists, 15 new works) with the new addition of opportunities for exchange between artists and the public (schools, visitors, employees on site)

(*) See page 37
the scope
of the Mission

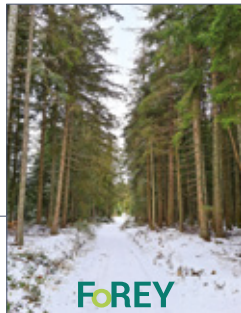


The largest open-air street art museum

Clos du Chêne is the largest retail park in the Paris region, located in the direct vicinity of Val d'Europe.

Since 2019, it has offered a unique artistic promenade, becoming the largest open-air street art museum in Ile-de-France. Hosting internationally renowned artists, the urban art festival was renewed for the 3rd consecutive year in 2021. In total, 57 monumental works of art adorn the façades of the Clos du Chêne shops thanks to the collaboration of 35 artists. The 4th edition is scheduled to take place in May 2022.

Pillar 3



FREY invests in the acquisition and sustainable exploitation of forests in France (here, Teneziaire forest of 390 ha, in Haute-Loire)



Green 7
SALAISE SUR SANNE - PARC COMMERCIAL



Green 7 (Salaise-sur-Sanne) is equipping its Basic Fit and Tool Station buildings with a superb 50-tonne wooden framework and 60-tonne wooden walls and cladding (pine and larch) from the French timber industry.

Supercharging station on the Shopping Promenade Cœur Alsace



Shopping Promenade
CŒUR ALSACE

Retail as a driver of environmental transition

Challenges and key issues

Carbon neutrality by 2030

Faced with the ongoing climatic and ecological challenges, FREY has been placing the environment at the heart of its projects for more than 10 years, both in the development and planning and in the management of its leasing stock.

In 2020, FREY committed to making all its actions

carbon neutral. This ambition is reflected in a number of structural objectives: deployment of low-carbon projects, reduction of the carbon footprint of existing sites, support for low-carbon mobility, investment in the acquisition and sustainable exploitation of forests in France, etc.

Change and organisation take time. But Frey is agile and its model has demonstrated on several occasions, notably during the health crisis, the resilience of its "open" structure

FREY has long been committed to environmental issues and has taken this commitment to the next level with the completion of its Group carbon footprint in 2019 and the development of a CSR roadmap:

- Supporting the transition to "decarbonised" mobility for its visitors and customers, which accounts for the bulk of the FREY Group's carbon footprint: to meet this challenge, FREY must deploy a large-scale charging infrastructure.
- The carbon frugality of projects, which we must now systematise by carrying out a detailed carbon footprint for each project in the upstream phase (dedicated low-carbon consultant) and the gradual structuring, by the development teams, of the FREY Group's low-carbon "design guidelines" (internal library of solutions).
- Continuing to reduce energy consumption in the common areas of owned sites and private areas by working with tenants, via the responsible lease to be deployed rapidly.
- Contributing to the development of the French timber construction industry with a biodiversity-friendly forestry plan and a contribution component (timber industry and FREY Group's own projects).

Two complementary paths for our work that seem essential to me in the longer term:

- Focus on the logistics of the brands in order to propose site-wide optimisation and thus reduce the environmental footprint of FREY and the brands (scope 3).
- Have the capacity to select "committed" brands offering more responsible and/or local products. This is a major challenge and an asset in competing with e-commerce. This is the essential next step to complete the model and fully meet the longer-term Mission.

FREY has all the assets it needs to succeed and further deepen its commitments to this third pillar.

Change and organisation take time. But Frey is agile and its model has demonstrated on several occasions, notably during the health crisis, the relevancy of its "open" structure.

The view of...



Christophe Garot

Objective 8

Acquiring and sustainably managing forests in France



In 2020, Frey committed to invest on a large scale in the French timber industry by devoting €35 million over 10 years to the acquisition of French forests and their sustainable management and by creating the FoREY forestry group. The purpose of this investment is twofold:

- to become a recognised and structuring supplier for the French timber industry,
- to provide the Group's projects with quality French bio-sourced material.

Today⁽¹⁾

6
acquired forests

or 1,150 ha managed
(33% of the target area of 3,500 ha)

⁽¹⁾ At 31.12.2021

⁽²⁾ Examples: creation of pockets of senescence to encourage the growth of numerous bird species (Black Woodpecker, Little Owl, Hazel Grouse, etc.).

Vision 2025	Targets 2022
• Continue acquisitions with the objective of 3,500 ha in 2030 • Be innovative and exemplary in the management of forest assets	• Invest at least €115/ha/year in the recovery of biodiversity (actions to protect threatened bird species)⁽²⁾ • Invest at least €15/ha/an to ensure responsible forest management and stimulate the French timber industry (forest diversity, partnerships with construction players in the timber industry)



FREY and sustainable forest management

FREY is a member of Pro Silva through its forestry group FoREY. This association of foresters, present in 25 countries in Europe and North America, advocates "mixed continuous cover" silviculture, based on irregular treatment and respecting the natural processes of forest ecosystems (no clear-cutting, promoting natural regeneration).



Objective 9

Developing low-carbon projects



Since 2008, environmental issues have been taken into account in the design and construction of the Group's projects through:

- the deployment of an arsenal of innovative environmental solutions,
- systematic certification (HQE or BREEAM) of projects over 15,000 m².

In 2020, following the definition of its carbon strategy, FREY committed to the transition to low-carbon construction methods, using wood as the main bio-based material.

Vision 2025	Targets 2022
• 100% of projects^(*) subject to a low-carbon operations management system (OMS) and aiming for the E+C- label	• Implement the low-carbon operations management system (OMS) on the Open Grand Genève pilot project and obtain the E+C- level E3C1 label

^(*) See page 37 the scope of the Mission



OPEN - GRAND GENÈVE (Saint-Genis-Pouilly)

In response to the expectations of a population that is particularly sensitive to ecological issues, in a region (Pays de Gex in the Ain) where biodiversity and water resources are major concerns, OPEN is a 100% eco-responsible project.

Its various priorities reflect FREY's strong level of commitment in this area, with the Group aiming in particular to obtain BREEAM Excellent certification for its future asset.

Open is also FREY's 1st "major wood construction project". The use of wood as the main material for the superstructure and cladding of the buildings makes it possible to aim for the E+C- label (level E3C1).

Objective 10

Promoting low-carbon mobility



Since 2012, FREY has been deploying electric vehicle charging stations in its various operations, but the level of equipment varies greatly, ranging from 3% of spaces equipped for the most recent operations to 0% for the oldest.

Today

1% of parking spaces

equipped with charging stations for electric vehicles in 2021 (200 of 20,000 spaces)

Vision 2025	Targets 2022
• 5% of the sites' car parks^(*) equipped with charging stations for electric vehicles • Implement at least 1 operation per year to promote low-carbon mobility on all sites^(*)	• 1.5% of the sites' car parks equipped with charging stations for electric vehicles (+100 charging stations) • Launch qualitative studies to identify customer expectations and practices at 4 sites • Implement 1 event to promote low-carbon mobility on 1 site

(*) See page 37
the scope
of the Mission

Objective 11

Strengthen the monitoring and reduction of our sites' consumption



The monitoring of water and electricity consumption and waste production at FREY sites is currently varied and partial, and thus deserves to be systematised in order to obtain a precise inventory and to define a reduction strategy.

Good waste management and operational practices are implemented at some sites but need to be generalised.

(*) See page 37
the scope
of the Mission

Vision 2025	Targets 2022
• 100% of sites^(*) supplied with green energy and committed to reducing consumption (for common areas) • 100% of sites^(*) committed to a strategy of optimising waste management	• Carry out an inventory of consumption (common areas) • Carry out an audit of solutions for reducing consumption (common areas) • Continue to optimise waste management on 2 new sites

Objective 12

Supporting lessees through responsible leases



Since 2010, FREY has been including an environmental appendix on all commercial leases for sites of more than 10,000m² GLA in order to raise awareness and engagement among its tenants. However, this approach lacked oversight and control. In 2021, FREY therefore decided to go a step further by implementing a new responsible lease (effective from October 2021) and a process for monitoring commitments made with tenants.

Today

5 responsible leases

signed in 2021 (implemented in October 2021)

(*) See page 37
the scope
of the Mission

Vision 2025	Targets 2022
• 100% of tenants^(*) sign a responsible lease • Establish a bonus system for retailers who go beyond the defined environmental requirements • Support retailers in their social commitment	• Deploy the new responsible lease on 2 projects and 1 existing site • Achieve 80% of responsible leases signed on these 3 pilots



Shopping Promenade® Claye-Souilly

32 | 33

Pillar 4



FREY offers its employees the opportunity to participate in sponsorship actions, in particular in favour of the Epicerie Sociale et Solidaire de Reims



13

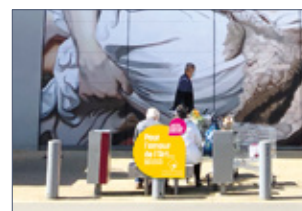
Including
our employees
in the Mission

14

Involving
our service providers
in the Mission

15

Raising awareness and sharing
the Mission with
the users of our sites



Through dedicated signage, FREY will share the major commitments of the Mission on its sites, with their users



The Service Provider and Supplier Charter
FREY's managers commit the Group's
partners to respect the spirit
of the Mission

FREY, a company that serves the common good

Challenges and key issues

Our vision:

The 3 previous ambitions can only be achieved through the mobilisation of FREY's ecosystem of partners: starting with its employees, but also its

service providers and the visitors to its sites. This last pillar thus aims to engage all its stakeholders in achieving the Mission.

The view of...



Carine
Stœffler

Frey positions itself as a creator and facilitator of forward-looking collective living spaces

This pillar seems essential to me as it will enable us to promote our status as an "Entreprise à Mission" to all the Group's stakeholders, in particular employees, suppliers and the visitors to our sites.

Internally, the positive impact generated by this Mission should be noted. The employees have really been able to take ownership of it thanks to the organisation implemented and to very concrete initiatives (daily eco-actions, skills transfer sponsorship of the Epicerie Solidaire).

The fact that all employees, without exception, have a personal goal related to the CSR approach also creates excellent momentum.

The emulation and inspiration that the Mission generates must be deployed throughout our ecosystem in the broadest sense (partners, suppliers, customers, brands) and lead each of us to reflect on this commitment on a more personal level.

For our suppliers, for example, in addition to signing the Responsible Purchasing Charter, the Group will be able to go a step further in providing support by offering advice and sharing best practices.

To do is good, to make known and to communicate is even better. I therefore consider it essential to engage in widespread and consistent communication on the Group's actions to the general public.

Communicating on our approach helps to change the perception of retail and to assert FREY's positioning as a creator and facilitator of collective living spaces that look to the future.

Objective 13

Including our employees in the Mission



FREY has always been committed to social, societal and environmental actions (toy collections, bake sales for charity, implementation of a waste reduction and sorting policy, direct sales from local producers, etc.). However, these actions are not sufficiently valued because they are not cohesive. The "Entreprise à Mission" approach will enable FREY to structure its commitment for its employees in order to include, unite, engage and share with them.

Today
100% of employees

directly involved in the Mission today
(teamwork to achieve objectives / 1 personal objective per employee directly linked to the Mission and on which a part of his/her annual bonus is based)

Vision 2025	Targets 2022
• 100% of staff committed to achieving the Mission's objectives • Organise actions that engage employees in working towards the Mission	• Organise 2 events for employees (a day of forestry work and a day of volunteering at the Épicerie Sociale et Solidaire de Reims) • Encourage employees to participate in daily solidarity actions (sorting and reduction of waste, collections for the Social Market, etc.)



Hélène and Augustin during their volunteer day at the Epicerie Sociale et Solidaire in Reims



FREY and the Epicerie Sociale et Solidaire in Reims

Frey has been a sponsor of the Epicerie Sociale et Solidaire in Reims since June 2021. The Epicerie provides food aid in exchange for a small financial contribution.

It provides personalised support and a friendly welcome, with the aim of restoring social ties and going beyond the food aspect of the aid to provide a place of support and reintegration.

As part of this sponsorship, FREY invites its employees to participate in volunteer days throughout the year. Every week, two employees spend a day at the Epicerie Sociale et Solidaire (in the morning to prepare the shop: unpacking, tidying, stocking, etc., and in the afternoon to help with the checkout and assist the beneficiaries) and thus work alongside the volunteers who are present throughout the year.

Objective 14

Involving our service providers in the Mission



At the beginning of 2021, FREY adopted and communicated to its partners a "Responsible Service Providers and Suppliers" framework charter aimed at committing service providers to invest in the social and environmental issues supported by the Group.

Today

101
charters adopted

29%
of eligible providers⁽¹⁾

⁽¹⁾ 351 eligible providers and suppliers: Suppliers of the Group's French companies whose annual turnover with the Group represents more than €10k including tax

Vision 2025	Targets 2022
• 100% of suppliers signatories to the Responsible Service Provider and Supplier Charter in France and abroad • Support our suppliers and providers in their CSR approach	• 75% of all eligible French suppliers and 100% of new eligible suppliers adhere to the Charter • Translate and adapt the charter for its deployment abroad from 2023 • Question suppliers and service providers on the application of the charter



Vallès Park - Terrassa (Spain)



Algarve Shopping - Albufeira (Portugal)

Objective 15

Raising awareness and sharing the Mission with the users of our sites



Today, few elements demonstrating FREY's commitment and Mission are materially present on the Group's various sites, making it impossible to raise visitors' awareness of the social, environmental and societal issues defined in the Mission.

Vision 2025	Targets 2022
• Communicate on the Mission at 100% of the sites^(*) • Obtain an average Net Promoter Score of at least 7/10	• Deploy actions to enhance evidence of the Mission to visitors at 2 sites • Deploy dedicated communication on site (signage) and off site (media campaign) • Deploy customer surveys for these sites and achieve an average Net Promoter Score of at least 6/10

^(*) See page 37 the scope of the Mission



This first Mission report provides a picture of a rich and complex year for FREY and its teams. The “Société à Mission” adventure is ambitious, but it is in line with the challenges the Group wishes to take up.

2021 was a pivotal year as it clearly confirmed FREY's desire to help build the sustainable city of tomorrow, one that creates a new role for retail in the service of the common good.

This report is a first step: it is the beginning of a long story that remains to be written. FREY does not build its convictions alone, but by placing trust in our group of experts, the members of the Mission Committee. Our ambition is clear: to learn and develop together in our affirmation of a common belief that companies have an essential role to play in giving meaning to our society and in finding answers to the challenges we face today.

2021 was also the year of the acceleration and structuring of FREY's social commitment. The changes are profound and structural: defining a precise roadmap and its 15 objectives, strengthening dialogue with stakeholders, opening up to new subjects.

These first steps must be accompanied by the mobilisation of the entire company, which gives this approach its full meaning. It is now an integral part of the daily life of all employees. Now is the time to develop reflexes in terms of organisation to serve the business sustainably through the lens of the Mission.

The B Corp certification is fully in line with these goals. It structures and formalises responsible environmental and social practices.

This certification is not a given: FREY has set itself the challenge of renewing its certification in three years, with the stated objective of improving its score.

The foundations have been laid, and it is now a question of going a step further. Some objectives still have to be identified, the inventory to be completed, and the indicators to be monitored. Above all, it is important not to lose sight of the fact that the target is evolving, and to remain flexible in order to progress and improve practices gradually.

2022 will be the year of implementation through the launch of test projects on pilot sites. The objectives can be readjusted on the basis of concrete results with a view to defining shared benchmarks.

The drafting of this report was also an opportunity to share initial feedback from the members of the Mission Committee. We all want to fully take our place as a challenger, to make our Mission a long-term project, and to take the time to explore certain subjects in-depth. Enthusiasm is essential; perseverance will be the key to success.

The members of the Mission Committee

FREY - Mission Report 2021

For more information

- 1 -

Presentation of the Mission's scope of engagement

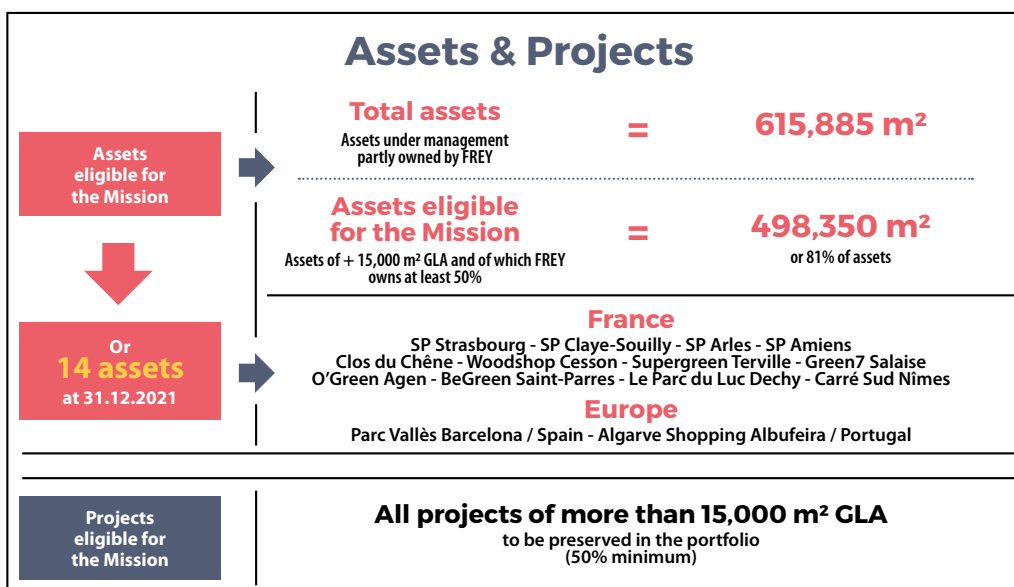
The definition of the Mission's scope of engagement is based on various criteria, such as the surface area of the sites or FREY's share of ownership of the assets.

It was thus decided to include in the scope of the Mission existing sites and projects of more than 15,000m² GLA owned more than 50% by FREY (which are thus intended to be retained in the real estate assets of the company in the medium and long term).

Initially, sites over which FREY has little control (small

sites, low participation) are excluded from the scope in order to target efforts where they will have the greatest impact, i.e. on the most significant sites (the latter representing 81% of the Group's total assets).

However, in the long term, FREY's ambition is to play an influential role with its partners, thus enabling the remaining sites to be integrated into the Mission's scope through the definition of relevant objectives.



ABOUT FREY's statutory commitments

It should be noted that the 4 main pillars as set out in FREY's articles of association have been fully incorporated into the pillars presented in this first Mission Report. Only the wording of pillars 1 and 2 differs.

- 2 - Summary table of the 15

(*) See page 37 the

Develop the mix and density of our sites and projects

	Vision 2025	Targets 2022
1	Mixed use: maintain a mixed-use share of 30% of the GLA of projects Density: boost density and accommodate new regulated uses within existing sites	- Achieve a mixed-use share of 30% of the GLA of current projects.^(*) Engage in discussions with local authorities on increasing density and accommodating new types of regulated uses (housing, offices, hotel, logistics, etc.) on 100% of all sites^(*)

Optimise low-carbon access to our sites

	Vision 2025	Targets 2022
2	Create a focus group for each site^(*) with the various stakeholders to improve external connections (public transport, cycle paths, pedestrian routes) Improve the quality of the infrastructure for non-carbon based mobility within our sites	Define a methodology for working with stakeholders to develop external connections and apply it to a first site Improve infrastructure and services related to internal soft mobility on 2 pilot sites

Better integrate the challenges of the regions in the design of our projects

	Vision 2025	Targets 2022
3	100% of projects^(*) adopting a methodology and a frame of reference for the analysis of regional issues - Institutionalise meetings and exchanges with a panel of project stakeholders (companies, retailers, craftspeople, artists, producers, associations, etc.)	Define the analysis framework and test it on 1 project

Maximise our impacts and their economic benefits for the regions

	Vision 2025	Targets 2022
4	Maximise the economic impact and benefits for the regions through the presence of local players in the construction and operation of the sites	Construction companies: 30% of local companies involved in work on the Docks de Saint-Ouen and Open Grand Genève projects 100% of contracts including an integration or training clause. Service providers: Maintain 90% of 2022 budgets allocated to local companies for site management 100% of contracts integrating the responsible operation charter Tenants: Maintain 30% of rents by local tenants within the portfolio Add a "local impact" component to the responsible lease

Make our sites places of encounter between the public and actors in the local social and solidarity network

	Vision 2025	Targets 2022
5	100% of sites^(*) involved in the promotion of local social and solidarity activities Continue to develop Social Clubs in France and abroad Hold more events that bring people together in a convivial setting	Design and deployment: 1 "hybrid" social club in Saint-Ouen - Les Docks 3 association events 1 large responsible flea market

Make our sites places of exchange between consumers and local producers

	Vision 2025	Targets 2022
6	Organise at least 1 action per year promoting producers and craftspeople at 100% of sites^(*)	Sustain existing actions Organise 1 market of local producers and craftspeople on 2 new sites

Use our sites as spaces to promote urban art

	Vision 2025	Targets 2022
7	100% of sites offering a unique artistic experience to visitors^(*)	3 new sites concerned 23 new works created, in part by local artists Organise the 4th edition of the Street art festival of Clos du Chêne-Marne la Vallée (10 artists, 15 new works) with the new addition of opportunities for exchange between artists and the public (schools, visitors, employees on site)

objectives and their indicators

scope of the Mission

Acquiring and sustainably managing forests in France

8	Vision 2025	Targets 2022
	- Continue acquisitions with the objective of 3,500 ha in 2030 Be innovative and exemplary in the management of forestry assets	Invest at least €15/ha/year in the recovery of biodiversity (actions to protect threatened bird species) Invest at least €15/ha/year to ensure responsible forest management and stimulate the French timber industry (forest diversity, partnerships with construction players in the timber industry)

Developing low-carbon projects

9	Vision 2025	Targets 2022
	100% of projects^(*) subject to a low-carbon operations management system (OMS) and aiming for the E+C- label	Implement the low-carbon operations management system (OMS) on the Open Grand Genève pilot project and obtain the E+C- level E3C1 certification

Promoting low-carbon mobility

10	Vision 2025	Targets 2022
	5% of the sites' car parks^(*) equipped with charging stations for electric vehicles Implement at least 1 operation per year to promote low-carbon mobility on all sites^(*)	1.5% of the sites' car parks equipped with recharging stations for electric vehicles (+100 recharging stations) Launch qualitative studies to identify the customers' expectations and practices at 4 sites Implement 1 event to promote low-carbon mobility on 1 site

Strengthen the monitoring and reduction of our sites' consumption

11	Vision 2025	Targets 2022
	100% of sites^(*) supplied with green energy and committed to reducing consumption (for common areas) 100% of sites^(*) committed to a strategy of optimising waste management	Carry out an inventory of consumption (common areas) Carry out an audit of solutions for reducing consumption (common areas) Continue to optimise waste management at 2 new sites

Supporting lessees through responsible leases

12	Vision 2025	Targets 2022
	100% of tenants^(*) sign a responsible lease Establish a bonus system for retailers who go beyond the defined environmental requirements Support retailers in their social commitment	Deploy the new responsible lease on 2 projects and 1 existing site Achieve 80% of responsible leases signed on these 3 pilots

Including our employees in the Mission

13	Vision 2025	Targets 2022
	100% of staff committed to achieving the Mission's objectives Organise actions that engage employees in working towards the Mission	Organiser 2 events for employees (a day of forestry work and a day of volunteering at the Epicerie Sociale et Solidaire de Reims) Encourage employees to participate in daily solidarity actions (sorting and reduction of waste, collections for the Social Market, etc.)

Involving our service providers in the Mission

14	Vision 2025	Targets 2022
	100% of suppliers signatories to the Responsible Service Provider and Supplier Charter in France and abroad Support our suppliers and providers in their CSR approach	75% of all eligible French suppliers and 100% of new eligible suppliers adhere to the Charter Translate and adapt the charter for deployment abroad from 2023 Question suppliers and service providers on the application of the charter

Raising awareness and sharing the Mission with the users of our sites

15	Vision 2025	Targets 2022
	- Communicate on the Mission at 100% of sites^(*) - Obtain an average Net Promoter Score of at least 7/10	Deploy actions to promote evidence of the Mission among visitors at 2 sites Deploy dedicated communication on site (signage) and off site (media campaign) Deploy customer surveys for these sites and achieve an average Net Promoter Score of at least 6/10

FREY - Mission Report 2021



6.2 NON-FINANCIAL INFORMATION

6.2.1 NET RESULT GROUP SHARE - CARBON

For the first time on the occasion of its 2019 results, FREY published net result Group share - carbon.

This indicator quantifies the theoretical financial impact of the Group's carbon footprint on its profitability.

FREY's 2021 net result Group share - carbon is €59.8 million, after deduction of the 2021 Group's carbon expense of €5.6 million.

In 2020, net result Group share - carbon was -€4.0 million, after deducting a carbon expense of €6.4 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 2021 results		On 2020 results	
Corporate emissions	1,408	T eq. CO ₂	1,408	T eq. CO ₂
Wholly-owned asset portfolio m ²	498,933	m ²	415,410	m ²
Emissions from wholly-owned asset portfolio	185,959	T eq. CO ₂	154,829	T eq. CO ₂
Financial flows - development	31,259,036	€	84,937,994	€
Development emissions	36,866	T eq. CO ₂	100,173	T eq. CO ₂
TOTAL ANNUAL EMISSIONS	224,232	T EQ. CO₂	246,409	T EQ. CO₂
CARBON PRICE SIMULATION: €25	€5,605,807		€6,410,230	

Net result Group share before impact	€65.4m	€2.4m
Net result Group share - carbon	€59.8m	-€4.0m

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 2021 CARBON EMISSIONS AND THE ASSOCIATED NET RESULT GROUP SHARE - CARBON

Details on the calculation of the 2021 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 2021, the decision was made to continue with the logic applied for 2020 and to keep the 2019 rate. Indeed, applying an unreliable adjustment could only increase the level of uncertainty.

6.2.2 OTHER NON-FINANCIAL INFORMATION

In November 2021, FREY signed, for the first time, loans whose financial conditions are linked to compliance with four major CSR commitments. Following this signature, the Group also amended all of its corporate financing in place to transform it into responsible loans with the same four commitments, namely:

- continued investment and operation in sustainably managed French forests through FoREY, its forestry group created in 2020, with a target of 3,500 hectares by 2030;
- obtaining environmental certifications:
 - BREEAM® for the Group's significant development projects held by the real estate company,
 - BREEAM® In-Use for assets in the portfolio of significant size with a target of 100% asset-certification by 2025;

3. developing low-carbon mobility aimed at reducing greenhouse gas emissions (scope 3) from assets in the portfolio, by setting up charging stations for electric and hybrid vehicles, with a target of 5% of the total number of parking spaces by 2025 and 10% by 2030;
4. B Corp™ certification.

This new type of financing allows FREY to align its goal of strengthening the Group's liquidity with the implementation of its ESG commitments.

As at 31 December 2021, the four applicable indicators were met, with B Corp™ certification under indicator 4 having been obtained in June 2021.

The level of achievement of these indicators is presented in the following table:

Indicators	Required level	31/12/2021 level
FoREY investment	636ha	1,150ha
Environmental certification:		
• BREEAM®-certified Group development projects of significant size and held by the real estate company	100%	100%
• BREEAM® In-Use-certified assets of a significant size in the portfolio	12.5%	12.5%
Charging stations for electric and hybrid vehicles	1%	1%
B Corp™ certification	Obtaining	Obtained

6.3 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.



◀ Algarve Shopping
Albufeira
Portugal

7

REPORT OF THE INDEPENDENT THIRD PARTY ON THE VERIFICATION OF THE IMPLEMENTATION OF THE SOCIAL AND ENVIRONMENTAL OBJECTIVES

To the General Meeting,

In our capacity as an independent third party ("third party") of your company (hereinafter the "entity"), which filed an accreditation request whose admissibility was accepted by the accreditation body⁽¹⁾, we carried out work aimed at formulating a reasoned opinion expressing a conclusion of limited assurance on the historical information related to the implementation of the social and environmental objectives that your entity has set for the scope concerned by the status of a "Company with a Mission" as presented in the Mission Committee's report and relating to the period from 1 January to 31 December 2021, attached to the management report in accordance with the provisions of Article L. 210-10 of the French Commercial Code.

PREPARATION OF INFORMATION RELATED TO THE IMPLEMENTATION OF THE SOCIAL AND ENVIRONMENTAL OBJECTIVES

The absence of a generally accepted and commonly used reference framework or of established practices on which to assess and measure information related to the achievement of social and environmental objectives allows for the use of different but acceptable measurement techniques, which may affect comparability between entities and over time.

Consequently, the information related to the implementation of the social and environmental objectives must be read and understood with reference to the entity's procedures (hereinafter the "Guidelines"), the significant elements of which are presented in the Committee's report and are available upon request at the entity's head office.

LIMITATIONS INHERENT IN THE PREPARATION OF THE INFORMATION RELATED TO THE IMPLEMENTATION OF THE SOCIAL AND ENVIRONMENTAL OBJECTIVES

Information may be subject to inherent uncertainty in the state of scientific or economic knowledge and the quality of the external data used. Some of the information presented is sensitive to the methodological choices, assumptions and/or estimates used to prepare it. Some information is presented on a limited scope compared to the scope concerned by the "Company with a Mission", as indicated in the Mission Committee's report.

ENTITY'S RESPONSIBILITIES

The entity is responsible for:

- setting up a Mission Committee responsible for preparing an annual report in accordance with the provisions of Article L. 210-10 of the French Commercial Code;
- selecting or establishing appropriate criteria and procedures to prepare the entity's Guidelines;
- designing, implementing and maintaining internal control over the relevant information for the preparation of the Mission Committee report, as well as for establishing the internal control mechanism that it deems necessary for the preparation of information related to the implementation of the social and environmental objectives which is free from material misstatements, whether due to fraud or error;
- preparing information related to the implementation of the social and environmental objectives in accordance with the Guidelines and made available to the Mission Committee.

The Mission Committee is responsible for preparing its report on the basis of the information related to the implementation of the social and environmental objectives stipulated by the entity and for carrying out any verification it deems appropriate.

This report is attached to the Board of Directors' management report.

INDEPENDENT THIRD-PARTY'S RESPONSIBILITIES

Pursuant to the provisions of Article R. 210-21 of the French Commercial Code, it is our responsibility to issue a reasoned opinion expressing a conclusion of limited assurance on the entity's compliance with the social and environmental objectives that it set for itself as a "Company with a Mission".

As it is our responsibility to reach an independent conclusion on the information related to the implementation of the social and environmental objectives, we are not authorised to be involved in the preparation of said information, as this could compromise our independence.

⁽¹⁾ See Article 5 of the Decree of 2 January 2020 relating to companies with a mission.

REGULATORY PROVISIONS AND APPLICABLE PROFESSIONAL STANDARDS

Our work, described below, was carried out in accordance with the provisions of Article R. 210-21 of the French Commercial Code, with the professional standards of the *Compagnie Nationale des Commissaires aux Comptes* relating to this intervention in lieu of an audit programme, and with the international standard ISAE 3000 (revised)⁽¹⁾.

MEANS AND RESOURCES

Our work involved four experts and took place in February 2022 over a total period of approximately two weeks.

We called on Sustainable Development and corporate social responsibility experts to assist us with our work. Notably, we conducted around ten interviews with the people responsible for preparing the historical information related to the implementation of the social and environmental objectives.

Nature and scope of work

We planned and conducted our work taking into account the risk of material misstatement of the information relating to the implementation of the social and environmental objectives that the entity set itself in pursuing its mission per its status as a "Company with a Mission".

We believe that the procedures we conducted, exercising our professional judgement, enabled us to duly reach a conclusion of limited assurance.

We obtained an understanding of the entity's activities in the scope concerned by the status of a "Company with a Mission", of the formulation of its purpose, as well as of its social and environmental issues.

OUR WORK FOCUSED ON:

- on the one hand, the consistency of the social and environmental objectives adopted pursuant to paragraph 2 of Article L. 210-10 and listed in its Articles of Association, the corporate purpose of the entity as stipulated in its Articles of Association (hereinafter: "corporate purpose") and its activities with regard to its social and environmental issues;
- on the other, the implementation of these objectives.

Concerning the consistency of the entity's objectives, corporate purpose and activities with regard to its social and environmental issues:

- we conducted interviews to assess the commitment of the members of the management and governance bodies with regard to the expectations of the main internal or external stakeholders affected by the entity's activities;
- we assessed the processes put in place to structure and formalise this approach by relying on:
 - the information available at the entity (for example, minutes of Board meetings, discussions with the Social and Economic Committee, minutes of or materials for meetings with internal or external stakeholders, risk analyses),
 - the roadmap of the "Company with a Mission" and the last report of the Mission Committee drawn up following the last audit,
 - where applicable, its publications (for example, sales brochure, management report, integrated report, statement of non-financial performance, its website);
- we thus assessed, in view of the entity's activities with regard to its social and environmental issues, the consistency between:
 - the information collected,
 - the corporate purpose, and
 - the social and environmental objectives set out in the Articles of Association.

With regard to the implementation of the social and environmental objectives, we looked into the existence of operational targets and key indicators to allow the entity to monitor and measure the achievement of each social and environmental objective at the end of the period covered by the audit, and we verified whether the operational targets were achieved with regard to the trajectories defined by the entity in the scope covered by the status of "Company with a Mission".

To this end, we carried out the following due diligence:

- we took note of the documents prepared by the entity to report on the exercise of its mission, notably the provisions specifying the operational targets and the associated monitoring methods, as well as the report of the Mission Committee;

(1) ISAE 3000 (revised) – Assurance engagements other than audits and reviews of historical financial information.

- we discussed the assessment of the implementation of the social and environmental objectives with the Mission Committee and we corroborated the information collected with stakeholder perception of the entity's effects and impacts. Moreover, we reviewed the analysis presented in the Mission Committee's report(s), and the results achieved vis-à-vis the operational targets and their defined trajectories, to enable us to assess compliance with the social and environmental objectives;
- we discussed the financial and non-financial resources used to meet the social and environmental objectives with the entity's senior management;
- we verified that the Mission Committee's report included indicators consistent with the operational targets and suitable to demonstrate the positioning of the operational targets on their defined trajectories;
- we assessed the appropriateness of the resources used to meet the operational targets in relation to their trajectories, in view of changes in business over the period;
- we verified the accuracy of all these indicators, and notably we:
 - assessed the appropriateness of the entity's Guidelines in terms of their relevance, comprehensiveness, reliability, neutrality and readability,
 - verified that the indicators cover the entire scope concerned by the status of a "Company with a Mission",
 - took note of the internal control procedures implemented by the entity and assessed the collection process aimed at ensuring the accuracy of these indicators,
 - implemented controls and analytical procedures to verify the due consolidation of the data collected and the consistency of any changes thereto over time,
 - carried out detailed tests on the basis of sampling or other selection methods, which involved verifying the due application of definitions and procedures and reconciling the data with the supporting documents. This work was carried out by audits at the entity's head office and covers all the data used to calculate the indicators,
 - assessed the overall consistency of the Mission Committee's report in view of our knowledge of the entity and the scope concerned by the status of "Company with a Mission".

The procedures implemented in the context of a moderate assurance are less stringent than those required for a reasonable assurance carried out pursuant to the professional standards of the *Compagnie Nationale des Commissaires aux Comptes*; a higher level of assurance would have required more extensive verification work.

Paris-La Défense, 24 February 2022

KPMG S.A.
Fanny Houlliot
Partner

Sustainability Services
Fernando Alvarez
Partner

APPENDIX

Operational targets defined by the Company

Develop the diversity and density of our assets and projects

Optimise non-carbon access to our sites

Better integrate regional challenges into the design of our projects

Maximise our impacts and their socio-economic benefits for the regions

Turn our sites into meeting places for the general public and actors of the local social and solidarity fabric

Turn our sites into places of discussion between consumers and local producers

Place our sites at the service of urban art

Acquire forests in France and use them sustainably

Develop low-carbon projects

Promote low-carbon mobility

Strengthen the monitoring and reduction of our assets' consumption

Support tenants through a Responsible Lease

Involve our employees in the mission

Involve our service providers in the mission

Raise awareness and share the mission with the users of our sites



◀ Woodshop
Cesson (77)

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**LIMITED ASSURANCE REPORT BY
ONE OF THE STATUTORY AUDITORS
BASED ON SELECTED CONSOLIDATED
NON-FINANCIAL INFORMATION
PRESENTED IN THE 2021 UNIVERSAL
REGISTRATION DOCUMENT**

Financial year ended 31 December 2021

To the 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 2021 presented in the Universal Registration Document, on which we carried out specific work at the Company's request.

The information selected by the Company relating to net result Group share – Carbon and presented in Section 6.2.1 "Net result Group share – Carbon" of the 2021 Universal Registration Document is as follows:

- corporate emissions;
- portfolio emissions;
- development emissions;
- total annual emissions.

The other environmental and societal information selected by the Company and presented in Section 6.2.2 "Other non-financial information of the 2021 Universal Registration Document" is as follows:

- Ha of forest acquired per year and cumulatively between 2020 and 2030 in forests located in France (FoREY programme);
- "BREEAM" certification of, at least, "Very Good" level for all "core" projects;
- percentage of the eligible portfolio certified "BREEAM-in-Use";
- B-Corp certification;
- percentage of parking spaces equipped with charging stations for electric vehicles in the eligible portfolio.

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 2021 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 2021 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, 24 March 2022
One of the Statutory Auditors
Grant Thornton
French member of Grant Thornton International
Amandine Chailleux



◀ **Green 7**
Salaise-sur-Sanne (38)

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RELATED-PARTY TRANSACTIONS

9.1 RELATED-PARTY TRANSACTIONS 248

**9.2 STATUTORY AUDITORS' SPECIAL
REPORT ON RELATED-PARTY
AGREEMENTS 248**

9.1 RELATED-PARTY TRANSACTIONS

All transactions between SA FREY and related parties are detailed in the Statutory Auditors' special report for the past three financial years, namely:

- the special report for the financial year ended 31 December 2021 can be found in this section of the 2021 Universal Registration Document;
- the special report for the financial year ended 31 December 2020 can be found in the "Related-party transactions" 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 Registration Document.

On this matter we also refer you to Section 2.5 of Note 5 to the consolidated financial statements as at 31 December 2021, which is included in the section entitled "Consolidated financial statements" of this Universal Registration Document.

9.2 STATUTORY AUDITORS' SPECIAL REPORT ON RELATED-PARTY AGREEMENTS

General Meeting to approve the financial statements for the financial year ended 31 December 2021

To the General Meeting of FREY shareholders,

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.

We hereby inform you that we have not been informed of any agreement authorised and entered into during the past financial year to be submitted for the approval of the General Meeting pursuant to the provisions of Article L. 225-38 of the French Commercial Code.

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 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 BNP 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.

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.

Two shareholders' agreements were signed on 28 July 2020 by FREY and CAA COMMERCES 2 OPCI concerning the subsidiaries Frey Retail Fund 1 and Frey Retail Fund 2.

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. 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.

Neuilly-sur-Seine and Reims, 24 March 2022

The Statutory Auditors

Grant Thornton
French member of Grant Thornton International
Amandine Huot-Chailleux

FCN
Jean-Michel François



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Coeur Alsace
Vendenheim (67)

10

INFORMATION ON EMPLOYEES AND PAY POLICY

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INFORMATION ON LABOUR 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 2021.

Reference period

It begins on 1 January 2021 and ends on 31 December 2021.

Key indicators

Gender parity: 45 women and 39 men

98% permanent contracts – 1% work-study contracts

Absenteeism rate: 1.33%

10.1 EMPLOYMENT

TOTAL WORKFORCE AND BREAKDOWN OF EMPLOYEES BY CATEGORY, GENDER AND AGE AS AT 31 DECEMBER 2021

At the end of 2021, FREY had 84 employees.

“Support” includes financial, legal and human resources staff, as well as assistants and technical personnel (maintenance, reception, etc.).

Workforce at year-end	2017	2018	2019	2020	2021
Managers	60	61	68	66	63
Non-managers	21	24	23	21	21
TOTAL	81	85	91	87	84

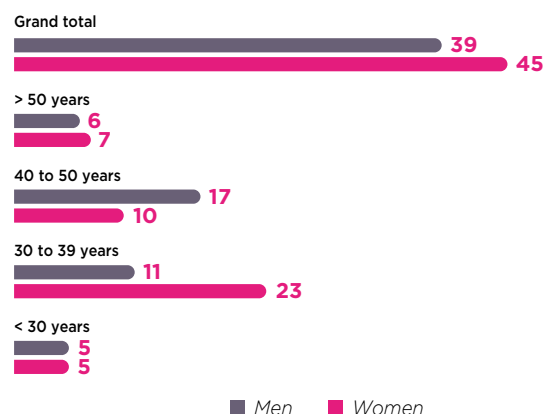
Workforce at year-end	2017	2018	2019	2020	2021
Senior management	8	8	10	10	6
Operational staff	40	46	46	38	42
Support staff	33	31	35	39	36
TOTAL WORKFORCE	81	85	91	87	84

Workforce at year-end	2017	2018	2019	2020	2021
Fixed-term contracts	1	0	0	0	1
Permanent contracts	79	84	90	86	82
Work-study contracts	1	1	1	1	1
TOTAL WORKFORCE	81	85	91	87	84

Average age	Sum of ages of total workforce
	Total workforce

The average age at 31 December 2021 was 41.

AGE PYRAMID – FREY GROUP – DECEMBER 2021



Age category	Female	Male	Total
<30	5	5	10
30-39	23	11	34
40-50	10	17	27
>50	7	6	13
GRAND TOTAL	45	39	84

RECRUITMENT AND REDUNDANCIES

In 2021, FREY recruited 7 new employees and 10 staff members left the Company. Of these 7 recruitments, 5 were for positions created during 2021, with a turnover rate excluding job creation of 5.75%.

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	5	0	5
Fixed-term contracts	1	0	1
Work-study contracts	1	0	1
GRAND TOTAL	7	0	7

Departures	Contracts ending	Resignations	Contracts terminated	Trial period terminated	Retirement	Total
Permanent contracts	-	5	3	1	-	9
Fixed-term contracts	-	-	-	-	-	-
Professional training contracts	1	-	-	-	-	1
GRAND TOTAL	1	5	3	1	-	10

10.2 CHANGE IN AVERAGE SALARY

Workforce on a like-for-like basis	This is the number of people employed throughout 2021 on permanent or fixed-term contracts, excluding interns and temporary workers.
Average salary excluding bonuses on a like-for-like basis	$\frac{\text{Sum of gross salaries for the 2021 workforce}}{\text{2021 workforce}}$
Change in average salary excluding bonuses on a like-for-like basis	$\frac{\text{Change in average salary excluding bonuses on a like-for-like basis (2021-2020)}}{\text{Average salary excluding bonuses on a like-for-like basis in 2020}}$

The average salary excluding bonuses on a like-for-like basis changed as follows:

Change in average salary	2017	2018	2019	2020	2021
	4.92%	6.93%	3.44%	6.40%	0.12%

10.3 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 (151.67 hours).

As from 1 January 2018, management employees are subject to a flat-rate agreement of 218 days *per annum*.

ABSENTEEISM

Absenteeism rate	$\frac{\text{Number of days of absence}}{\text{Theoretical number of days}}$
-------------------------	--

Absenteeism includes absences due to illness, whether occupational or not, and any work- or commute-related accidents.

Absenteeism is calculated over full-year 2021.
Absences are counted in business days.

TABLE OF CHANGES IN ABSENTEEISM

Absenteeism trend	2017	2018	2019	2020	2021
	0.75%	2.13%	1.56%	0.70%	1.33%

WORK ACCIDENTS, PARTICULARLY THEIR FREQUENCY AND SEVERITY, AND OCCUPATIONAL ILLNESSES

There were no workplace accidents in 2021.

Two accidents were recorded in 2020 but did not result in any days of sick leave.

10.4 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 & Transactions and Frey Aménagement et Promotion since 2018 and in FREY since 2019.

No collective bargaining agreement or agreement with unions was signed in the 2021 financial year.

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.

10.5 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 2021, 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.

10.6 WELL-BEING AT WORK

FREY has identified all the risks in the workplace. In addition to the Covid-19 epidemic and in view of the Company's tertiary activity, these remain mainly limited to business travel, psychosocial risks and musculoskeletal disorders. In 2021, 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 (which was extended and redeveloped in 2021), where four sports coaches lead eight weekly sessions (paid for in full by the employer) and subsidises membership for employees in Paris:

- strengthening exercises (crossfit);
- pilates: balance and good posture are the core concepts of this sport which is based on breathing and correct body posture;

- yoga;
- boxing.

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 (although they were cancelled in 2020 and 2021 in view of the health crisis), their spouses and children, and an annual seminar including lectures, training and recreational activities to promote reflection, greater perspective and team-building.

10.7 TRAINING

Average number of training hours per employee (a training day is seven hours long)	Number of training hours Workforce trained in 2021
Training rate	Number of people trained Average 2021 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 2021, 565 hours of training, including coaching, took place. Almost 59% of staff have benefited from training, receiving an average of 11.50 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 0.64% of the Group's total payroll. The training plan was impacted by the current health situation.

In 2021, training hours for employees on work-study contracts (apprenticeships and professional training contracts) came to 915 hours.

10.8 EQUAL TREATMENT

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 remained stable in 2021, at 53.5% (compared to 54.6% in 2020).

FREY Group continually works with recruitment firms and temp agencies that are very mindful of diversity and equal opportunity.

10.9 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 Organization, 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.



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ADDITIONAL INFORMATION

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11.1 INFORMATION ABOUT THE COMPANY

11.1.1 COMPANY INFORMATION

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, France

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 "Company with a 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	Planner, developer, investor and manager, FREY is a property investment company specialising in developing and managing open-air shopping centres. A pioneer of ecological retail parks (with its GreencenterX concept) and the inventor of a new generation of "Feel Good" open-air shopping centres (Shopping Promenade*), FREY, a company with a B Corp™-certified mission, is committed daily to a more responsible society, which is respectful of the environment and socially beneficial to its ecosystem and its stakeholders. Because the company know just how the retail is essential to urban diversity, social link, local economic resilience and environmental transition, it made its mission restoring retail as a service for the common good. Moreover, FREY supports major urban renewal operations and mixed-use projects through its dedicated subsidiary Citizers*.
Address of entity's registered office	1 rue René Cassin - 51430 Bezannes, France
Country of incorporation	France
Entity address	1 rue René Cassin - 51430 Bezannes, France
Main establishment	1 rue René Cassin - 51430 Bezannes, France
Legal form of the entity	FREY is a public limited company with a Board of Directors and a "Company with a Mission"
Name of parent entity	FREY
Name of the parent company	FREY

11.1.2 BYLAWS

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. 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 17 to 24)

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 of 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.

11.1.3 SHARES IN THE CAPITAL OF SA FREY SUBJECT TO PLEDGES

Name of pure registered shareholder	Beneficiary	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	1,427,974
		20/05/2019			1,427,975
	CIC-EST	19/04/2017			642,856
	LCL & CIC-EST	14/06/2018			783,874
	CIC-EST	18/11/2019			235,000
	SG	20/11/2019			300,000
	ARKEA	26/11/2021			750,000
TOTAL					5,567,679

11.1.4 EXCEPTIONAL EVENTS AND LITIGATION

With the exception of the ongoing dispute with the Société d'Aménagement de Montpellier Méditerranée Métropole presented in Section 11.1.7 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.

11.2 INFORMATION FROM THIRD PARTIES, EXPERT STATEMENTS, DECLARATIONS OF INTERESTS

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);
- Jean-Claude Dubois (BNP Real Estate Valuation).

Patrick Colomer, Patrice Roux, Christopher Adam and Jean-Claude Dubois 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 nor Jean-Claude Dubois 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, Christopher Adam and Jean-Claude Dubois.

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 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, BBC Promotion, Bonneuil Retail Park, Frey Aménagement et Promotion, Parc Vallès Inversées, Algarveshopping - 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 European Standards approved by T.E.G.o.V.A. (European association of real estate appraisal experts).

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:

- i) that no material that is deleterious, hazardous or that could endanger the property's stability has been used during construction;
- ii) 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 the 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. Capitalisation 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 Capitalisation & 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

Jean-Claude Dubois

Chairman
On behalf of BNP Real Estate Valuation

11.3 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:

- French trademarks registered with the French National Industrial Property Institute (INPI);
- three Spanish trademarks registered with the Copyright Office;
- 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, open-air 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;
- **Shopping Promenade Cœur Picardie** in Amiens (80), certified in 2017.

FREY is also authorised to use the "BREEAM" logo for its certified assets:

- **Shopping Promenade Arles-Montmajour** (BREEAM Construction – Very Good);
- **Shopping Promenade Claye-Souilly** in Claye-Souilly (BREEAM Conception – Very Good);
- **Shopping Promenade Cœur Alsace** in Strasbourg (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, certified in 2020.

Finally, FREY is authorised to use the "HQE" Aménagement logo for those of its operations that have been awarded that certification.

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.

11.4 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.

11.5 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, France

11.6 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".

Signed in Bezannes, 25 March 2022

Antoine Frey
Chairman and Chief Executive Officer

11.7 STATUTORY AUDITORS

11.7.1 PRINCIPAL STATUTORY AUDITORS

GRANT THORNTON

French member of GRANT THORNTON INTERNATIONAL

Represented by Amandine Chailleux

29 rue du Pont - 92200 Neuilly-sur-Seine, France

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

160, rue Louis Victor de Broglie - CS 50056 - 51726 Bezannes Cedex, France

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.

11.7.2 ALTERNATE STATUTORY AUDITORS

FCF

Represented by Nathalie Drouard

160, rue Louis Victor de Broglie - CS 50056 - 51726 Bezannes Cedex, France

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.

11.7.3 STATUTORY AUDITORS' FEES

	FCN		Grant Thornton		Safir Audit		EY France*	
	Financial year ended 31/12/2021	Financial year ended 31/12/2020	Financial year ended 31/12/2021	Financial year ended 31/12/2020	Financial year ended 31/12/2021	Financial year ended 31/12/2020	Financial year ended 31/12/2021	Financial year ended 31/12/2020
Audit								
• Audit of financial statements								
<i>Issuer</i>	€137,872	€113,995	€139,105	€122,914	-	-	-	-
<i>Subsidiaries</i>	€75,823	€89,904	€94,849	€76,170	€95	€5,818	€48,421	€13,818
• Ancillary assignments	€5,000	€1,250	€44,456	€6,243	-	-	€6,338	-
SUB-TOTAL	€218,695	€205,149	€278,410	€205,327	€95	€5,818	€54,759	€13,818
Other services								
• Legal, fiscal, labour	-	-	-	-	-	-	-	-
• Information technology	-	-	-	-	-	-	-	-
• Internal audit	-	-	-	-	-	-	-	-
• Other (if >10% of audit fees)	-	-	-	-	-	-	-	-
SUB-TOTAL	-	-	-	-	-	-	-	-
TOTAL	€218,695	€205,149	€278,410	€205,327	€95	€5,818	€54,759	€13,818

* EY France is the Statutory Auditor for certain FRF companies falling within the scope of full consolidation as of 31/12/2020.

11.8 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, France:

- 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.

No.	Annexes 1 and 2 of Delegated Regulation (EC) no. 2019/980 of 14 March 2019	2021 URD pages
1.	Persons responsible, third party information, expert reports and competent authority approval	
1.1.	Identity of persons responsible	269
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5.	Overview of operations	
5.1.	Principal activities	
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French limited company (Société Anonyme et Société à Mission) with a share capital of €70,917,007.50
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