



Our Mission Statement: "Restoring retail as a service for the common good"

**UNIVERSAL
REGISTRATION
DOCUMENT
2022**

including the annual financial report

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UNIVERSAL REGISTRATION DOCUMENT

2022

including the annual financial report



www.frey.fr



The Universal Registration Document was filed on 24 March 2023 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 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.

This Universal Registration Document, including the Annual Financial Report, is a reproduction of the official version that has been prepared in ESEF format and is available on www.frey.fr

This is a translation into English of the (universal) registration document of the Company issued in French and it is available on the website of the Issuer.

Pursuant to 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 on 31 December 2020 and the report from FREY's Statutory Auditors on 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 consolidated financial statements of the Group on 31 December 2021 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 25 March 2022 with the French Financial Markets Authority under reference D.21-0153 (the "2021 Universal Registration Document") on pages 113 and 159;
- the special report prepared by FREY's Statutory Auditors on the related-party agreements and undertakings for the financial year ended 31 December 2021, which are set out in the Chapter entitled "Related-party transaction" (page 247) of the 2021 Universal Registration Document;
- a review of FREY Group's financial position and results for the financial year ended 31 December 2021 taken from the Chapter entitled "Management Report" of the 2020 Universal Registration Document (pages 14-32);
- 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 2020 Registration Document, the 2021 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

« FREY has always been committed to a progressive approach and is now leading the field with its innovative and exemplary social and environmental commitment, able to share the best practices identified and always improve the positive impact of its business.

With this Mission Statement: "Restoring retail as a service for the common good", FREY affirms its conviction that the role of retail goes far beyond a simple commercial transaction and participates in bringing people together and breaking down barriers and contributes to the local economy, whilst minimising the environmental impact.

FREY is thus reinventing the image of shopping centres to make them mixed places where various uses find their place and meeting the needs of the regions. Its shopping centres are one of a kind; they are above all collective, living, fun, friendly, attentive to the well-being of all and respectful of the environment. »

ANTOINE FREY,
Chairman and Chief Executive
Officer



HISTORY OF THE GROUP

2022

FREY is rolling out its pan-European strategy with the acquisition of two assets in Spain: Finestrelles Shopping Centre in Barcelona and Parque Mediterráneo in Cartagena. And by opening a new country, Poland by securing its 1st asset: Matarnia Park Handlowy.

2021

FREY adopts the status of "Entreprise à Mission" and obtains the very demanding B Corp™ certification, a first for a listed French company. Opening of two Shopping Promenade® in Claye-Souilly and Strasbourg.

2020

Launch of the Zero Carbon Strategy: FREY is the 1st French real estate company to publish a Carbon Net result Group share.

Creation of the FoREY® forestry group.

2019

FREY strengthens its presence in the Iberian Peninsula with the acquisition of the Algarve Shopping open-air shopping centre in Portugal.

2018

First acquisition in Spain: the Parc Vallès open-air shopping centre in Barcelona.

2017

Opening in Amiens of the first Shopping Promenade®, a new concept in ecological and experiential open-air shopping centre.

2014

Winner of the development competition launched by the Eurometropolis of Strasbourg, the largest urban and retail renewal operation ever launched in France.

2013

1st French classification of a commercial zone at the entrance to a city (Troyes).

2008

IPO of the REIT on the Stock Exchange under the REIT regime.

Creation of Greencenter, the first eco-responsible retail park concept.

KEY FIGURES

ECONOMIC ASSETS ⁽¹⁾

€1,662.7m / +16.9%

ANNUALISED RENTS ⁽¹⁾

€100.1m / +24.2%

CURRENT OPERATING INCOME

€65.0m / +22.5%

NET PROFIT **GROUP SHARE**

€129.4m / +97.7%

EPRA NAV NDV **PER SHARE**

€35.0 / +9.3%

LTV **INCLUDING STAMP DUTY**

38.9% / +670 bps

PROPOSED DIVIDEND **PER SHARE**

€1.70 / +6.2%

(1) O/w €1,328.7m in value excluding stamp duty for economic assets in operation. The economic assets and annualised rents are detailed in paragraph 1.1.1.5 of the management report.

HISTORICAL FINANCIAL INFORMATION

The quantified data set out below are expressed in millions of euros and have been extracted from FREY SA's consolidated financial statements at 31 December 2022 and 31 December 2021, prepared in accordance with IFRS and certified by the Statutory Auditors.

CONDENSED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2022 AND 31 DECEMBER 2021

ASSETS (in €million)	Consolidated data IFRS	
	31/12/2022	31/12/2021
Goodwill	5.9	5.9
Investment property	1,739.0	1,487.9
Equity interests in associates	17.5	14.6
Other non-current assets	35.7	38.7
NON-CURRENT ASSETS	1,798.1	1,547.1
Inventories	51.1	36.3
Cash and cash equivalents	72.1	84.5
Other current assets	127.5	74.8
CURRENT ASSETS	250.7	195.6
Assets held for sale	1.9	12.8
TOTAL ASSETS	2,050.7	1,755.5

LIABILITIES (in €million)	Consolidated data IFRS	
	31/12/2022	31/12/2021
EQUITY	1,053.2	966.3
Long-term financial liabilities	826.4	658.5
Other non-current liabilities	44.7	40.9
TOTAL NON-CURRENT LIABILITIES	871.0	699.4
Short-term financial liabilities	51.4	15.5
Other current liabilities	75.1	74.3
TOTAL CURRENT LIABILITIES	126.5	89.8
Liabilities related to a group of assets held for sale	-	-
TOTAL LIABILITIES	2,050.7	1,755.5

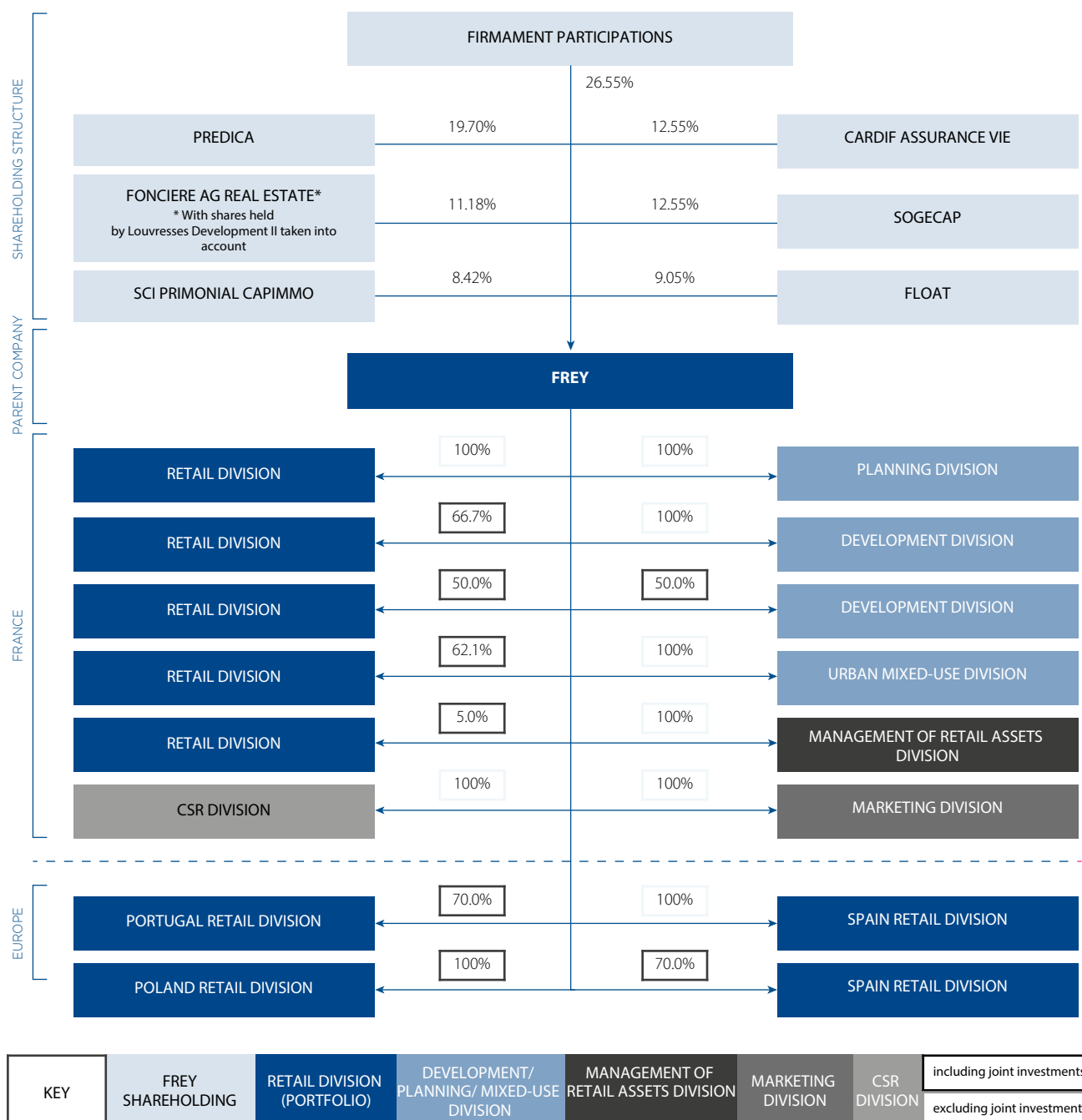
CONDENSED INCOME STATEMENT AT 31 DECEMBER 2022 AND 31 DECEMBER 2021

(in €million)	Consolidated data IFRS	
	31/12/2022	31/12/2021
Revenue	124.1	98.7
Cost of development invoiced	-4.4	-4.0
Overheads & Non-recoverable expenses	-52.7	-39.8
Other income and expenses	2.4	2.5
Taxes and similar payments	-1.5	-1.0
Allocations to and reversals of depreciation, amortisation and provisions	-2.9	-3.4
PROFIT FROM RECURRING OPERATIONS	65.0	53.0
Other operating income and expenses	-8.0	-5.8
<i>Of which waivers of rent receivables granted</i>	-	-1.0
Fair value adjustments of investment property	38.9	28.8
OPERATING PROFIT	95.9	76.0
Share of net profit (loss) of associates	3.2	2.5
OPERATING PROFIT/(LOSS) AFTER SHARE OF NET PROFIT/(LOSS) OF ASSOCIATES	99.1	78.6
Cost of net financial debt	-14.6	-10.9
Fair value adjustments of financial assets	61.0	8.3
Income tax	-10.1	-3.7
NET PROFIT/(LOSS)	135.4	72.2
Group Share	129.4	65.4
<i>Net earnings per share (in €) – Group share</i>	4.6	2.6
<i>Diluted earnings per share (in €) – Group share</i>	4.6	2.6

CASH FLOW STATEMENT AT 31 DECEMBER 2022 AND 31 DECEMBER 2021

(in €million)	Consolidated data IFRS	
	31/12/2022	31/12/2021
Cash flow from operating activities	58.8	51.5
Cash flow from investing activities	-209.9	-148.9
Cash flow from financing activities	138.9	125.7
CHANGE IN NET CASH AND CASH EQUIVALENTS	-12.2	28.3
Cash and cash equivalents -Opening balance	84.2	55.9
Cash and cash equivalents -Closing balance	72.0	84.2

GENERAL OVERVIEW OF THE GROUP AS AT 31 DECEMBER 2022



A comprehensive list of the Company's subsidiaries is provided in Appendix 3 of the management report for the financial year ended 31 December 2022, which is included in full in this Universal Registration Document.

We would also refer you on this point to Section 2.1. 4 "Consolidation scope" of the consolidated financial statements for the financial year ended 31 December 2022, which is included in full in this Universal Registration Document.



◀ Shopping Promenade®
Coeur Alsace
Vendenheim (67)



MANAGEMENT REPORT

Management report to the Annual Ordinary General Meeting

Financial year ended 31 December 2022

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 2022 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 the allocation of free shares for the 2022 financial year;
- 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 2022.

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®
Cœur Alsace
Vendenheim (67)

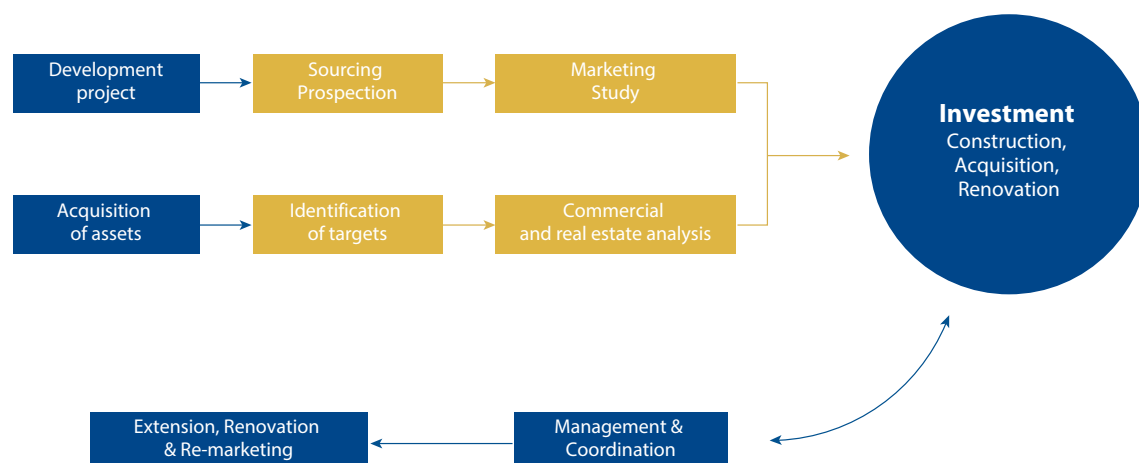
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1.1. COMPANY AND GROUP ACTIVITIES

1.1.1. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

FREY is a real estate company specialising in the development and operation of outdoor shopping centres in Europe. The Group also conducts major urban renewal operations and mixed-purpose projects.

The Group's business model is based on the complete control of our value chain:



1.1.1.1. Consolidated rental assets

In 2022, the Group's business was particularly marked by:

- the acquisition of Finestrelles, an outdoor shopping centre in Barcelona, Spain (41,100 m²);
- the acquisition of Parque Mediterráneo, Retail Park located in Cartagena, Spain (68,200 m²);
- disposals of 8 assets (30,000 m²).

The leasable area of the Group's consolidated portfolio at 31 December 2022 amounted to 578,450 m² at the end of 2021. They generated €91.5m in gross rents in 2022 (versus €72.9m in 2021).

At 31 December 2022, the appraised value of this asset portfolio, excluding stamp duty, was €1,617.0 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 2022, the investments made by the Group (developments, acquisitions and works) in the economic portfolio in operation amounted to €233.3 million.

At 31 December 2022, the Group's economic assets represented a rental area of 632,810 m² with annualised rental income of €100.1 million (including variable rental income), of which €98.7m in operating activities. The total economic portfolio amounted to €1,662.7 million (including €1,542.8 million in operating activities).

On a like-for-like basis, annualised rental income across the economic portfolio in operation was up by +4.2%.

1.1.1.3. Assets under management

The leasable area of the operated portfolio managed by the Group at 31 December 2022 amounted to 739,450 m² compared with 665,350 m² at the end of 2021. It represented €119.7m in annualised rents (including €118.3m in operating income), compared with €100.4m at end-2021.

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 scope

Increase in consolidation scope

On 30 March 2022, LA LUNE DES DOCKS was created. Its main purpose is the development and operation of the gastronomic and cultural hall within the ZAC des Docks de Saint-Ouen. This company, 39%-owned by FREY, is accounted for using the equity method.

On 14 June 2022, FREY Invest S.L. acquired all the shares of WADSFORD INVEST, intended to manage the retail park Parque Mediterráneo located in Cartagena, Spain, acquired in July 2022. The name of this company is being changed and will be known as FREY MEDITERRÁNEO.

On 22 June 2022, FREY Invest S.L. acquired all the shares of the company holding the Spanish outdoor shopping centre Finestrelles Shopping Centre for €127.5 million.

On 20 July 2022, FREY acquired the shares of Polish companies GIAROLE sp. z.o.o and GEMMANO sp. z.o.o. intended to manage future investments in Poland.

Exit from consolidation scope

On 15 February 2022, FREY sold its BONNEUIL RETAIL PARK shares for €5.7 million, including the repayment of the current account. Equity-accounted securities were classified under "Assets held for sale" in the consolidated financial statements at 31 December 2021.

On 7 May 2022, the Spanish company SL PARLA NATURA was dissolved without liquidation by a universal transfer of assets to FREY Invest S.L.

On 15 June 2022, SCI SOPIC FREY, 50%-owned by FREY, and consolidated using the equity method, was dissolved.

On 15 November 2022, four companies were dissolved without liquidation by universal transfer of assets:

- FRF 2 - Le Pontet for the benefit of FREY Retail Fund 2;
- FREY Murs 01 in favour of FREY;
- Citizers by FREY in favour of FREY Aménagement et Promotion;
- Ecoparc Aménagement in favour of FREY Aménagement et Promotion.

On 18 November 2022, IF Plein Sud and IF Plein Est were absorbed by a merger in favour of FREY Murs 02 with retroactive effect from 1 January 2022.

1.1.1.5. Overview of the Group's assets

The Group's asset portfolio at 31 December 2022 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	1,739.0	Rents recognised	91.5
+ Properties held for sale	1.9	- Re-invoicing of work and spreading allowances	-3.9
- Extension projects	-1.1	-/+ Rent-free periods and step rents invoiced	5.7
- Projects under development	-52.3	-/+ Impact of disposals/deliveries/acquisitions	7.2
- Projects under development measured at cost	-70.9	-/+ Other	4.1
= CONSOLIDATED PORTFOLIO IN OPERATION	1,616.6	= CONSOLIDATED ANNUALISED RENTAL INCOME IN OPERATION	104.6
- Assets in operation in partnerships (non-FREY share)	-111.1	- Annualised rental income from assets in operation in partnerships (non-FREY share)	-8.4
+ Assets in operation accounted for under the equity method (FREY share)	37.3	+ Annualised rental income from assets in operation (FREY share)	2.5
= ECONOMIC PORTFOLIO IN OPERATION	1,542.8	= ANNUALISED ECONOMIC RENTAL INCOME IN OPERATION	98.7
+ Assets in operation in partnerships (non-FREY share)	111.1	+ Annualised rental income from assets in operation in partnerships (non-FREY share)	8.4
+ Assets in operation accounted for under the equity method (non-FREY share)	184.7	+ Annualised rental income from assets in operation (non-FREY share)	11.2
= TOTAL PORTFOLIO IN OPERATION	1,838.6	= ANNUALISED RENTAL INCOME IN OPERATION*	118.3

1.1.1.6. Development on behalf of third parties

For the 2022 financial year, real estate development sales amounted to €4.2 million.

- Assignment of a plot in Claye-Souilly (77).
- Sale of a plot in Cormontreuil (51).

1.1.1.7. Development

In 2022, FREY joined forces with Migros to transform the Vitam site into a mixed and sustainable project for the Geneva region.

FREY also partnered with Banque des Territoires and CDC Habitat to transform commercial areas at the entrance to cities by creating a land bridge vehicle with an initial investment capacity of €200m (after leverage).

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. At the balance sheet date, we do not consider that there shall be any adverse outcome to the FREY Group's legal action, which is still under examination. As a result, we have not recognised any impairment in respect of costs incurred in the amount of €14.4m.

1.1.1.8. Change in share capital

As at 31 December 2022, the share capital of FREY had not been modified.

1.1.1.9. Financing

In February 2022, FREY signed a medium-term credit line with ESG (environmental, social and governance) performance criteria for a total amount of €70.0 million over 5 years. The financial conditions of this credit line 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; In May, an amendment was signed, bringing the latter to €100.0 million.

On 19 July 2022, FREY obtained an agreement to extend the maturity date of the corporate lines by one year from €100.0 million on 15 October 2027 and €70.0 million on 25 September 2027.

On 27 July 2022, FREY signed a medium-term financing line with ESG (environmental, social and governance) performance criteria for a total amount of €80.0 million over 5 years. In October, an amendment was signed, bringing the latter to €110 million.

On 29 August 2022, FREY obtained an agreement to extend the maturity date of the corporate lines by one year for €50.0 million on 8 November 2027.

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

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

The FREY Group strengthened its interest rate hedging positions by signing:

- in June 2022, three CAPs (strike cap) of 1%, with a 3-year term;
- in November, two CAPs (strike cap) of 1.5%, one capped at 3.5% with a 2-year term;
- in November, two CAPs (strike cap) of 1.5% starting in March 2023 with a 3-year term.

1.1.1.10. Dividend distribution

The General Meeting of Shareholders on 18 May 2022 approved the payment of a dividend of €1.60 per share to the 28,366,803 existing shares, i.e. a total dividend of €45.4 million.

The amount of the dividend paid in cash amounted to €45.4 million, taking into account treasury shares.

1.1.2. PROGRESS MADE AND DIFFICULTIES ENCOUNTERED DURING THE FINANCIAL YEAR

During 2022, the countries in which the FREY Group's assets are present were in a special economic context, particularly linked to inflation and the Ukrainian conflict.

Information concerning the impacts of this 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

On 14 February 2023, FREY sold its asset in Le Mans (72). This asset was classified under assets held for sale in the consolidated financial statements at 31 December 2022.

1.1.4. INFORMATION ON TRENDS

1.1.4.1. Outlook and strategy

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

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

The Group is currently developing 12 major medium-term projects representing 256,413 m² and €732m 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 complicated economic context, due in particular to the Ukrainian conflict and the subsequent economic crisis, FREY is not aware of any factors likely to have a significant impact on its outlook. The Group will continue its development in 2023 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.

Under 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.

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 2022, the Group had €277 million in available liquidity, of which €72 million in cash and cash equivalents and €205 million in corporate credit lines. On that same date, the net LTV ratio was 38.9%.

FREY is therefore entirely confident in its ability to successfully carry out its active development strategy. More detailed information on the impact of this position 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 FORECASTS OR ESTIMATES

The Company does not issue any profit forecasts or estimates.

(1) Of which €185,000 m² and €601m in investments in assets intended to be held in the Group's portfolio, representing a potential rental income of €43.5m. This pipeline notably includes Promenade Lleida in Spain and Open near the Swiss border for a total of 106,000 m², €316 million in investment (€22.4 million in minimum guaranteed rents for the 97,000 m² kept by the REIT, for a cumulative investment of €307 million).

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 2022 below:

Income statement (in €m)	31/12/2022	31/12/2021	Change
REVENUE	124.1	98.7	25.7%
Profit from recurring operations	65.0	53.0	22.5%
Economic profit/(loss) from recurring operations (Including associates)	67.1	55.4	21.0%
Change in fair value of investment property	38.9	28.8	35.4%
Change in fair value of investment property of associates	1.6	0.6	163.0%
Cost of net debt	-14.7	-10.9	35.4%
Profit before tax	145.5	75.9	91.6%
Net profit of non-controlling interests	-6.0	-6.8	-11.3%
NET PROFIT GROUP SHARE	129.4	65.4	97.7%

Balance sheet (in €m)	31/12/2022	31/12/2021	Change
EQUITY GROUP SHARE	990.1	907.2	9.1%
Equity	1,053.2	966.3	9.0%
Financial debt	807.7	606.3	33.2%
INVESTMENT PROPERTY	1,739.0	1,487.9	16.9%
Development stock	51.2	36.3	40.8%
Cash and marketable securities	72.1	84.5	-14.7%

The Group posted profit from recurring operations of €65.0 million at 31 December 2022, up on 2021 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) is mainly due to positive changes in the fair value of financial instruments and investment properties.

The change in the fair value of investment properties stood at €40.5m at 31 December 2022 (€38.9m for fully consolidated companies and €1.6m for associates) compared to €29.4m at 31 December 2021 (€28.8m for fully consolidated companies and -€0.6m for associates).

The positive change is explained by the increase in the value of investment properties held in the portfolio at 31 December 2022 due to the reduction in the capitalisation rates used by the appraisers, but also by those applied to the assets entering the scope (start-up of projects, deliveries, acquisitions).

The change in fair value, generated by the Group on consolidated assets at 100% in 2022, breaks down as follows:

1. acquisitions & development €9.5m;
2. like-for-like €29.4m.

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 Paribas and JLL France), in accordance with the recommendations in the reference documents for property valuation appraisals.

The financial instruments held at 31 December 2022 had a value of €65.6 million (excluding accrued interest), compared with €6.2 million at 31 December 2021. The impact of the change in fair value, net of balances and premiums paid, was recognised in the income statement in the amount of €49.9 million, excluding deferred tax.

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 as at 31 December 2022, established in accordance with the best practices defined by the EPRA⁽¹⁾ in its recommendations, are presented below.

NAV NRV, NAV NTA and NAV NDV

At 31 December 2022 (in €m)	EPRA NRV	EPRA NTA	EPRA NDV
CONSOLIDATED EQUITY -GROUP SHARE	990.1	990.1	990.1
Including/excluding:			
i) Hybrid instruments	-	-	-
DILUTED NAV	990.1	990.1	990.1
Including:			
ii) a) Revaluation of investment properties (if option for IAS 40 at cost)	-	-	-
ii) b) Revaluation of properties in progress (if option 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	990.1	990.1	990.1
Excluding:			
v) Deferred tax on the fair value of investment properties	21.3	21.3	-
vi) Fair value of financial instruments	-76.7	-76.7	-
vii) Goodwill arising from deferred tax	-	-	-
viii) a) Goodwill according to the IFRS balance sheet	-	_*	_*
viii) b) Intangible assets according to the IFRS balance sheet	-	-0.9	-0.9
Including:			
ix) Fair value of fixed-rate debt	-	-	-
x) Revaluation of intangible assets at fair value	-	-	-
xi) Stamp duty	67.5	0.9	-
NAV	1,002.2	934.7	989.2
Number of diluted shares	28,366,803	28,366,803	26,366,803
Treasury shares	112,768	112,768	112,768
Number of adjusted shares	28,254,035	28,254,035	28,254,035
NAV PER SHARE (in €)	35.5	33.1	35.0

* LLEIDA project (Spain): includes goodwill (corresponding to an earn out 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 2021 (in €m)	EPRA NRV	EPRA NTA	EPRA NDV
CONSOLIDATED EQUITY -GROUP SHARE	907.2	907.2	907.2
Including/excluding:			
i) Hybrid instruments	-	-	-
DILUTED NAV	907.2	907.2	907.2
Including:			
ii) a) Revaluation of investment properties (if option for IAS 40 at cost)	-	-	-
ii) b) Revaluation of properties in progress (if option 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	907.2	907.2	907.2
Excluding:			
v) Deferred tax on the fair value of investment properties	25.3	25.3	-
vi) Fair value of financial instruments	-6.2	-6.2	-
vii) Goodwill arising from deferred tax	-	-	-
viii) a) Goodwill according to the IFRS balance sheet	-	-	-
viii) b) Intangible assets according to the IFRS balance sheet	-	-0.9	-0.9
Including:			
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
Number of diluted shares	28,366,803	28,366,803	26,366,803
Treasury shares	73,605	73,605	73,605
Number of adjusted shares	28,293,198	28,293,198	28,293,198
NAV PER SHARE (in €)	34.8	32.7	32.0

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)	31/12/2022	31/12/2021
IFRS PROFIT/(LOSS) FROM RECURRING OPERATIONS	65.0	53.0
-/+ Developer's profit/(loss)	-0.5	-0.2
-/+ Capital gains or losses on investment property disposals*	-2.2	-1.8
-/+ Recurring financial expenses	-14.7	-10.9
-/+ Recurring taxes on non-REIT activities	-3.2	-2.3
EPRA net profit/(loss) from associates	1.6	1.9
EPRA NET PROFIT (LOSS)	46.0	39.6
EPRA NET PROFIT/(LOSS) PER SHARE	€1.62	€1.40

* 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)	31/12/2022	31/12/2021
Value of the operated economic portfolio (excl. stamp duty)	1,542.8	1,328.7
Value of assets that are not stabilised or being restructured (excl. stamp duty)	-1.0	-307.7
Stamp duty in conveyance for consideration on stabilised assets	68.2	70.1
MARKET VALUE OF PROPERTY, INCL. STAMP DUTY (A)	1,610.0	1,091.1
Annualised rental income from the economic portfolio	100.1	80.6
Annualised rental income from the asset portfolio that is non-stabilised or being restructured	-1.3	-16.7
Non-recoverable expenses on stabilised assets	-3.7	-2.2
"TOPPED-UP" ANNUALISED NET RENTAL INCOME (B)	95.1	61.7
Rent-free periods granted on stabilised assets	-3.2	-2.8
ANNUALISED NET RENTAL INCOME (C)	91.9	58.9
EPRA TOPPED-UP NET INITIAL YIELD (B/A)	5.9%	5.7%
EPRA NET INITIAL YIELD (C/A)	5.7%	5.4%

EPRA vacancy rate

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

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

(In €m)	31/12/2022	31/12/2021
Market rent of stabilised vacant areas	1.9	1.3
Market rent of stabilised economic portfolio	91.9	62.7
EPRA VACANCY RATE	2.0%	2.0%

Table of EPRA CAPEX

(In €m)	31/12/2022		31/12/2021	
	100%	Group share	100%	Group share
Acquisitions including stamp duty	211.3	211.3	85.9	85.9
Work on existing asset portfolio excluding development	13.1	10.0	17.6	16.4
Developments	24.7	24.7	80.7	80.4
TOTAL INVESTMENTS	261.0	257.9	184.1	182.7

(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 operational 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;
- 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."

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

The 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 2022

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

Assets at 31/12/2022 (in €m)	Property investment activity	Property development	Other	Total
Investment property	1,739.0	-	-	1,739.0
Investments in associates	17.5	-	-	17.5
Inventories and work-in-progress	-	51.2	-	51.2

Liabilities at 31/12/2022 (in €m)	Property investment activity	Property development	Other	Total
Investments in associates	-	-	-	-
Non-current financial liabilities	777.2	0.1	49.1	826.4
Current financial liabilities	48.9	0.3	2.1	51.3

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

At 31 December 2022 (in €m)	Property investment activity	Property development	Other	Total	O/w France	O/w Iberia
Rental income from stabilised assets	91.0					
Non-recoverable expenses on stabilised assets	-4.5					
NET RENTAL INCOME FROM STABILISED ASSETS	86.5			86.5	60.8	25.7
Rental income from unstabilised assets	0.5					
Non-recoverable expenses on unstabilised assets	-0.1					
NET RENTAL INCOME FROM UNSTABILISED ASSETS	0.4			0.4	0.4	
Sales		4.9				
Purchase cost of goods sold		-4.4				
DEVELOPER'S MARGIN		0.5		0.5	0.5	
OTHER REVENUE			2.1	2.1	2.1	
GROSS PROFIT				89.5	63.8	25.7
External services				-9.4	-7.4	-2.0
Payroll expenses				-13.2	-13.0	-0.2
Other income and expenses				2.4	3.5	-1.1
Taxes and similar payments				-1.4	-0.8	-0.6
Amortisation, depreciation and provisions				-2.9	-2.5	-0.4
PROFIT FROM RECURRING OPERATIONS				65.0	43.6	21.4
Other operating income and expenses				-8.0	-7.3	-0.7
Adjustment of investment property values				38.9	30.1	8.9
OPERATING PROFIT				95.9	66.4	29.6
Share of net profit (loss) of associates				3.2	3.2	
OPERATING PROFIT/(LOSS) AFTER SHARE OF NET PROFIT/(LOSS) OF ASSOCIATES				99.1	69.6	29.6
Cost of net debt				-14.7	-7.9	-6.8
Value adjustments of financial assets				61.1	61.1	
PROFIT BEFORE TAX				145.5	122.8	22.8
Income tax				-10.1	-0.1	-10.0
NET PROFIT				135.4	122.6	12.8
Non-controlling interests				-6.0	-5.2	-0.8
NET PROFIT (GROUP SHARE)				129.4	117.4	12.0

The increase in rental income is explained by the delivery of the Claye and Cœur Alsace Shopping Promenade® in March 2021, the acquisition of Carré Sud in July 2021, as well as the acquisition of Finestrelles (Spain) and Parque Mediterráneo (Spain) in June 2022

At 31 December 2021

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

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

Liabilities at 31/12/2021 (in €m)	Property investment activity	Property development	Other	Total
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	O/w France	O/w Iberia
Rental income from stabilised assets	60.3					
Non-recoverable expenses on stabilised assets	-1.9					
NET RENTAL INCOME FROM STABILISED ASSETS	58.4			58.4	43.1	15.3
Rental income from unstabilised assets	12.5					
Non-recoverable expenses on unstabilised assets	-0.9					
NET RENTAL INCOME FROM UNSTABILISED ASSETS	11.6			11.6	11.6	
Sales		4.3				
Purchase cost of goods sold		-4.0				
DEVELOPER'S MARGIN		0.3		0.3	0.3	
OTHER REVENUE			2.5	2.5	2.5	
GROSS PROFIT				72.8	57.5	15.3
External services				-7.4	-5.9	-1.5
Payroll expenses				-10.5	-10.4	-0.1
Other income and expenses				2.5	2.5	-0.1
Taxes and similar payments				-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	-
Adjustment of investment property values				28.8	27.6	1.2
OPERATING PROFIT				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
Cost of net debt				-10.9	-6.4	-4.5
Value adjustments of financial assets				8.3	8.3	
PROFIT BEFORE TAX				75.9	66.5	9.4
Income tax				-3.7	-1.7	-2.0
NET PROFIT				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.

1.1.6.1.4. Subsidiaries and equity interests

The table summarising the information regarding all of the Company's subsidiaries at 31 December 2022 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 2022 financial year:

Company	% ownership
SAS LUNE DES DOCKS	39% (direct holding)

1.1.6.1.5. Activity and results of the main operating subsidiaries over 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 2022 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.

The financial position of FREY AMÉNAGEMENT ET PROMOTION as at 31 December 2022 is summarised in the following tables:

(In €m)	31/12/2022	31/12/2021
Revenue	1.8	2.4
Operating income/(expense)	-3.5	-2.3
Net financial income/(expense), incl. share of subsidiaries' profits/(losses)	-1.9	0.3
Net non-recurring income/(expense)	0.5	0.2
Net profit/(loss)	-4.9	-1.7
Equity	-2.5	2.5
Debt	0.0	0.0

FREY AMÉNAGEMENT ET PROMOTION and its subsidiaries recognise their revenue and margin on off-plan operations via the completion method.

Activity 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/re-marketing;
- rental management;
- acquisition.

It also provides the following services to companies in the FRF Division and to FREY RETAIL VILLEBON:

- marketing/re-marketing;
- 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® chain.

The Company generated revenue of €7.28 million during the 2022 financial year, which consisted exclusively of the fees invoiced for these services.

A net profit of €0.69 million was recorded in the 2022 financial year.

Activity and results of FREY AMÉNAGEMENT ET PROMOTION SAS

FREY AMÉNAGEMENT ET PROMOTION, a wholly-owned subsidiary of FREY, does the development and MOD⁽¹⁾ 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.

Activity and results of FREY Murs 02

SASU FREY Murs 02 is a wholly-owned subsidiary of FREY.

On 18 November 2022, IF Plein Sud and IF Plein Est were absorbed by a merger in favour of FREY Murs 02 with retroactive effect for accounting and tax purposes from 1 January 2022.

On 15 February 2022, FREY Murs 02 signed a deed of disposal of 500 shares in SCI Bonneuil Retail Park, generating a capital gain on the sale of securities over the financial year of €4.18m.

For the Salaise sur Sanne site (38), its assets consist of the Greencenter® GREEN 7 with an area of 23,100 m².

With regard to the Terville site located in Thionville (57), its asset (SuperGreen) has an area of 23,300 m².

Revenue for the period amounted to €5.95 million, mainly made up of rental income and, on an ancillary basis, the sale of the Salaise land -block 2 -land registry reference AR 707 -AR 709 and AR 710.

This land was sold on 22 April 2022 for €0.33m, generating a capital gain of €0.12m.

A €6.1 million profit was recorded in the 2022 financial year.

Activity 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).

Over the 2022 financial year, the company acquired the building block 28 and building R2 Au Bureau, whose surface areas represent a total of 1,000 m².

At 31 December 2022, it therefore held a portfolio of 26,800 m² GLA, entirely located in Marne-la-Vallée-Montévrain (77).

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

A €1.6 million profit was recorded in the 2022 financial year.

(1) project management work

Activity and results of SAS IF Clos du Chêne

At 31 December 2022, the company held a portfolio of 28,300 m² GLA, entirely located in Marne-la-Vallée-Montévrain (7).

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

Revenue for the period amounted to €3.1m and consisted exclusively of rental income.

A €2.5 million deficit was recorded in the 2022 financial year.

The Clos du Chêne site, including SAS IF Clos du Chêne and SNC IF CHÈNE VERT, was embellished with a fourth phase of Street Art, including 18 new frescoes.

Activity and results of BBC Promotion

At 31 December 2022, the company held a portfolio of 34,500 m² GLA, entirely located in Nîmes (30).

SAS BBC promotion is a wholly-owned subsidiary of FREY.

Revenue for the period amounted to €5.4m and primarily consisted of rental income.

A €6.7 million deficit was recorded in the 2022 financial year.

The company opted for the REIT regime at the beginning of 2022 with retroactive effect to 1 January 2022.

Activity and results of SCI IF ZCN Investissement

At 31 December 2022, the company held a portfolio of 51,000 m² entirely located in Strasbourg-Vendenheim (67).

SCI IF ZCN Investissement is a subsidiary in which FREY owns a 99% interest and FREY Aménagement et Promotion owns a 1% interest.

Revenue for the period amounted to €8.5 million and consisted exclusively of rental income.

A €1.7 million profit was recorded in the 2022 financial year.

Activity and results of SNC IF Plein Ouest

SNC IF Plein Ouest is a subsidiary in which FREY owns a 99% interest and FREY Aménagement et Promotion owns a 1% interest.

On 8 April 2022, it sold the asset called Cap Emeraude (10,810 m² GLA), located in Dinard-Pleurduit (35).

Revenue for the period amounted to €0.08m and primarily consisted of rental income.

A €0.4 million deficit was recorded in the 2022 financial year.

Activity and results of SCI PAI 02

SCI PAI 02 is a wholly-owned subsidiary of IF Saint Parres, in which FREY owns a 99% interest and FREY Aménagement et Promotion owns a 1% interest.

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

In 2022, SCI PAI 02's revenue amounted to €2.3 million and consisted entirely of rental income.

A loss of €0.66 million was recorded in the 2021 financial year. This loss is mainly explained by the expense of real estate lease instalments (i.e. €2.45 million in 2022).

Activity and results of PARC VALLÈS INVERSIONES INMOBILIARIAS SLU (Spain)

PARC VALLÈS INVERSIONES INMOBILIARIAS SLU is a wholly-owned subsidiary of FREY INVEST SL, which is in turn a wholly-owned subsidiary of FREY.

PARC VALLÈS INVERSIONES INMOBILIARIAS SLU owns a 47,000 m² asset in Terrassa in Spain (near Barcelona).

The revenue of PARC VALLÈS INVERSIONES INMOBILIARIAS SLU amounted to €6.8 million in 2022 and consisted entirely of rental income.

A €2.2 million profit was recorded in the 2022 financial year.

Activity and results of FINESTRELLES SHOPPING CENTRE SLU (Spain)

FINESTRELLES Shopping Centre SLU is a wholly-owned subsidiary of FREY INVEST SL, which is in turn a wholly-owned subsidiary of FREY.

FINESTRELLES Shopping Centre SLU owns a 39,250 m² asset, located in Barcelona, Spain.

In 2022, the company's turnover amounted to €7 million and consisted entirely of rental income.

A loss of €1.4 million was recorded in the 2022 financial year.

Activity and results of FREY MEDITERRÁNEO (Spain)

FREY MEDITERRÁNEO is a wholly-owned subsidiary of FREY INVEST SL, which is in turn a wholly-owned subsidiary of FREY.

In July, FREY MEDITERRÁNEO acquired the asset of Parque Mediterráneo, a 66,000 m² retail park, located in Cartagena, Spain.

In 2022, FREY MEDITERRÁNEO's revenue amounted to €3.3m and consisted entirely of rental income.

A €0.2 million profit was recorded in the 2022 financial year.

Activity and results of ALBUFEIRA RETAIL PARK LDA (Portugal)

ALBUFEIRA RETAIL PARK LDA is a wholly-owned subsidiary of FREYPROP SA, which in turn is 70%-owned by FREY.

ALBUFEIRA RETAIL PARK LDA owns an 11,300 m² asset in Albufeira, Portugal.

In 2022, the company's turnover amounted to €1.7 million and consisted entirely of rental income.

A €0.9 million profit was recorded in the 2022 financial year.

Activity and results of ALGARVE SHOPPING CENTRO COMMERCIAL SA (Portugal)

ALGARVE SHOPPING Centre Commercial SA is a wholly-owned subsidiary of FREYprop, which in turn is 70%-owned by FREY.

The company owns a 47,200 m asset in Albufeira, Portugal.

In 2022, the company's turnover amounted to €10.5 million and consisted entirely of rental income.

A €5.9 million profit was recorded in the 2022 financial year.

1.1.6.1.6. FREY Group's financial position and debt

Information on FREY Group financing

Bank debt

In February 2022, FREY signed a medium-term credit line with ESG (environmental, social and governance) performance criteria for a total amount of €70.0 million over 5 years. The financial conditions of this credit line 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; In May, an amendment was signed, bringing the latter to €100.0 million.

On 19 July 2022, FREY obtained an agreement to extend the maturity date of the corporate lines by one year from €100.0 million on 15 October 2027 and €70.0 million on 25 September 2027.

On 27 July 2022, FREY signed a medium-term credit line with ESG (environmental, social and governance) performance criteria for a total amount of €80 million over 5 years. In October, an amendment was signed, bringing the latter to €110 million,

On 29 August 2022, FREY obtained an agreement to extend the maturity date of the corporate lines by one year for €50.0 million on 8 November 2027.

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

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

The FREY Group strengthened its interest rate hedging positions by signing:

- in June 2022, three CAPs, (strike cap) of 1%, with a 3-year term;
- in November, two CAPs (strike cap) of 1.5%, including one capped at 3.5%, with a 2-year term;
- in November, two CAPs (strike cap) of 1.5% starting in March 2023 with a 3-year term.

Following these transactions, the balance of the bank debt drawn down by Group companies (excluding associates) at 31 December 2022 was €801.9 million, including €745.1 million under corporate credit lines.

(In €m)	31/12/2022	31/12/2021
IFRS non-current bank loans (incl. corporate credit lines)	759.8	591.4
IFRS non-current finance lease liabilities (CBI)	7.6	10.6
IFRS current bank loans (incl. corporate credit lines)	36.0	2.4
IFRS current finance lease liabilities (CBI)	3.0	2.1
Less accrued interest	-	-
IFRS adjustment of loan issue costs	-4.5	-4.2
TOTAL BANK DEBT	801.9	602.3

The maturity of the Group's bank debt works out at 3.7 years, compared with 4.3 years at end-2021.

At 31 December 2022, 99.6% of Group debt was variable rate (3-month Euribor). However, as a result of the arrangement of interest rate hedges (swaps and caps), 97.9% of the Group's debt is not exposed to interest rate movements.

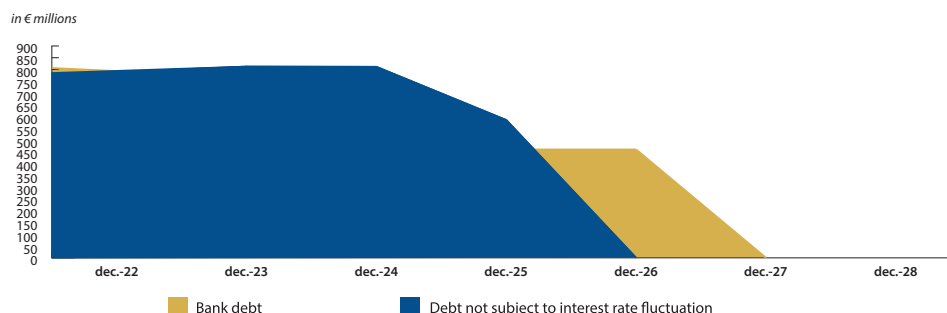
The following table sets out the impact of a potential (upward or downward) fluctuation of 100 and 50 basis points in the 3-month Euribor:

(In €m)	-100 pts	-50 pts	E3M	+50 pts	+100 pts
Impacts	0.4	-	-	-	-0.1

The average spread on the Group's bank debt at 31 December 2022 was 1.42% compared with 1.39% at 31 December 2021.

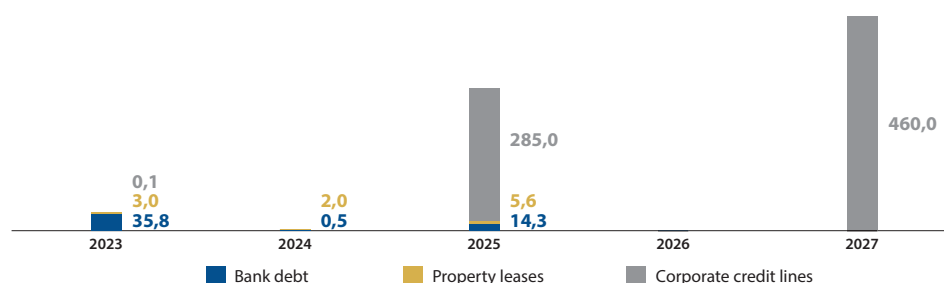
The average interest rate of the Group's bank debt, including spread, at this date, after including the interest-rate hedges and with a 3-month Euribor at 31 December 2022 of 2.132%, was 1.82%, broken down into an average rate of 2.30% on mortgage loans and 1.78% on the corporate finance.

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 2022 had a value of €76.7 million (excluding accrued interest), compared with €6.2 million at 31 December 2021.

The impact of the change in the fair value of financial instruments was recognised in profit or loss for a negative amount of €61.0 million, excluding deferred tax. This change includes the change in the value of interest rate hedges net of balances and premiums paid.

Bank covenants

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

At 31 December 2022, 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 **ICR ratio** is the ratio of rental income to interest.

ICR ratios

Relevant debt	Required ratios	Ratios 31/01/2023
€35.4 million	> 200%	1,582%

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 31/12/2022
€35.4 million	<60.0%	50.6%

RATIOS RELATING TO THE CONSOLIDATED FINANCIAL STATEMENTS

Consolidated ratios	LTV including stamp duty	ICR	Collateralised debt
Relevant debt	€745.0m	€745.0m	€745.0m
Required ratios	<= 60.0%	>= 2.0	<20.0%
Ratios at 31/12/2022	38.9%	5.1	3.2%

Cash flow

Consolidated data (in €m)	31/12/2022	31/12/2021
Cash flow from operating activities	58.8	51.5
Cash flow from investing activities	-209.9	-148.9
Cash flow from financing activities	138.9	125.7
Change in net cash and cash equivalents	-12.2	28.3
Cash and cash equivalents -Opening balance	84.2	55.9
Cash and cash equivalents -Closing balance	72.0	84.2

The Group's consolidated cash position showed an investment and cash balance of €72.0 million at 31 December 2022 compared with €84.2 million at 31 December 2021.

The 2022 cash flows from operating activities include gross cash flows of €49.0 million and an increase in working capital requirements of €13.6 million. The resulting cash flow generated by the business activities was €58.8m.

Cash flow from investing activities in 2022 recorded a net outflow of €209.9 million relating to the projects underway and to the acquisitions made over the period.

Cash flows from financing activities were positive at €138.9m.

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

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

Anticipated sources of financing

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

The Group also has €205 million in available corporate credit lines, as well as available cash amounting to €72 million.

Group financing plan

The projects under construction at 31 December 2022 have already been financed via corporate credit lines.

1.1.6.2. Parent company financial statements -SA FREY

The financial year just ended, which ran for a period of 12 months, covered the period from 1 January 2022 to 31 December 2022.

1.1.6.2.1. Revenue

Revenue for the financial year ended 31 December 2022 amounted to €29.7 million, and broke down as follows:

Revenue (in €m)	31/12/2022	31/12/2021
Rental income	20.5	16.2
Provision of intra-group services	4.2	4.3
Off-plan sales -Construction	4.3	0.7
Entry fees	0.0	0.1
Rental management fees	0.4	0.3
Marketing trustee fees	0.1	0.1
Re-invoicing of work	0.2	0.5
TOTAL	29.7	22.2

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

1.1.6.2.2. Net profit/(loss) for the financial year

The amounts of the most significant items in the corporate financial statements for the financial year ended 31 December 2022 are set out in the following table:

Income statement (in €m)	31/12/2022	31/12/2021
Revenue	29.7	22.2
Operating income/(expense)	-6.8	-7.5
Net financial income/(expense)	1.7	-3.3
Pre-tax profit/(loss)	-5.1	-11.3
<i>Incl. share of subsidiaries' profits/(losses) and dividends</i>	8.5	2.5
Net non-recurring income	1.2	0.6
Net profit/(loss)	-3.9	-9.9

Balance sheet (in €m)	31/12/2022	31/12/2021
Equity	485.6	534.3
Bank debt	747.9	536.3
Current accounts (net receivable)	597.2	442.2
Financial investments (net)	354.4	285.1
Gross land + buildings	284.8	315.0
Cash + marketable securities	27.7	12.1

FREY's asset portfolio amounted to 125,600 m2 at 31 December 2022, with annualised rental income of €24.6m.

The negative **operating income** of 2022 is in particular due to:

- The increase with a pro rata temporis effect of expenses, taxes and depreciation charges related to the delivery of Shopping Promenade® in Claye-Souilly (77) in 2021;
- Costs related to the Group's financing, including the signing of new CAPs to cover the debt;
- Impairments and bad debts from customers;
- Distribution of shares.

The change in **financial income** between 2022 and 2021 is mainly explained by the impairment of the FREY subsidiaries, which was less significant in 2022, the distribution of dividends and the increase in interest rates.

Non-recurring income was positive and mainly consisted of the disposals of assets in Thonon and the Nord building in Claye Souilly.

These two sales reduced the value of gross land and buildings by €31 million.

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

FREY generated a loss of €3.9 million in the financial year.

The General Meeting will be asked to pay a dividend amounting to €48,223,565.10 (i.e. €1.70 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;
- restated for the net dividend amount (i.e. €1.70/share).

Appropriation of profits (in €)	31/12/2022
2022 earnings	-3,920,169.25
Retained earnings of previous financial years	-9,863,710.94
Legal reserve	-
BALANCE OF RETAINED EARNINGS AFTER APPROPRIATION OF 2022 EARNINGS	-13,783,880.19

Distributable reserves (in €)	31/12/2022
2022 earnings	-
Allocation to legal reserves	-
Issue premiums	424,371,246.60
DISTRIBUTABLE RESERVES	424,371,246.60

Dividend distribution (in €)	31/12/2022
Deduction to be recognised in profit and loss for the financial year	-
Deduction to be made to the issue premium account	48,223,565.10
DIVIDENDS	48,223,565.10

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 2022 financial year, but obligations are limited to REIT taxable income for the financial year after allocation of tax losses carried forward from the previous financial year.

As the accounting profit for 2022, less retained earnings and legal reserves, was negative, FREY postponed its distribution obligations in respect of 2022.

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 2021 dividend	2022 tax income	Tax deduction of the dividends	Balance available following payment of the 2022 dividend
REIT income	28,250,696	22,409,559	-	50,660,255
Other distributable earnings and reserves	-2,654,792	-736,885	-	-3,391,677
TOTALS	25,595,904	21,672,674	-	47,268,578

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

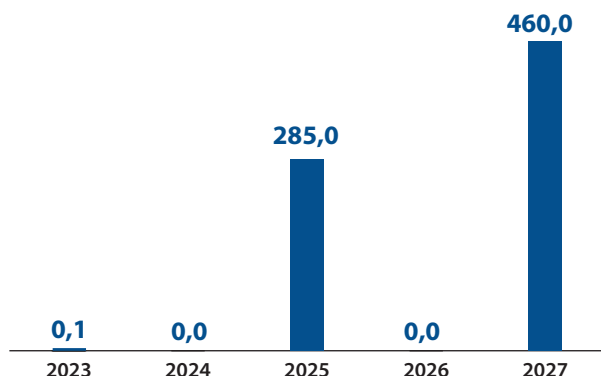
In accordance with the law, we hereby inform you of the amount of the dividends distributed in respect of the last three financial years:

(In €)	Dividends per share	Amount of dividend distributed
Financial year ended 31 December 2019	1.50	35,294,969
Financial year ended 31 December 2020	1.50	36,875,574
Financial year ended 31 December 2021	1.60	45,262,659

1.1.6.2.5. Financial position and debt of SA FREY

At 31 December 2022, the Company's debt amounted to €745.1 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 2022.

Consolidated ratios	LTV including stamp duty	ICR	Collateralised debt
Relevant debt	€745.0m	€745.0m	€745.0m
Required ratios	<= 60.0%	>= 2	<20.0%
Ratios at 31/12/2022	38.9%	5.1	3.2%

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 2022

1.2.1. INVESTMENT PROPERTY

The value of the Group's operated investment property, excluding stamp duty, at 31 December 2022, as determined by applying the percentage interest in each asset, amounted to €1,542.8 million, €70.2 million of which was held via finance leases.

Investment properties excluding rights (in €m)	31/12/2022	31/12/2021
Wholly-owned assets		
Operated assets	1,282.3	1,048.0
Projects under development measured at fair value	52.3	36.7
Land measured at fair value	0.2	0.5
Projects under development measured at cost	56.3	50.6
INVESTMENT PROPERTY -WHOLLY-OWNED	1,391.1	1,135.8
Partnerships -Percentage interest held		
Operated assets	223.2	233.8
Projects under development measured at fair value	0.8	-
Projects under development measured at cost	10.1	6.3
INVESTMENT PROPERTY -HOLDING LESS THAN 100%	234.1	240.1
Associates- Percentage interest held		
FRF operated assets	-	-
Assets operated by Other associates	37.3	46.9
Projects under development at fair value by Other associates	-	-
Projects under development at cost FRF + Other associates	0.2	-
INVESTMENT PROPERTY OF ASSOCIATES	37.5	46.9
TOTAL ECONOMIC INVESTMENT PROPERTIES^(*)	1,662.7	1,422.9
O/W ECONOMIC PORTFOLIO IN OPERATION	1,542.8	1,328.7

(*) Economic investment properties consist of the share held, IFRS IG and associate investment properties and investment properties reclassified as Assets held for sale.

Below is a summary table of the Group's operated economic portfolio⁽¹⁾ at 31 December 2022 with the certifications issued for each asset (the various certificates are described under Section 1.3.3.5 of this management report).

Name of asset	Design/ Production Certifications	Operational certifications	Location	Date opened and/or acquired ownership	% ownership	Surface area in Group share
PARQUE MEDITERRANEO			Cartagena (Spain)	2022	100%	68,200 m ²
CLOS DU CHÊNE			Chanteloup-En-Brie/ Montévrain (77)	2007	100%	55,100 m ²
SHOPPING PROMENADE Cœur Alsace	BREEAM® BREEAM®		Strasbourg - Vendenheim (67)	2021	100%	51,000 m ²
PARC VALLES			Barcelona - Spain	2018	100%	47,700 m ²
SHOPPING PROMENADE Claye-Souilly	BREEAM®		Claye-Souilly (77)	2021	100%	46,500 m ²
FINESTRELLES	BREEAM® BREEAM®		Barcelona - Spain	2022	100%	41,100 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
GREEN7			Salaise-sur-Sanne (38)	2012	100%	23,100 m ²
BE GREEN			Saint-Parres-aux-Tertres (10)	2013	100%	20,750 m ²
CLAYE FRP III			Claye-Souilly (77)	2016	100%	5,300 m ²
PARC DES MOULINS			Soissons (02)	2010	100%	9,800 m ²
TIMES SQUARE			Reims - Cormontreuil (51)	2016	100%	8,000 m ²
VENDENHEIM			Strasbourg - Vendenheim (67)	2017	100%	2,000 m ²
TOTAL WHOLLY-OWNED ASSETS						526,150 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
PARC DU LUC			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
APOLLO VILLIERS SUR MARNE			Villiers-sur-Marne (94)	2016	62.08%	2,607 m ²
APOLLO 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% to 66.66%	4,084 m ²
TOTAL JOINTLY-OWNED ASSETS (FIGURES AT 100%)						106,660 M²
GRAND TOTAL						632,810 M²

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

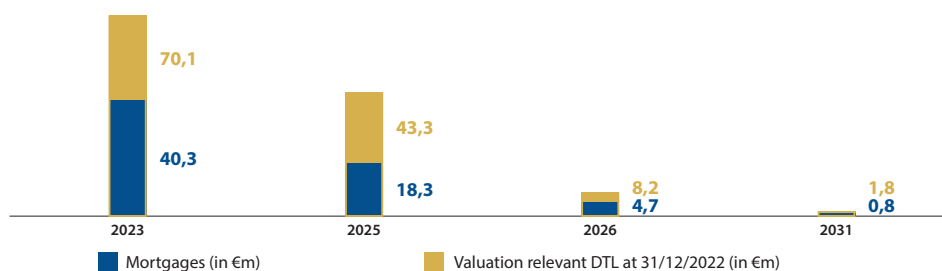
1.2.2. PROPERTY, PLANT AND EQUIPMENT

At 31 December 2022, other property, plant and equipment amounted to €25.1 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.

1.2.3. GUARANTEES ON BUILDINGS

At 31 December 2022, the Group had granted mortgages and pledges totalling €74.2 million on assets with a total value excluding stamp duty of €123.3 million, as part of the financing granted to FREY or its subsidiaries by credit institutions.

The chart below sets out the mortgages and pledges encumbering the Company's and Group's assets at 31 December 2022 according to their maturity date, as well as the valuation of the corresponding properties at 31 December 2022.



1.3. ENVIRONMENT AND ACTIVITIES

1.3.1. 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 brands, 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.

Aware of the potential of these openings, FREY is now supporting its long-standing customers on this path.

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 commercial premises are only marginally affected by the vacancy effects that other real estate sectors may experience (office, logistics, etc.).

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 been able to develop its know-how in France and abroad with subsidiaries in Spain and Portugal.

The Company's strategy is to hold the assets it develops. However, a secondary off-plan activity is carried out, notably through the sale of certain units of a programme to brands that are considered to be appealing in order to secure and sustain the success of a new programme.

1.3.2. GROUP ENVIRONMENT

1.3.2.1. The commercial real estate market

JLL -Overview of the retail investment market in France in 2022

- €5.5bn was invested in retail in 2022, i.e. The 3rd performance of the last ten years;
- The number of transactions was also up sharply, with 359 transactions compared with 271 last year. Shopping centres / Galleries led the way, with a volume of €1.9bn via 32 transactions (35%).
- Led by 132 transactions, including 6 more than €100 million, the retail parks segment ranked second in commitments in 2022 (34%) with a volume of €1.9bn.

Like other types of assets, prime rates of return on ground-floor shops, shopping centres and retail parks increased at the end of the year, reaching 3.35%, 4.75% and 5.10%, respectively.

1.3.2.2. Competitive environment

In France and in its commercial real estate sector, FREY is faced as a "developer-developer" or as a "developer-investor" with competition from many international and national players who can be typically characterised as follows:

- Developer promoters who design, produce and sell their operations to independent investors or backed by major construction groups. These players generally operate nationally and internationally;
- investor developers involved in and investing in France and abroad;
- brands with a proprietary or third-party development structure.

1.3.3. MAIN ACTIVITIES OF THE GROUP

1.3.3.1. An integrated development real estate 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 of its activity in an integrated manner.

Once it has identified the location of the sites with potential, FREY entrusts its subsidiary FREY Development and Promotion with the following tasks:

- designing products that suit their market;
- land development and acquisitions (signature of a preliminary acquisition agreement subject to obtaining the necessary authorisations, thereby avoiding risk-taking on land);
- preparing application files, filing and obtaining the administrative authorisations necessary for the construction and commercial operation of the buildings;

- calls for tenders and oversight of works;
- delivery of the buildings.

The Investment Committee is consulted and must issue a substantiated opinion on the final 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 minimum normative duration of this process is 24 months for a simple operation and 48 months for a more complex operation (decontamination, demolition, etc.).

FREY can also partner with a co-investor on certain assets (e.g. the Agen project with the Philippe Ginestet Group, the Lleida project in Spain with the Eurofund Group).

FREY develops its assets and retains them in its portfolio, generating value creation (difference between the value excluding rights of an asset and its cost price).

1.3.3.2. FREY sales strategy: a diversified and balanced offer

Meeting the needs of brands by consolidating our long-standing partnerships:

For more than 40 years, FREY has established a strong and long-term partnership with historic brands (Boulangier, Decathlon, Kiabi, Intersport, Leroy Merlin, etc.).

The absence of certain brands in the catchment area studied, their poor location or their inadequate format are the main focuses of the commercial strategy deployed on these open-air assets.

A major factor in the development of these assets is the match between the developed surface areas and the city's commercial potential, which is still supported by preliminary studies.

FREY selects high-quality locations on the outskirts to meet the needs of partner brands and in order to sustain the asset.

In the same way that it offers support for retail brands, FREY is expanding its offering and customer relations (hotels, offices, coworking, other activities in the tertiary sector). The Group is thus diversifying its assets and becoming an expert in both the city centre and activities not present in the portfolio to date.

FREY offers a wide variety of legal structures to brands (Off-plan leases, Off-plan sales, construction leases, long-term lease, sale of land)

Meeting the needs of consumers:

Through a unique customer experience, its original and user-friendly architecture, its customer journey, its animations, Shopping Promenade® becomes a place for life, encounter and exchange.

This leads to innovative merchandising and makes Shopping Promenade® a differentiating asset to position new national brands (H&M, New Yorker, Superdry, Lacoste, Nike, Adidas, Rituals, Kusmi Tea, etc.). The catering division and leisure activities are increasing in scale and becoming a pillar of the commercial strategy.

The environmental commitment policy of these assets meets the new requirements of brands and customers by obtaining internationally recognised certifications (HQE™, BREEAM®).

1.3.3.3. An innovative approach to quality development: the next generation open-air shopping centre

30 years ago, the entrances of the major cities were paid scant attention by the commercial developers who provided them with stereotyped commercial areas.

Still today, these amenities too often offer an always identical mix of brands, only the most basic personal services, a non-existent architecture, anecdotal landscape and a brief and poorly organised maintenance, contributing even more to the impoverishment of the image of these places of consumption that are otherwise poorly secured.

The pleasure of shopping is relegated to the background in favour of a rapid response to an urgent need in terms of the creation of commercial amenities.

Aware of this situation, for several years FREY has been working with renowned architects and landscapers, a reflection aimed at eliminating these missteps and turning open-air commerce into a place where shopping becomes a pleasure.

Jean Marie Duthilleul, Jean Michel Wilmotte, Michel Desvignes, L35, Chapman Taylor and many other internationally renowned architects have worked with FREY to create a new generation of commercial equipment.

The objective is simple, without sacrificing the principle of free and plentiful parking spaces, they have abundant green spaces, offering pedestrians with wide, secure walkways.

The architecture and landscapes are carefully designed to incorporate HQE™ (High Environmental Quality) objectives and quality of services for users.

The commercial 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 medium-sized stores are mixed with shops, which find the opportunity here to take advantage of the moderate rents and expenses of outdoor shopping, compared to those in shopping centres.

This new type of commercial equipment is managed as a shopping centre with maintenance, security and constant sales coordination.

The Greencenter® concept

With the Greencenter® concept, developed in 2007, FREY created the first fully certified HQE™ Bâtiments Tertiaires environmentally friendly outdoor shopping centre. Since then, nine Greencenter® have been designed and built, representing a total surface area of nearly 200,000 m².

This concept implements techniques and processes such as natural air conditioning, rainwater recycling, recycling of waste from the park, lighting using photovoltaic panels, planted roofs, the use of recycled construction materials, a fully planted environment, water gardens, etc. Everything is thought out to minimise environmental impacts, both in the design of the park and in its management.

The Shopping Promenade® concept

In response to the profound changes in consumer expectations and in order to adapt to the new codes of the world of commerce, FREY has devised and designed Shopping Promenade®, a multi-faceted place, following the currents driving creativity and innovation, mixing offers and uses, a user-friendly place that respects people and their environment, a place in line with today's aspirations, a new model to that meets the challenges of our time.

The 3 pillars of Shopping Promenade®



Shopping Promenade®: a 3-dimensional concept

- **An advantageous setting**, offering an open-air shopping outing in an exceptional environment.

A characterful design: inspired by the architectural codes of urban centres, Shopping Promenade® offers a journey punctuated by the diversity and ruptures of its construction as well as the various materials on its facades (wood, brick, stone or metal).

- **A multi-faceted offer** at the heart of an essential shopping destination, a merchandising mix combining the major lines of retail and catering. New trend brands complement the retail offering whilst adding attractive and unprecedented proximity, services and leisure.
- **An augmented experience**, within a surprising and vivacious customer journey, it is first and foremost a place of life and sharing, with social ties and proximity. Punctuated by a programme of events throughout the year, it offers a path that drives positive emotions. Its large free play areas make it the preferred destination for all families.

Each site is divided into the following areas:

- an exceptional environment for a responsible project:

Extraordinary vegetation: 3 hectares of green space on the site planted with varied species and 800 trees, including a hundred tall ones, up to 12 m high for the most beautiful specimens;

- water as a vector of emotions:

Two fountains mark the pedestrian entrances of the shopping arcade, immersing visitors in a pleasant and relaxing visual and sound atmosphere;

- a responsible site:

Systematic Environmental Certification (HQE™ Tertiaire Building or BREEAM®).

Openings: Shopping Promenade® d'Amiens (80) in October 2017, Shopping Promenade® d'Arles (13) in October 2019, Shopping Promenade® Claye-Souilly (77) and Shopping Promenade® Cœur Alsace in Strasbourg-Vendenheim (67) in March 2021.

1.3.3.4. Added value from the start

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.

Reconquering the urban environment: the development and restructuring of brownfield sites

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

A large number of municipalities are launching vast changes in whole parts of their territory in order to often move activities that no longer have their place from city centres, or to clean old polluted industrial brownfield sites which, once on the outskirts of these cities, have been caught up by urban planning that is incompatible with such situations.

With its knowledge of this pool of new projects to win back the urban environment, FREY has been able to acquire special know-how in the rehabilitation of highly polluted brownfield sites.

Integrating the developer business line: development of the business line and development strategy

All the major French cities are now facing the same challenges:

- How to restructure their outskirts?
- How can we redevelop these vast areas of activity and commerce that are now being swallowed by the city?
- How to redevelop a regional economy with combined actions to transform the location into an occupied site?

Without this common realisation, yesterday's urban failure will inexorably become the economic failure of tomorrow. So how can we meet these growing expectations? How can we deal with the multiple challenges inherent in the redevelopment of these commercial areas?

By developing a unique know-how of developer, promoter and investor, FREY is now responding to these challenges and is positioning itself as a true partner for urban areas as part of their commercial restructuring projects for the city outskirts.

Obsolete and dehumanised areas

Born in the 1980s, with the sole virtue of practicality, these peri-urban commercial areas are both economic successes, generating jobs and turnover, but also town planning failures. These areas no longer meet the expectations of neither society nor these communities, which therefore wish to see these mono-functional zones transform.

Although they benefit from a preferential position, the different city outskirts are a fragmented territory.

The panel of urban functions that make up this territory (major commercial areas, sometimes mix industrial, craft and logistics areas, old town-centre fabric or housing) does not offer a real continuous connection between them. The mixing of the functions is also under developed, even difficult to identify.

In addition to this juxtaposition of various functions with no real mixing, there are also many problems in mobility: saturation of access, lack of foot mobility and a lack of public transport.

Multiple regional and urban challenges

FREY is the leading French operator specialised in the urban and retail renewal of city outskirts: through the complete control of its value chain and the successful redevelopment of commercial areas on city outskirts, such as the redevelopment of the commercial area on the edge of Troyes, in the municipality of Saint-Parres-aux-Tertres or the vast urban redevelopment project of the Northern Commercial Zone for Strasbourg Eurometropolis; through its operational engineering, FREY offers all its know-how to support the development of these regions. This requires the reclassification of existing public spaces, the renovation of roads, the creation of new access points, cycling paths, landscape developments, etc.; the development of new commercial divisions and a new urban mix offering different uses (housing, hotels, offices, or logistics) in these new parts of towns.

FREY is therefore committed to supporting local authorities to meet the challenges of urban and retail renewal.

The answer must first be through dialogue with users and by understanding everyday uses, uses in operation and malfunctions both in the public space (accessibility, saturation, separation of light vehicles, pedestrians, trucks, mixed transport, etc.) as well as on the private area of the land (typology, occupations, addressing, information, etc.).

To cover these issues, FREY is committed to rethinking the place of the environment and landscapes, the role of mobility in their new uses, and a new network of functions in order to reposition new centres and new public or communal spaces, in relation to the different local scales.

The attitude of collective and operational thinking is illustrated through the four themes studied by FREY to imagine the territory of the future:

Theme 1: TOWN PLANNING & PROGRAMMING: Reconstruct, recycle, (re)use and unify

The necessary territorial and economic restructuring of an area makes it essential today to adapt the following urban actions:

- recycle certain land by promoting new functions at already artificial sites;
- repair the urban fabric;
- restructure and better integrate commercial outskirts in line with changing consumption patterns and the digitalisation of the retail sector;
- identify favourable sectors for the development of economic activities (creation and extension) or change of functional purpose;
- identify the installations and public spaces to be recreated and/or redeveloped.

Theme 2: MOBILITY & TRAVEL: Alleviating congestion & responding to the uses of today and tomorrow

Alleviating congestion in transport infrastructures, particularly vehicle traffic, requires the development of an ambitious mobility policy.

The major challenge is to unify mobility expertise across an area, thinking and acting to solve traffic problems requires particular attention to the greater sharing of public space between all modes of transport.

Theme 3: ECONOMIC DEVELOPMENT: Strengthening a variety of fabrics, making them attractive

Success in the economic development of city outskirts calls for two strategic priorities: reinforcing the existing system but also boosting it through the contribution of new products.

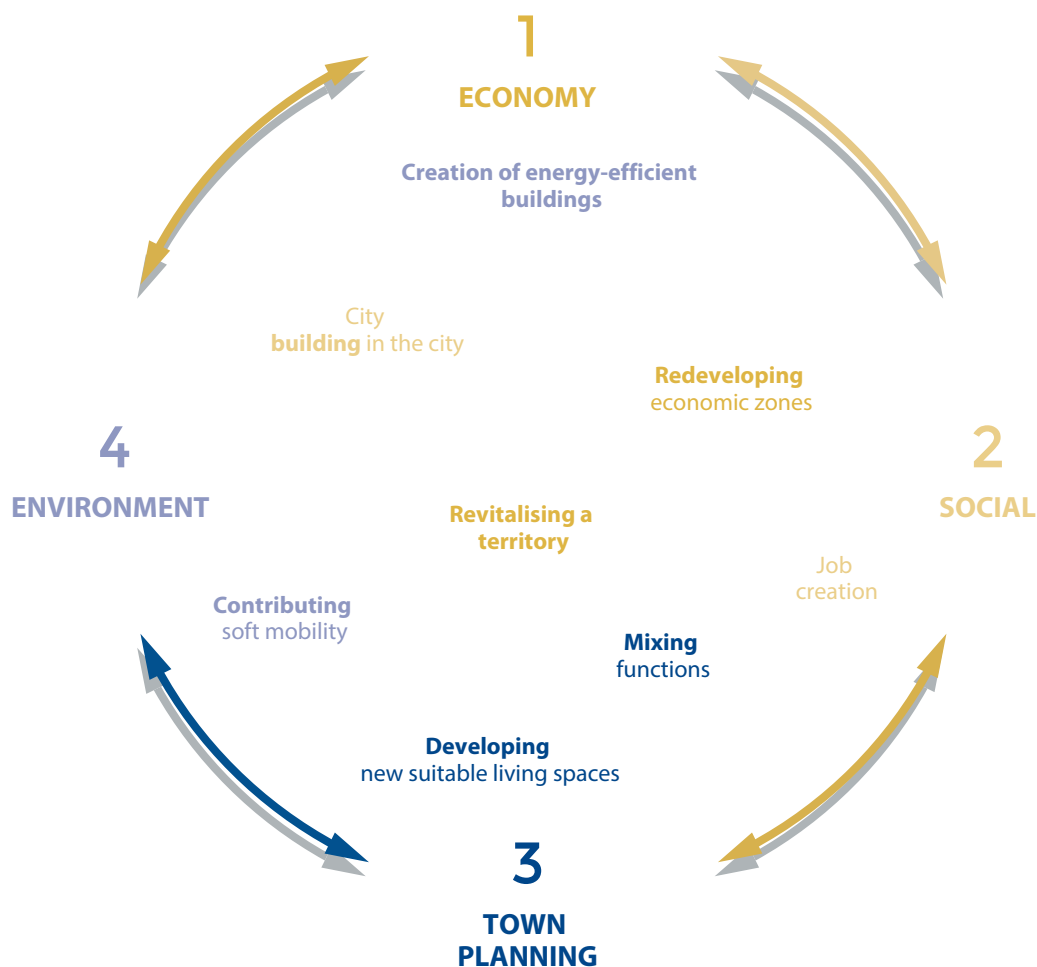
These themes, and the answers provided by FREY in these development operations, are based on the four immutable pillars of an Urban and Retail Renewal operation:

Thus, Urban and Retail Renewal operations must promote:

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

Theme 4: DURABLE & INNOVATIVE DYNAMIC

All of the issues identified meet a twofold vision that is both operational and sustainable. This long-term approach incorporates a sustainable approach to development.

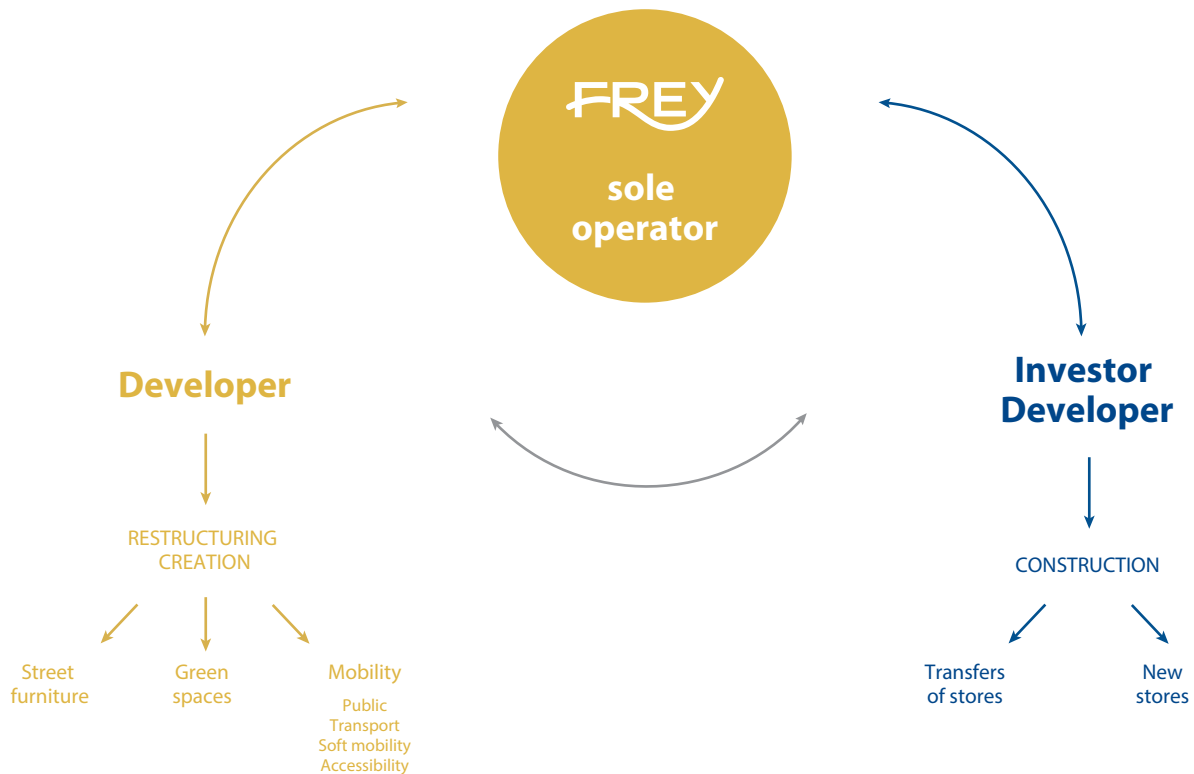


A specific and adapted methodology

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

Implementation can involve the creation by the community of a development tool adapted to the problems of city outskirts: the development concession.

The special feature of Urban and Retail Renewal operations requires the appointment by the local authority of an operator with dual competence as planner and investor in order to completely restructure the area and develop new living spaces.



This set-up makes it possible to define a strategy in response to the needs expressed by a territory, to develop a specific financial organisation and to transfer tools to land management.

FREY is now recognised as the only French operator specialised in these Urban and Retail Renewal operations by the following two operations:

● L'Aire des Moissons - Troyes - Saint-Parres-aux-Tertres (10)

Following a call for applications, the Troyes Métropole Agglomération Community appointed FREY as a developer and investor in the Aire des Moissons Zone d'Aménagement Concerté (joint development area -ZAC) in 2009.

With a 30 ha footprint, the scope of this ZAC consisted of an existing 20 ha commercial area and a 10 ha extension.

With this operation, FREY became the first French operator to be entrusted with the development and redevelopment of a large commercial area on the city outskirts.

● The North Commercial Zone -Strasbourg -Vendenheim (67)

After winning the development competition launched by the Strasbourg Eurometropolis in 2013, FREY is carrying out the largest urban and retail renewal operation ever launched in France. This HQE Aménagement® certified sustainable development project meets environmental, economic and societal sustainability objectives. Located on the territory of 4 municipalities (Vendenheim, Mundolsheim, Lampertheim and Reichstett), the North Commercial Zone is a typical of French city outskirts site, which since 1975 has been growing in phases, without consistency.

FREY, as a developer and investor, is in charge of renewing this 150-hectare territory, with the mission of creating:

- New public spaces (creation of access from a motorway interchange, creation of soft mobility routes);
- redeveloping public spaces;
- moving certain shops to create housing or public spaces and to define rules for the entire area;
- to revitalise retail with the creation of a Shopping Promenade®.

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 it is also dependent on the smooth running of its production, which is the result of the design work carried out upstream.

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

FREY brings all its expertise in commercial planning and its experience in these operations to all regions wishing to meet the challenges of a new city entrance.

An innovative partnership serving the regions

Changing the urban shapes of these still-active city gateway commercial spaces requires very detailed operational engineering to both imagine and design the new mixed-used neighbourhoods, but also to preserve commercial appeal during and after the major work as much as possible. It is no longer a question of renovating to revitalise, but rather to invent a new way of devising the city.

1.3.3.5. An environmental approach: Sustainable Development

A confirmed environmental approach

In an effort to develop sustainable development, FREY puts its development operations into an environmental approach that promotes Sustainable Development principles, enabling sustainable and intelligent practices to be implemented at all projects of any scale (development and building).

In addition to commercial development operations certified HQE™ Bâtiments tertiaires or BREEAM®, the development operations are aimed at HQE™ Development certification.

The HQE™ Aménagement approach

The following FREY operations have been certified HQE™ Aménagement:

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

HQE™ Aménagement is an approach developed by the HQE™ Association and its partners to carry out sustainable development operations. It offers local authorities and developers the opportunity to implement a global and cross-functional approach to combine environmental, social, economic and urban issues on a development operation.

Issued by Certivéa, the approach does not define a priority level of requirement or theme, but requires project leaders, as part of their operation, to carry out an exhaustive analysis, identify the issues related to the site and the operation, set ambitious objectives that meet these challenges, and ensure that they meet these objectives throughout the programme.

THE EXAMPLE OF THE NORTH COMMERCIAL ZONE (ZCN) OF STRASBOURG -VENDENHEIM (67)

The scope of the ZAC of the ZCN is under the communal area of Lampertheim, Mundolsheim, Vendenheim and Reichstett, in the department of Bas-Rhin 10 km north of Strasbourg. The restructuring of the ZAC of the ZCN is a key objective of the Eurometropolis, which is leading to a significant redevelopment of the existing zone, which is a strategic space for the Strasbourg metropolitan area. As such, FREY proposed that the restructuring of the North Commercial Zone be included in the HQE™ Aménagement certification process, which is a guarantee of quality in terms of management, addressing environmental, economic and social issues.

The aim was to design a high-quality project, representative of the wishes of the EMS and the four associated municipalities, as well as being a pioneer in the area of Sustainable Development.

To do this, FREY has been supported by INGEROP, L35 Architects and Acte2paysage for design as well as Polyexpert Environnement in assistance with HQE™ Aménagement.

The project, divided into three lots, consists of a predominantly residential area (north lot), a restructured shopping district (centre lot) and a commercial extension (south lot).

With this in mind and to support the transformation of the regions, FREY, Banque des Territoires and CDC Habitat are setting up a land porting and land re-parcelling vehicle whose purpose is to contribute to the transformation of these suburban commercial areas into new mixed-use neighbourhoods, perfectly integrated into their territory and meeting today's major climate challenges.

This new plan will offer communities concrete, experimental solutions for the transformation of their suburban commercial areas. This partnership also aims to implement a new methodology through the creation of a carry company to carry out these projects to reconvert suburban commercial areas through: land acquisition, demolition, decontamination, re-parcelling, development and resale of renovated lands.

To meet this complex challenge of rebuilding the city in the city, this partnership relies on the complementary nature and synergy of the three players: FREY, a specialist in commercial real estate and urban and retail renewal, Banque des Territoires, a major partner for local authorities and long-term investor for the general interest, and CDC Habitat, a global operator of public-interest housing.

Sustainable development objectives have been defined based on the 17 themes of HQE™ Aménagement certification. Various topics have been addressed and actions adapted (non-exhaustive list):

- **the development of mobility for all:** implementation of differentiated access for trucks, pedestrian paths and bicycle lanes, creation of a bus stop;
- **the implementation of a project with a low environmental impact:** implementation of a clean site charter, which includes recommendations related to sorting and recovering waste, limiting noise and visual pollution, and monitoring potential pollution;
- **the establishment of an urban heating network** for the residential district;
- **the preservation of ecosystems and biodiversity:** management of rainwater via landscaped basins, taking into account wetlands and landscape continuity created with part of the green and blue grid located near the site. The two Wet lands present in the area are being compensated for and recreated identically to allow the species residing there to develop. The same will apply to the habitat of the Common Wall Lizard, a protected species, which will be recreated identically;
- **highlighting the integration and attractiveness of local circuits:** Insertion clauses have been included in the various call for tenders documents.

As a perfect illustration of its environmental ambitions, as part of the new zone, FREY has begun a collaboration with a local organisation of around thirty farmers and breeders. The Group has decided to provide them with a 5-hectare Agroparc to grow produce that will be harvested, processed and sold at Shopping Promenade® Coeur Alsace in an ultra-local circuit.



The application of the various actions, during the design process, enabled the HQE™ certification to be obtained from phase 1 to 4. Work is continuing on the following phases of site implementation and capitalisation.

A great example of commitment and concrete illustration of the models to be developed today to ensure a more sustainable future for all.

The HQE™ Bâtiments tertiaires (tertiary buildings) approach

The following FREY assets have received HQE™ Bâtiments tertiaires certification:

- **Be Green** in Troyes -Saint-Parres-aux-Tertres (10);
- **Clos du Chêne** in Montévrain (77);
- **Green 7** in Salaise-sur-Sanne (38);
- **O'Green** at Agen-Boé (47);

1.3.3.6. International

In 2022 **Finestrelles Shopping Centre** in Barcelona and **Parque Mediterráneo** in Cartagena joined Parc Vallès in Barcelona acquired in 2018, followed in 2019 by Algarve Shopping in Portugal.

Spain

Spain is the first foreign country in which FREY operated through its subsidiary FREY Invest.

In 15 years, FREY Invest delivered nearly 85,000m² which were then sold in full.

In 2018, FREY acquired Parc Vallès, an asset of 42,000m², located in Terrassa-Barcelona, Spain. In 2019, FREY made an additional acquisition on the site, bringing its total ownership to 47,000m².

In 2022 FREY acquired two assets in Spain:

- **Finestrelles Shopping Centre** in Barcelona (39,250 m²) enjoys a strategic location and a large catchment area (470,000 inhabitants 10 minutes away with spending power above the Spanish and Catalan average);
- **Parque Mediterráneo**, located 5 km from the port city of Cartagena in south-east Spain, is one of the largest retail parks in Spain (66,000 m²).

FREY is also continuing its development of the Promenade Lleida project in Catalonia (56,000 m²) in partnership with Eurofund.

Portugal

In 2019, FREY acquired an outdoor shopping centre in the south of Portugal: Algarve Shopping. This property complex consists of an open-air shopping centre and a retail park covering approximately 60,000 m² and is located in Albufeira, Algarve. The site also has buildable land reserves.

- **Parc des Moulins** in Soissons (02);
- **Shopping Promenade® Cœur Picardie** in Amiens (80);
- **SuperGreen** in Thionville -Terville (57).

The 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);
- **Shopping Promenade® Arles Montmajour** in Arles (13);
- **Algarve Shopping** in Albufeira (Portugal);
- **Finestrelles Shopping Centre** in Barcelona (Spain).

This transaction allows FREY to deploy its management and development know-how, which creates shareholder value.

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 to new countries

FREY is currently conducting studies to select the countries of the European zone that could be conducive to its international development.

We are however remaining cautious: the choice of any new country will be motivated by the same fundamentals that have been behind FREY's success in France and, in particular, the appetite of its partner brands for the country in question, its growth prospects and the existence of a commercial authorisation system that is sufficiently developed to offer investments the same guarantees of sustainability as the French system, by limiting the anarchical development of commercial amenities.

FREY's growth strategy is based on its know-how in the development and management of more sustainable, more practical, more user-friendly outdoor shopping centres, and a more frugal business model for retailers. This strategy has created a unique portfolio, whose international exposure, after the new acquisitions is 33%⁽¹⁾.

As part of this diversification, FREY intends to pursue a policy of acquiring outdoor commercial assets to transform them and bring them to the standards of the property portfolio or the development of operations, with France remaining the leading country in terms of the volume of economic assets.

FREY acquired shares in the Polish companies GIAROLE sp. z.o.o and GEMMANO sp. z.o.o. intended to support future investments in Poland.

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

1.3.4. APPLICABLE REGULATIONS

1.3.4.1. Commercial town planning and construction law

1.3.4.1.1. Commercial Operating Authorisation (AEC)

Articles L. 752-1 et seq. of the French Commercial Code require prior authorisation for certain transactions involving retail outlets, in particular those that create a sales area of more than 1,000 m².

French Law No. 2018-1021 on developing housing, development and digital technology, known as the "ELAN" law of 23 November 2018 and more recently, Law No. 2021-1104 on combating climate change and strengthening resilience to its effects, known as the "CLIMAT" law of 22 August 2021, as well as their implementing texts, supplemented the existing systems with various measures applicable to development operations, town planning and construction; including commercial planning.

The commercial operating authorisation is issued by the French National Commission for Commercial Development (CDAC), where applicable by the National Commercial Planning Commission (CNAC), after analysis of the foreseeable effects of the project in terms of land use planning, sustainable development, consumer protection and, since the CLIMAT law, impact the project in terms of soil artificialisation 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 CLIMAT law enhances the conditions for granting commercial operating authorisations that generate artificialisation of soils.

A number of CLIMAT implementing decrees were passed during 2022, including Decree No. 2022-1312 of 13 October 2022, which entered into force on 15 October 2022 with regard to Commercial Operating Authorisations. It sets out the terms for granting Commercial Operating Authorisations for projects leading to artificialisation of soil. The result is a principle of banning the issuing Commercial Operating Authorisation for projects that make soil artificial and a few strictly regulated derogations for projects of particular interest in a given region, provided that the sales area is in any case less than 10,000 m².

1.3.4.1.2. Town planning authorisation

Construction and renovation projects are subject to the prior obtaining of one or more town planning permits referred to in Articles L. 421-1 et seq. of the French Urban Planning Code, comprising three permits (building permit, planning permit, demolition permit) and a prior declaration.

Decree No. 2015-165 of 12 February 2015 on commercial development, adopted pursuant to Law No. 2014-626 of 18 June 2014 on craftsmanship, trade and very small businesses, known as the "PINEL Law", established a single procedure merging the building permit and the commercial operating authorisation, when the project requires construction or renovation subject to town planning authorisation.

This building permit, constituting a commercial authorisation, aims (i) to simplify the previously separate procedures for applications for authorisations by establishing a 'one-stop-shop' for filing the application in town halls and (ii) to shorten the deadlines for disputes by providing for

direct referral to the Administrative Courts of Appeal, ruling in first and last resort, on the only town planning authorisation including a "commercial operating authorisation" section.

Since then, both the ELAN law of 2018 and the CLIMAT law of 2021 have amended and supplemented the legal framework applicable to town planning authorisations. The most recent of these aims, in line with the 2020 Citizen's Climate Convention, to initially reduce the pace of artificialisation and consumption of natural, agricultural and forestry spaces, ultimately achieving ZAN (Zero Net Artificialisation) of soils by 2050. To this end, it tends to favour the recovery of brownfield sites and the reversibility of buildings, the "greening" and the planting of vegetation on buildings and in car parks, which is reflected, among other things, by strengthening the obligations of project owners in terms of energy and environmental performance.

1.3.4.1.3. Environmental assessment

Depending on its nature, size or location, the project is likely to have an impact on the environment or human health and will, prior to its implementation, be subject to an environmental assessment (évaluation environnementale "EE") referred to in Articles L. 122-1 et seq. of the French Environmental Code.

In this case, the project owner, the project manager of the operation, draws up an environmental impact assessment report, known as the "Impact Study", making it possible to assess the impact of the project on the population and human health, soil, water, air, climate, and fauna and flora.

The authorisation issued by the competent environmental authority will differ depending on whether the project falls under a pre-authorisation regime or a reporting regime.

Law No. 2020-1525 on the acceleration and simplification of public action, known as the "ASAP Law" of 7 December 2020, significantly reformed the environmental authorisation regime by providing more legal certainty to project owners in the face of any regulatory changes in the process of the procedure. Under certain conditions, it also allows them to undertake certain construction work prior to the issuing of the environmental authorisation, which was not the case previously.

In accordance with the ruling of the French Council of State of 15/04/2021 no. 425424, which considered that the nomenclature regime for projects subject to environmental assessment (EE) (see Table R.122-2 of the Environmental Code) did not make it possible to impose the EE for all the projects that would require it, Decree No. 2022-422 of 25 March 2022 extended the scope of the EE to projects that do not meet the targeted categories or located below the thresholds listed in the table forming an appendix to Article R. 122-2 of the Environmental Code.

A "safety net" clause has been introduced that strengthens the obligations of project owners in the event that a project has significant impacts on the environment or human health.

1.3.4.2. Mandatory insurance

As part of the demolition, construction and renovation activities, the Company systematically takes out, in its capacity as project owner, the compulsory insurance instituted 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 (Works-damage insurance) and the liability of the Client (insurance known as Property Developer and Comprehensive Work Site). The Works-damage insurance ("DO"), Property Developer ("NRC") and Comprehensive Work Site ("CCR") are subject to an annual protocol with the insurance company.

As part of its real estate activity, the Company requires the tenant to prove to the lessor (i) that it has taken out insurance for the operation of its business and (ii) the payment of the related premiums.

1.3.4.3. Regulations applicable to commercial leases

In the context of its real estate asset management business, the Company has entered into commercial leases with each of its tenants.

The regulations relating to commercial leases are defined by Articles L. 145-1 et seq. of the French Commercial Code, and supplemented by the non-codified rules of the Decree of 30 September 1953 and of the French Civil Code relating to property leases, the main elements of which are set out below.

In general, this regulation ensures extensive protection for tenants, who fulfil the conditions of application, for whom the rental of a premises is a prerequisite for carrying out their activity and must enable them to ensure the stability of their commercial operation.

The French Commercial Code thus lays down certain public policy rules referred to in Articles L. 145-15 and L. 145-16, such as the minimum term of a commercial lease, which may not be less than nine years, the rent cap or the right for the tenant to renew the lease.

Law No. 2014-626 of 18 June 2014 on craftsmanship, trade and very small businesses, known as the "Pinel Law", established new rules aimed at improving relations between lessors and commercial tenants.

Implementing Decree No. 2014-1317 of 3 November 2014 that defines in particular the taxes and repair work to be borne by lessors, specifies the obligation to inform tenants about the projected expenses for works to be carried out in the building, and establishes a Departmental conciliation commission for charges and works.

Commercial leases are also subject to the provisions of Article L. 125-9 of the French Environmental Code, prescribing the inclusion of an environmental appendix to the leases of premises of more than 2,000 m² for commercial use.

This environmental appendix defines the actions necessary to monitor and improve the energy consumption of leased premises.

The French "PACTE" Law (No. 2019-486 of 22 May 2019) relating to the growth and transformation of companies amended Article L. 642-7 of the French Commercial Code so that any clause requiring the transferee of a commercial lease to joint and several provisions with the transferor cannot prevent a company from taking over another company in receivership or court-ordered liquidation proceedings.

1.3.4.4. Regulations applicable to real estate assets

In the context of the ownership of real estate assets, the Company is subject to various regulations and must therefore meet the requirements of preventing health risks, respecting personal safety and protecting the environment. The main features of these regulations are described below, it being specified that this presentation is not intended to provide an exhaustive analysis of the regulations to which the Group is subject, but only to give an overview of it.

1.3.4.4.1. Asbestos regulations

Regulations relating to the prevention of health risks related to the presence of asbestos are defined in Articles R. 1334-14 to R. 1334-29 of the French Public Health Code.

Under the regulations, the owner of a building whose building permit was issued before 1 July 1997 is required to seek the presence of asbestos in the building it owns, to prepare and update the asbestos technical file.

In case of a sale, an asbestos survey must be appended to the promise of sale if the owner wishes to be exempt from the warranty of latent defects.

1.3.4.4.2. Regulation on establishments open to the public

Buildings and shopping centres owned by the Company and intended for public use must be developed and operated under the conditions defined by Articles R. 162-8 et seq. of the French Construction and Housing Code relating to accessibility to people with disabilities and by articles R. 143-1 et seq. of said Code (it being specified that the numbering of articles applicable to establishments open to the public has been modified following the re-codification of the regulatory part of the French Construction and Housing Code, implemented by Decree No. 2021-872 of 30 June 2021), which prevents the risk of fire and panic.

The provisions resulting from the ELAN law of 23 November 2018, its decree of 23 July 2019, as well as its implementing decree of 10 April 2020, create two new obligations for the owners of tertiary buildings and tenants, where applicable:

- an obligation to reduce the building's energy consumption by carrying out works and optimising the use of the premises; and
- an obligation for the parties to the commercial lease agreement to communicate the energy consumption data and to transmit them, starting in 2021, through the digital platform " OPERAT" set up by ADEME; it being specified that the first transmissions must be made as of 30 September 2021 for data relating to 2020.

The law 2019-222 of 23 March 2019 on 2018-2022 scheduling and reform for justice and Decree 2019-912 of 30 August 2019 amending the French Code of the Judicial Organisation made some changes. The judge competent in terms of a commercial lease may be different depending on the dispute:

- for disputes relating to commercial lease rents: the Rent Judge or Presiding Judge of the Court of Justice has jurisdiction to hear disputes relating to the setting of commercial rents. He/she is also competent for the revision and renewal of the rent;
- for disputes relating to the status of commercial leases: the law court has jurisdiction to hear disputes relating to the status of commercial leases (termination of a commercial lease, commercial lease clause, removing a specialisation, assignment of the right to a lease, repair of charges, eviction compensation, security deposit, surety bond, expulsion of the tenant, etc.).

Decree 2022-1289 of 01/10/2022 adopted pursuant to the Climate & Resilience Law (Art. 236) introduces a new statement of risks that must be provided to buyers and tenants, and anticipates the time when the information is provided by sellers and lessors.

With regard to this last point, the opening of an establishment to the public is subject to the authorisation of the Mayor issuing an opening order after verification by the competent safety committee of the measures taken.

These establishments are then subject to periodic inspection visits and unannounced visits by the competent safety committee to verify compliance with safety standards.

1.3.4.4.3. Environmental protection regulations

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. As a result, they constitute Classified Facilities for the Protection of the Environment ("ICPE").

ICPEs are placed under the supervision of the Prefect and the Regional Directorates of Industry, Research and the Environment (DRIRE) responsible in particular for organising the inspection of these facilities.

Moreover, when the classified facility is permanently shut down, its operator is required to inform the Prefect in advance, who may impose obligations to monitor or restore the site.

The ASAP Law amended the procedure for the ending the activity of a classified facility. The new procedure will apply from 1 June 2022.

Water Regulations

Large-scale assets must comply with water regulations for the use and discharges they generate, and in particular the obligation to treat wastewater in accordance with the provisions of the French Public Health Code and the French General Code of Local Authorities, 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 CLIMAT Act).

The management of this natural resource is also integrated from the design stage of construction and rehabilitation projects, subject to authorisation or prior declaration to the competent environmental authority depending on their size, 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.

Risks and pollution report: natural and technological risks -soil information sector

Purchasers or tenants of real estate located in areas covered by a natural, technological or mining risk prevention plan must be informed by the seller or lessor of the existence of these risks.

The information is provided as an appendix to the lease agreement or to any promise to sell, purchase, and to any contract carrying out or recording the sale.

A risks report, referred to as the "Risks and Pollution Report", shall be drawn up in accordance with the template defined by ministerial decree and is appended to the lease agreement or to any promise to sell, purchase, and any contract carrying out or recording a sale.

Decree no. 2022-1289 of 1 October 2022, adopted pursuant to Article 236 of the CLIMAT Law, makes it mandatory as of 1 January 2023, for the seller or lessor, of a property affected by one or more natural risks or by a soil information sector, to inform the potential buyer or tenant at each stage of the sale or lease, and this, as soon as the property advertisement, regardless of the medium.

The French Ministry of Ecological Transition is expected to soon update the risk report template, which is available via the Géorisques portal.

Regulations applicable to the method of holding certain real estate assets

Some of the Company's real estate assets are, due to their specific characteristics, subject to the specific rules of co-ownership and/or the division in volumes (particularly for complicated real estate complexes).

The co-ownership regime is defined by French law No. 65-557 of 10 July 1965 and Decree No. 67-223 of 17 March 1967.

Under this regime, each co-owner holds a unit comprising the exclusive ownership of a private part and a undivided share of the communal areas (main walls, stairwells, halls, communal parking spaces, communal green spaces, etc.).

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

The area and location of the unit are used to determine the ownership shares of the communal areas, on the basis of which the voting rights in the joint owners' meetings are determined and the charges related to the maintenance of the communal areas.

The co-ownership association is a community that brings together all the co-owners of a building.

The co-ownership trustee is the natural or legal person responsible for representing the co-ownership association. They are also responsible for the administration of the communal areas of the co-ownership, the proper management of the building, with the assistance and control of the Property Management Board. The trustee is appointed for a fixed term of up to three years and may be reappointed indefinitely.

The Property Management Board consists of a small team of co-owners (at least three) appointed by the General Meeting of Co-owners, which is mandatory and annual. Its role is to assist the co-ownership trustee and to control its management. The Board elects its own Chairman and holds periodic Board meetings.

French Decree No. 2019-1101 of 30 October 2019 reformed the provisions of co-ownership law. In particular, it stipulates that the status of co-ownership no longer applies imperatively to any building or group of buildings divided into co-ownership units, but only to those for partial or total residential use. This is the most striking provision of this legislation which further clarifies the contractual relationship between the trustee and the union of co-owners and strengthens the powers of the Property Management Board. Most of the provisions came into force on 1 June 2020.

An implementing decree was issued on 2 July 2020, but the bill to ratify the order filed on 15 January 2020 in the Senate has not yet been examined. With regard to the codification of co-ownership law, no progress has been made since the ministerial response of 9 September 2021, under which the Department of Justice indicated in the Senate that it was continuing to work on the subject. (Rep. Min. 20346: OJ Senate Q, 9 Sept. 2021, P. 5277).

On the other hand, Law No. 2022-217 of 21 February 2022 on the differentiation, decentralisation, deconcentration and various measures to simplify local public action, known as the "3DS law", removed the deadline of 23 November 2021 to bring the co-ownership regulations into line with the ELAN law (which defined the concepts of transitional units, special communal areas and communal areas with private use) and established a different regime depending on whether the building is co-ownership before or after 1 July 2022.

The division into volumes is not governed by any legislation.

1.3.4.5. Regulations on the regime for listed real estate investment companies

1.3.4.5.1. Option

As of 1 January 2009, the Company opted for the tax regime for listed real estate investment trusts (REITs) provided for in Articles 208 C, C bis and C ter of the French General Tax Code, a regime reserved for companies whose main purpose is to acquire or construct properties for rental purposes, or direct or indirect ownership of companies whose corporate purpose is identical.

This regime exempts them from corporation tax, subject to distribution, income from the rental of properties, capital gains generated on the disposal of non-related persons, properties, real estate rights, securities of partnerships and subsidiaries that have themselves opted for the scheme, as well as the dividends paid by these subsidiaries.

The terms of option for this scheme, as well as the reporting obligations of REITs, were specified in Decree 2003-645 of 11 July 2003 (codified in Article 46 ter A of Appendix III to the French General Tax Code). An instruction published in the "Official Tax Bulletin" 4 H-5-03 No. 158 bis of 25 September 2003, taken over by BOFIP BOI-IS-CHAMP-30-20 dated 27 March 2019; commented on this regime.

This option concerns FREY and its eligible subsidiaries.

REITs are not subject to an exclusivity rule for the corporate object. The ancillary exercise of activities other than those meeting their main purpose is therefore not likely to cause them to lose the benefit of the regime. 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 owned directly or indirectly at least 95%, together with other REITs or open-ended real estate investment companies (SPPICAV), subject to corporation tax and having the same purpose, may opt for this scheme.

For information purposes, the FREY subsidiaries that have opted for the REIT regime are as follows:

- SAS FREY Retail Fund 1, a joint subsidiary with SPPICAVs, has opted from its creation in December 2011;
- SAS IF Clos du Chêne, a wholly-owned subsidiary of SA FREY, has opted as of 1 January 2012;
- SASU FREY MURS 02, a wholly-owned subsidiary of SA FREY, has opted as of 1 January 2017;
- SAS BBC Promotion, a wholly-owned subsidiary of SA FREY, has opted from 1 January 2022 (letter sent 27/01/2022).

The results 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 regime benefit from the exemption subject to distribution on a pro rata basis of the rights of REIT shareholders. There is no requirement for REITs or their subsidiaries subject to corporation tax to have opted for the REIT regime to hold the capital of these companies.

1.3.4.5.2. Consequences of the option

The option, which is irrevocable and global, results in the cessation of a company insofar as the companies in question cease to be subject to corporation tax in whole or in part. The exercise of the option results in particular in the taxation of unrealised capital gains on properties, real estate rights and securities of transparent real estate companies, generally known as exit tax.

Since the French Finance Law No. 2008-1425 published on 28 December 2008, the rate of this exit tax has been 19%. It is payable by quarter on 15 December of the year of the option and the following three years.

The remainder of tax loss carryforwards not used at the time of the option for the REIT regime (if any) may be charged against the result of cessation, including the base used to calculate the exit tax. The balance not offset is definitively lost.

Eligible companies controlled by FREY, subject to corporation tax beforehand, will also be liable for exit tax if they opt for the REIT regime under the same conditions. Similarly, when properties, real estate rights or equity interests in companies covered by the tax regime for partnerships become eligible for the corporate tax exemption subsequent to opting for this scheme, unrealised capital gains recorded on these assets must also be subject to exit tax at the rate of 19% over four years.

1.3.4.5.3. Tax regime

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

- profits from the rental of properties in respect of the activity covered by this scheme must be distributed up to 95% before the end of the financial year following the year on which they were made;
- capital gains on the sale of properties, real estate rights, interests in companies referred to in Article 8 having the same purpose as REITs or securities of subsidiaries subject to tax on companies that have opted for the REIT regime must be distributed up to 70% before the end of the second financial year following that in which they were made;
- dividends received from subsidiaries that have opted for the REIT regime (or from another REIT that it controls) must be fully redistributed in the year following the year in which they were received.

If the REITs or their chosen subsidiaries do not make the necessary distributions, within the required period and proportion, they incur the loss of the exemption on all income (profits, capital gains, dividends) for the financial year in question (except in special circumstances).

Income from the exercise of ancillary activities is subject to corporation tax under the conditions of ordinary law. The taxable sector result has no impact on the earnings of the exempt sector and does not influence the distribution obligations relating to 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.

Moreover, a 20% levy is payable on dividends relating to exempt profits and paid to shareholders who are legal entities holding, directly or indirectly, at least 10% of the Company's capital and who are not subject to a rate at least equal to one third of the French tax rate.

1.3.4.5.4. Opting out of the regime

Failure to comply with the conditions of access to the plan during years after entry into the plan results in removal from the REIT regime and consequently of the subsidiaries that have opted for it.

In the event that the Company leaves the REIT regime within ten years of the option, it would be required to pay an additional corporation tax at the normal rate on the amount of capital gains taxed at the reduced rate of 19% due to the option for the REIT scheme.

Furthermore, it would also be liable for a 25% levy on the amount of unrealised capital gains acquired during the exemption period, less one tenth per year entered into the exemption scheme.

Finally, the Company would be required to reinstate the exempt profits of previous years and not distributed in its taxable income for the year in which it leaves the regime.

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 making their decision to invest in the Company's securities.

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

The Company has identified the main categories and the most significant risks, presented in an order that the Company considers, on the date of this document, to be the order of decreasing importance within each category determined by the Company.

The three categories identified are:

- risks related to the Group's environment;
- risks related to the regulations applicable to the Group;
- risks related to the Group's operational activity.

Within these categories, the Group has identified 14 major risks for which it has assessed the criticality for its business, financial and asset position, image and outlook and assigned a rating to each of its risks:

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

This rating corresponds to the Group's current perception of the importance of these risk factors, based on the perceived probability of these risks, and the estimated extent of their adverse impact, after taking into account the means of control put in place by the Company in order to limit the occurrence and/or impact of the identified risks.

The time horizon defined for this risk rating work is five years.

The two scales of impact and probability are rated on four levels:

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

Investors should, however, be aware that other risks that are totally or partially unknown and for which the occurrence is not envisaged at the date of filing of this Universal Registration Document may exist and could have a negative impact on the Group's business.

The risk analysis is summarised in the table below.

In each category, the most important risk factors are presented first. This risk hierarchy takes into account the effects of the measures taken by the Company to manage these risks.

1.4.1. SUMMARY TABLE

Risk factors	Rating		
	Probability	Impact	Criticality
The Group's environment			
● Economic environment	Probable	Major	3
● Commercial fixed assets market	Possible	Major	2
● Competitive environment	Rare	Major	2
● Rent indexation	Probable	Limited	1
Regulations applicable to the Group			
● Administrative permits	Highly probable	Major	3
● Regulation of leases and non-renewal	Possible	Major	2
● REIT status	Rare	Major	2
The Group's operational activity			
● Non-compliance with a financial covenant	Rare	Critical	3
● Development of new assets	Possible	Major	2
● Failure to obtain financing or obtaining less favourable terms	Possible	Significant	2
● Acquisition of new assets	Possible	Significant	2
● Solvency of tenants	Highly probable	Limited	2
● Brands	Probable	Limited	1
● Interest rates	Possible	Limited	1

1.4.2. DETAILED PRESENTATION OF EACH RISK

1.4.2.1. Risks related to the Group's environment

Risks related to the economic environment

The Group's real estate assets consist of commercial assets located in retail parks in France and on the Iberian Peninsula. The Group's activity is sensitive to changes in the economic environment and consumption. In 2022, the Group's three countries of operation continued to suffer the effects of the COVID-19 health crisis and the related economic difficulties.

The European economy is facing growing difficulties in the current environment, marked by the biggest shock on the energy market since the 1970s and the crisis in the cost of living for many households affected by skyrocketing inflation.

This position is likely to affect the rental income generated by the Group in the medium and long term. In fact, such an environment could lead to a decrease in consumption and therefore in the turnover of tenant brands, which could have a significant adverse effect on the ability for certain tenants to pay their rents, on the renewal of leases under terms at least identical to the current conditions, on the occupancy rate and the total return on the assets in question, or on their valuation, and to significantly affect the Group's business, financial and asset position and outlook.

Moreover, a lasting slowdown in the economy could lead to a different market environment that is unfavourable to lessors, which is likely to have a significant impact on the Group's investment policy and the development of new assets, and thus on the outlook for growth.

In order to cope with these health and economic crises, the Group is maintaining its policy of constant discussion with partner brands, based on the collection of turnover from the main tenants and the analysis of changes in the use of these assets, via a vehicle counting system. All of this information makes it possible to anticipate the risks of termination and/or non-renewal of a lease, as well as the re-marketing of the units before their actual release.

Risks related to the commercial real estate market

The Group's activity, rental levels and the valuation of commercial properties are heavily influenced by the supply and demand of commercial real estate, which in turn is influenced by changes in consumer trends and preferences.

An unfavourable change in demand in relation to the Group's supply and/or inability to adapt to new requests could affect the business, financial and asset position, as well as the Group's image and outlook.

Unfavourable developments in the commercial real estate market could force the Group to postpone the completion of certain commercial programmes, to carry out certain arbitrage transactions not initially planned, and/or to carry out certain arbitrages necessary or planned under less favourable conditions.

The Group takes all these parameters into account in its strategic choices and constantly innovates to maintain a resilient and differentiating model in the development and management of its assets, notably through its Shopping Promenade® concept.

Risks related to the competitive environment

In the course of its various activities, the Group is faced with numerous players, real estate companies or developers, operating or developing programmes of the same architectural type (outdoor shopping centres) and operating in the same geographical areas as the Group (i.e. France and Iberia).

As part of its development activity, the Group is faced with other players in the real estate development sector that could restrict the Group's ability to acquire real estate or to develop projects efficiently and under attractive economic conditions, particularly if these competitors have greater financial resources.

The Company also faces significant competition in its rental business. The development, close to the Group's retail premises, of a competing retail space with a similar level of quality could affect the Group's ability to lease its retail locations, as well as the level of rents and therefore have an adverse impact on earnings.

For several years, the Group has also been confronted by the rise of e-commerce, which has changed consumption habits (easy comparison, access to a broader offer, removal of geographical constraints, etc.). This competition may potentially lead to a decrease in the turnover of tenants of the assets and therefore affect the Group's property management activity.

Increased competition in the aforementioned activities and/or insufficient measures taken by the Group to differentiate itself could affect the business, financial and asset position, as well as the Group's image and outlook.

The Group takes all these parameters into account in its strategic development choices and in the selection of brands.

The Group is launching the pre-marketing of its sites even before the acquisition of land, putting in place a differentiating consumer experience, particularly through its concept of Shopping Promenade®, which offers a rewarding environment offering a real open-air shopping outing, free giant play areas, a mix of on-trend brands covering a wide range of products and a powerful and inventive food industry, while favouring attractive rent and charges.

The health crisis experienced since 2020 confirmed the resilience of the Group's assets in this unprecedented situation confronted by large closed shopping centres and even e-commerce.

Risks related to rent indexation

All leases signed by the Group are subject to two public indices (the commercial rent index ("ILC") and the cost of construction index ("ICC") for the indexation of rents, which limit the possibility that lessors have to increase rents and optimise their rental income.

Given the growing importance of the Group's real estate business, it is increasingly sensitive to changes in the two indices used to index rents. 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 regulations applicable to the Group

Risks related to administrative authorisations

The market for the development of outdoor buildings and shopping centres is characterised by major, largely administrative, constraints related to the need to obtain building permits and/or commercial operating authorisations.

The risks are mainly related to the time taken to process requests for authorisation by the competent administrative departments (from 2 to 5 months provided that the application file is complete) and to the filing of administrative appeals or litigation against the authorisations issued, which may delay their implementation, over relatively long periods, and result in additional costs or even the abandoning of projects, and thus have adverse consequences on the Group's activity and results.

In order to minimise this risk, the Company conducts a systematic audit of applications for authorisations to be filed in order to ensure compliance with applicable regulations.

Furthermore, there may be a desire to reduce the number of authorisations granted to certain parts of the territory, reflecting a more restrictive policy on commercial town planning on the outskirts of urban areas, which could ultimately have adverse consequences on the Group's development and outlook for growth.

Risks related to the regulations on leases and their non-renewal

In France, the legislation relating to commercial leases is very strict with regard to the lessor. The contractual provisions, imposed by regulations, relating to the duration, termination, renewal (capping of rents) or the indexation of rents relating to these leases limit in particular the possibility of increasing rents to correlate them to market rents.

Furthermore, on the expiry date of the lease and at the end of each three-year period, the tenant has the option either to release the premises or to opt for the renewal of its lease.

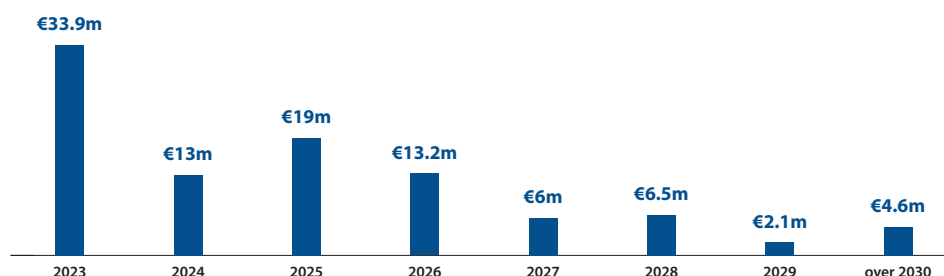
At the end of the lease, in the event of a refusal to renew by the lessor, the tenant is entitled to an eviction compensation calculated, in particular, on the basis of the value of the tenant's business, and which could therefore have a significant adverse impact on the Group's financial position.

Furthermore, it cannot be ruled out that, when renewing leases or marketing new assets, the Group may be faced with changes in legislation, regulations or case law imposing new or more restrictive limitations on the revaluation of rents, duration, indexation and capping of rents, or the calculation of the eviction compensation payable to tenants. These changes to the rules applicable to commercial leases could have negative consequences on the Group's business and financial position and assets.

The Group cannot guarantee that it will be able to market its vacant units quickly and at an equivalent level of rent. The absence of income generated by these vacant areas and the related fixed expenses are likely to affect the Group's financial position.

In order to take into account changes related to the adoption of new laws or regulations that may have an adverse impact on the Group's position and the development of its activity, the Legal Department, in liaison with the Group's network of external advisors, collects, processes and disseminates appropriate information within the Group relating to the legislation of the various countries in which the Group has interests, namely France, Spain and Portugal.

At 31 December 2022, the breakdown of the risk of tenants leaving the Group's economic assets was as follows:



Risks related to constraints resulting from the tax regime applicable to listed real estate investment companies ("REIT"), loss of benefit from this status or a possible change in the terms of this status

The benefit of the REIT regime, to which FREY, all of its transparent subsidiaries for tax purposes, as well as its four subsidiaries that have opted-in, is subject to the redistribution of a significant portion of the realised profits (i.e. 95% of the profits generated by the property business, 70% of the capital gains on the sale of real estate assets and 100% of the dividends received from a subsidiary that has opted-in). Compliance with this obligation of redistribution could constitute a constraint likely to limit the Group's self-financing capacity and the implementation of a strategy to develop its assets and thus have an unfavourable medium-term effect on the Group's financial position and assets as well as its outlook.

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

One of the conditions of application of the REIT regime is that the Company having opted for the regime must not be held, directly or indirectly, by one or more shareholders acting in concert within the meaning of Article L. 233-10 of the French Commercial Code (other than companies themselves subject to the REIT regime), representing 60% or more than its capital or voting rights (subject to a limited number of temporary exceptions related to the completion of certain restructuring operations or an acquisition of at least 95% by another REIT).

However, if this event occurs for the first time in a period of 10 years following the option or in the following 10 years, and provided that the holding limit is once again respected at the end of the fiscal year, the Company does not exit the REIT scheme but simply loses the benefit of the corporate tax exemption for the overrun, which is then a factor in the deterioration of the results of the REIT.

When re-entering the scheme, the Company must pay corporation tax at the rate of 19% on unrealised capital gains earned during the temporary exit period.

The loss of the REIT regime would therefore be likely to significantly affect the Group's financial and asset position.

Moreover, the loss of the REIT regime would mean the loss of the corresponding tax savings, which would also affect the Group's business, results and image.

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

The Company carries out regulatory monitoring with the support of a renowned tax firm and ensures that it complies with all of its obligations as a listed Real Estate Investment Company.

1.4.2.3. Risks related to the Group's operational activity

Risks of non-compliance with a financial covenant

FREY Group financing contracts, and in particular credit lines representing 92% of the Group's total debt at 31 December 2022, provide minimum ICR (Interest Cover Ratio), LTV (Loan To Value) and secured debt ratios.

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

- The **ICR ratio** measures the relationship between rent and financial interest.
- The **LTV ratio** measures the ratio between the loan outstanding and the value of the DI asset.
- The **Secured Debt** ratio measures the ratio between the outstanding secured debt and the value of the DI asset.

Individual ratios	LTV excluding duties
Relevant debt	€35.4 million
Required ratios	<60.0%
Ratios at 31/12/2022	50.6%

Individual ratios	ICR
Relevant debt	€35.4 million
Required ratios	> 200%
Ratios at 31/01/2023	1,582%

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

Consolidated ratios	LTV including stamp duty	ICR	Collateralised debt
Relevant debt	€745.0m	€745.0m	€745.0m
Required ratios	≤ 60.0%	≥ 2.0	< 20.0%
Ratios at 31/12/2022	38.9%	5.1	3.2%

Failure to comply with these ratios would mean early repayment of the financing in question, 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 2022, all of the undertakings and covenants entered into with financial partners by the FREY Group were complied with.

Risks related to the development of new assets

The significant risks associated with the Group's development activity are as follows:

- the cost of building assets could be higher than initially estimated: the construction phase could be longer than expected, technical difficulties or delays in execution may arise due to the complexity of certain projects and the prices of construction materials could change in an unfavourable manner;
- the Group's investments (for new projects, renovations and extensions) are subject to administrative authorisations that could be granted late or even refused to the Group or its partners;
- the Group's projects require the consent of third parties, such as flagship brands, creditors or its partners in respect of developments carried out in partnership, and such consents may not be granted or be granted under terms different from those hoped for;

- the Company may not obtain financing on satisfactory terms for its projects;
- the costs incurred initially (for example, the costs of studies) may not generally be deferred or cancelled in the event of delays or non-implementation of its projects.

As a result, these risks could lead to delays or even cancellations of transactions, or even their completion at a cost greater than initially planned, which could affect the Group's financial and asset position and its outlook.

The development of new buildings and commercial business parks also depends on the availability of land reserves as a raw material. The availability of this raw material depends on success in finding land and negotiating the acquisition cost.

The Group has highly specialised teams dedicated to the development of new projects, with the aim of finding available land that is conducive to the development of outdoor shopping centres. However, competition from other players and/or changes in the economic environment could increase the price of land in proportions that would not be compatible with the Group's objectives. This could have adverse consequences on the Group's business, its financial position and its development prospects.

Risks related to a failure to obtain financing or obtaining less favourable terms

Implementing the Group's growth strategy means investing substantial amounts in developing new assets. Part of the financing required for these developments is covered by the use of debt, even if the Group may also use the market or its equity to finance its growth strategy.

Depending on the economic environment, changes in the regulatory environment and the assessment of the Group's risk for the various lenders, access to these resources may be blocked, in part or in full, or be granted under less favourable terms than those currently prevailing.

Failure to obtain financing, obtaining less favourable conditions, or a time lag in financing necessary for medium-term projects developed by the Group, could have an adverse effect on the Group's financial position and growth outlook.

Risks related to the acquisition of new assets

The acquisition and disposal of assets are part of the Group's strategy.

However, a hidden defect not received prior to the acquisition, a dispute with a tenant not declared by the seller, or any error in the analysis of the value of an asset or company may result in it being acquired at a price greater than its actual value. This would result in the recognition of an impairment loss on this asset in the Group's financial statements and would therefore have an adverse 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.

Guarantees of assets/liabilities and/or 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 tenant solvency

The relationship between a lessor and a tenant is determined by the terms of the lease. The tenant must pay its lessor all the sums contractually defined in the lease (rents, charges, marketing funds, etc.), regardless of the change in the economic environment, and despite potential exceptional events (strike, climate disaster, health crisis, etc.).

Given the share of the Group's revenues generated by the leasing of its real estate assets to third parties, which currently represent almost all of its turnover, default and/or late payment of rents are likely to significantly affect its financial position.

This risk is assessed in light of the Group's diversification policy aimed at limiting the individual weight of each tenant in the formation of turnover. For example, at 31 December 2022, the top ten customers accounted for 19.0% of the Group's economic assets, and none of these customers accounted for more than 3.0% of this same economic rent.

Moreover, the Group has, for each of its leases, a security deposit or a bank guarantee representing three months' rent.

Brand-related risks

The Group's assets are leased to national and international retailers, as well as small groups, franchisees and sole traders. These brands, whether present or future, may encounter difficulties, experience a decrease in appeal due to strategic errors in their offers or marketing positions, a slowdown or even the cessation of their activities.

The occurrence of these risks could lead to a decrease in the variable portion of rents indexed to turnover (which at 31 December 2022 represents 2.7% of the total annual amount of rents on consolidated assets received by the

Group), and lead to the 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. In such an event, the Group's business, financial and asset position and outlook may be affected.

In order to limit these risks, before each lease is signed, the Group carries out a financial assessment of the brand (production of budgets, balance sheets and income statements).

Thanks to nearly 40 years of existence, the Group has the perspective and experience necessary to assess the quality of a brand.

Interest rate risks

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

At 31 December 2022, the Group's financial debt to credit institutions amounted to €806.3 million.

Most of the financing put in place by the Group is based on a variable interest rate (3-month Euribor). A significant increase in this rate could therefore have an adverse impact on its results, via the resulting increase in financial expenses.

To counter the unfavourable impact of an increase in interest rates on its results, the Group entered into several hedging contracts in the form of swaps and cap, thereby reducing exposure to interest rate risk. The percentage of the Group's total debt (bank and bonds) not subject to interest-rate fluctuations was 97.9% at 31 December 2022.

(In €m)	-100 pts	-50 pts	E3M	+50 pts	100 pts
Impacts	0.4	-	-	-	0.1

A significant increase in interest rates could also have an adverse impact on the valuation of the Group's assets, as the rates of return applied by real estate experts to value commercial properties are determined in part according to the level of interest rates.

1.5. CAPITAL INFORMATION

1.5.1. AMOUNT OF SHARE CAPITAL

At 31 December 2022, the share capital amounted to €70,917,007.50. It is divided into 28,366,803 shares with a par value of €2.50, all of the same category and fully paid up.

As of the date of this report, there are no securities that may give access to the company's capital in the future.

1.5.2. CHANGE IN SHARE CAPITAL

As at 31 December 2022, the share capital of FREY had not been modified.

1.5.3. MAIN SHAREHOLDERS

The voting rights and shares presented in the table below were calculated on the basis of information relating to the total number of shares comprising FREY's share capital appearing in the monthly summary of treasury share transactions published on 31 December 2022, namely:

Date	Number of shares comprising the share capital	Number of voting rights
31/12/2022	28,366,803	Theoretical: 28,366,803 Exercisable*: 28,254,035

* The number of exercisable voting rights corresponds to the number of theoretical voting rights (or total number of voting rights attached to the shares) after deducting shares deprived of voting rights (here, shares held by the Group under the buyback programme as defined in paragraph 1.5.9.1 of this management report).

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

Shareholding	31/12/2022			31/12/2021			31/12/2020		
	Number of shares	% of share capital	% voting rights ⁽¹⁾	Number of shares	% of share capital	% voting rights ⁽¹⁾	Number of shares	% of share capital	% voting rights ⁽¹⁾
Main shareholders:									
FIRMAMENT PARTICIPATIONS ⁽²⁾	7,530,096	26.55%	26.65%	7,529,046	26.54%	26.61%	6,916,208	28.11%	28.13%
PREDICA	5,589,451	19.70%	19.78%	5,589,451	19.70%	19.76%	4,768,661	19.38%	19.39%
FONCIÈRE AG REAL ESTATE ⁽³⁾	3,170,995	11.18%	11.22%	3,170,995	11.18%	11.20%	3,121,891	12.69%	12.69%
EFFI INVEST II	1,130,460	3.99%	4.00%	1,130,460	3.99%	4.00%	1,130,460	4.59%	4.60%
CARDIF ASSURANCE VIE	3,560,743	12.55%	12.60%	3,560,743	12.55%	12.59%	2,808,030	11.41%	11.42%
SOGECAP	3,560,743	12.55%	12.60%	3,560,743	12.55%	12.59%	2,808,030	11.41%	11.42%
SCI PRIMONIAL CAPIMMO	2,389,352	8.42%	8.46%	2,389,352	8.42%	8.44%	1,696,009	6.89%	6.90%
IDPE ⁽⁵⁾	103,356	0.36%	0.37%	103,356	0.36%	0.37%	101,756	0.41%	0.41%
CARUSO ⁽⁶⁾	17,808	0.06%	0.06%	17,808	0.06%	0.06%	17,808	0.07%	0.07%
Corporate officers ⁽⁴⁾	65,498	0.23%	0.23%	42,861	0.15%	0.15%	42,532	0.17%	0.17%
Treasury shares	112,768	0.40%	N/A	73,605	0.26%	N/A	15,127	0.06%	N/A
Cross-shareholding	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Public:									
● bearer shares	1,064,184	3.75%	3.77%	1,147,147	4.04%	4.05%	1,133,964	4.61%	4.61%
● registered shares	71,349	0.25%	0.25%	51,236	0.18%	0.18%	42,787	0.17%	0.17%
TOTAL	28,366,803	100.00%	100.00%	28,366,803	100.00%	100.00%	24,603,262	100.00%	100.00%

(1) The percentages of voting rights given in this table are calculated taking into account treasury shares held by the Company that are deprived of voting rights pursuant to the provisions of Article L. 225-210 of the French Commercial Code.

(2) Firmament Participations is approximately 50.66% owned by Mr Antoine FREY and his wife Mrs Aude FREY, 35.32% by Crédit Mutuel Equity and 14.02% by others. The manager of Firmament Participations is its general partner, Firmament Gestion SAS, registered with the Trade and Companies Register of Reims under number 800 554 982, and whose share capital is wholly-owned by Mr Antoine FREY. Firmament Participations is a managing holding company.

(3) The Foncière AG Real Estate sub-total includes shares held by Foncière AG Real Estate and Louvresses Development II, entities of the AG Insurance group.

(4) The corporate officers sub-total includes shares held by the Deputy Chief Executive Officers: François-Xavier Anglade, Pascal Barboni, Sébastien Eymard and François Vuillet-Petite. These are the direct holdings of the corporate officers (NB: François-Xavier Anglade, Pascal Barboni and François Vuillet-Petite resigned as Deputy Chief Executive Officers on 25 July 2022).

(5) IDPE (Import and Distribution of Exotic Products) is controlled by the Lemarchand family.

(6) The simplified joint stock company Caruso is the holding company for the Company's managers.

1.5.4. CROSSINGS OF THRESHOLDS

Crossings of legal thresholds prior to 1 January 2022 are listed on the website of the Autorité des Marchés Financiers.

There has been no declaration of a crossing of a threshold communicated, pursuant to the provisions of Article L. 233-7 of the French Commercial Code, for the financial year ended 31 December 2022 and since the end of the financial year.

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

On 15 May 2019, Predica, Foncière AG Real Estate, Firmament Participations and Antoine FREY entered into a new shareholders' agreement governing their shareholder relations within the Company (the "**shareholders' agreement**"), which cancels and replaces, as from its date of signature, the initial shareholders' agreement relating to the Company, between the same parties, dated 30 April 2013, as amended by its Amendments 1, 2 and 3 (the "**Initial Agreement**").

This shareholders' agreement was entered into in order to (i) take into account the resignation on 17 December 2018 of Re-Invest from its directorship of FREY and the waiver by Foncière AG Real Estate of its right to propose the appointment of a member to the Board of Directors of FREY, (ii) foresee representation rules on the FREY Board of Directors and its various committees reflecting the distribution of FREY's shareholding structure and meeting the best market standards in terms of governance and (iii) extend the duration of the initial shareholders' agreement.

By Amendment 1 dated 15 December 2019, the companies Predica, Foncière AG Real Estate, Firmament Participations and Mr Antoine FREY agreed to extend the term of the Agreement and record the accession of Louvresses Développement II to the Agreement, as an Affiliate of Foncière AG RE, following its acquisition of Shares in the Company.

The parties to the shareholders' agreement represent that they do not intend to act in concert with regard to the Company and that they do not intend to exercise their voting rights within the Company in order to implement a joint policy.

Under the aforementioned agreement, the parties wished to govern their relations with the Company as shareholders and in particular agreed on the following clauses:

Governance

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

- five Directors appointed from among the candidates proposed by Firmament Participations (including Mr Antoine FREY) (the "**Firmament Directors**");
- one director appointed from among the candidates proposed by Predica (the "**Predica Director**");
- two directors proposed by the Board of Directors among the minority shareholders of FREY holding more than 10% of the share capital and voting rights (the "**Minority Directors**"); and
- two independent directors within the meaning of the rules of the Middlednext Code (the "**Independent Directors**").

The Board of Directors may also include up to five observers, including one observer appointed from among the candidates proposed by Foncière AG Real Estate and one observer appointed from among the candidates proposed by Predica. Non-voting directors will be subject to the provisions of the Internal Rules of the Board of Directors.

In the event that Firmament Participations holds less than 20% of the Company's capital and a shareholder holds directly or indirectly, a greater number of Company shares than Firmament Participations, Firmament Participations undertakes to reduce the number of Firmament Directors by one.

In the event that Predica holds less than 10% of the Company's share capital, Predica would lose the right to appoint an observer, and:

- in the event that the crossing of the 10% threshold is the consequence of dilution of its shareholding resulting from a capital increase of the Company, Predica will retain the right to be represented on the Board of Directors by a director;
- should the 10% threshold be crossed as a result of a sale of a block of shares representing 10% of the Company's share capital in favour of a third party, which would be transferred at the same time to the right to representation on the Company's Board of Directors, Predica will lose the right to be represented on the Board of Directors. It is specified that if Predica retains a stake of at least 5% at the end of said sale, the parties undertake to conduct negotiations in good faith in order to determine the most appropriate terms and conditions for Predica to retain representation on the Board of Directors, based on the shareholder representation within the Board on the date of the threshold crossing, and so that Predica's representation rights on the Board of Directors are consistent with those granted at that same date to other institutional shareholders with a comparable level of ownership.

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

The parties agreed to propose the renewal of Mr Antoine FREY in his mandate as Chairman and Chief Executive Officer of the Company. In the event of incapacity for a maximum period of six months of Mr Antoine FREY as Chairman and Chief Executive Officer, he will be replaced by the Deputy Chief Executive Officer(s), for the entire duration of this temporary incapacity.

Throughout the duration of the shareholders' agreement, the parties have undertaken to take all necessary or desirable measures, so that the composition of the aforementioned Board of Directors is adhered to and implemented. Moreover, 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 the FREY Board of Directors are consistent with those enjoyed on that same date by the other institutional shareholders who have a comparable level of ownership.

Investment Committee: the Investment Committee will be composed of six members, appointed by the Board of Directors of FREY from among the directors or observers for the duration of their term of office, including two Firmament Directors, an observer representing Foncière AG Real Estate, one Predica director or an observer representing Predica, and two members appointed from among the minority directors and/or the independent directors.

Audit Committee: the Audit Committee will be composed of five members, appointed by the Board of Directors from among the directors for the duration of their term of office, including one Firmament Director, one Predica director, and three members appointed from among the minority directors and/or the independent directors. The Chairman of the Audit Committee will be chosen in accordance with the recommendations of the Middlednext Code.

Appointments and Remuneration Committee: The Appointments and Remuneration Committee shall have five members appointed by the Board of Directors from among the directors and observers for the period of their term of office, including one Firmament director, one Foncière AG Real Estate observer, one Predica director or Predica 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 Middlednext Code.

Transfer of shares

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

- (i) to any affiliate (i.e. any entity that controls this party, that is controlled by this party or that is controlled by an entity controlling this party, it being specified that the term “control” has the meaning given to it in Article L. 233-3 I of the French Commercial Code);
- (ii) to any third party 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
- (iii) 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 Predica 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 Predica 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 Predica 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 (Predica 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 best of 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 FREY SA

Pursuant to the provisions of Article 11 of the Articles of Association of 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 2022, 1, 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 28,254,035 exercisable voting rights), Antoine FREY holds, either directly or indirectly via Firmament Participations, 26.55% of the Company's share capital and 26.65% 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 best of 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 best of 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. CROSS-SHAREHOLDING

No Company shares are held by other Group entities.

1.5.9. TREASURY SHARES

At 31 December 2022, the Company had 112,768 treasury shares valued at €3,856,665.

1.5.9.1. Share buybacks

The General Shareholders' Meeting of 18 May 2022 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 Company reserves the right to participate in the purchase of blocks of securities as well as to continue the execution of this share buyback programme during a public acquisition or exchange offer involving the Company's capital securities.

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 for the implementation of the programme: €156,017,400 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 18 May 2022, i.e. until 18 November 2023.

At 31 December 2022, the Company held 112,768 treasury shares, or 0.40% of its share capital at that date, divided between the following two contracts:

- 8,832 shares held under the liquidity agreement signed on 3 March 2017 for market-making purposes;
- 103,936 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 2022, the following were held in the liquidity (market-making) account:

- 8,832 shares representing €306,581.60 in stock;
- €494,188.48 in cash.

In financial year 2021, 10,245 shares were purchased and 10,760 shares sold under the liquidity (market-making) agreement.

1.5.9.1.2. Other buybacks

In financial year 2022, the Company purchased 98,031 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 11 May 2021 and 18 May 2022 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.

1.5.11. EMPLOYEE SHAREHOLDING

1.5.11.1. Incentive contract

During the financial year ended 31 December 2022 and under the free share allocation plans, the Company allocated 32,742 shares to employees corresponding to plan No. 14.

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, with a term of three years from 1 January 007, was renewed in May 2021 for a further period of 3 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

Fourteen 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	Plan No. 5
Date of Board meeting	21/02/2014	25/03/2015	22/09/2015	06/07/2016	22/09/2016
Number of shares allocated	9,625	6,005	1,486	3,348	2,635
Of which awarded to corporate officers	5,500	1,623	0	1,182	2,635
Date shares vested	21/02/2016	25/03/2017	22/09/2017	06/07/2018	22/09/2018
Retention period ends	21/02/2018	25/03/2019	22/09/2019	06/07/2020	22/09/2020
Number of shares cancelled or lapsed at 31 December 2022	0	1,675	1,486	0	0
Number of shares acquired at 31 December 2022	9,625	4,330	0	3,348	2,635
Number of shares awarded at 31 December 2022	0	0	0	0	0

Plan No.	Plan No. 6	Plan No. 7	Plan No. 8	Plan No. 9	Plan No. 10
Date of Board meeting	10/05/2017	10/05/2017	20/06/2018	20/06/2018	07/03/2019
Number of shares allocated	4,101	31,020	41,826	1,301	35,502
Of which awarded to corporate officers	4,101	14,097	17,487	337	17,392
Date shares vested	10/05/2019	10/05/2019	20/06/2020	20/06/2020	07/03/2021
Retention period ends	10/05/2021	10/05/2021	20/06/2022	20/06/2022	07/03/2023
Number of shares cancelled or lapsed at 31 December 2022	0	833	5,544	252	19,249
Number of shares acquired at 31 December 2022	4,101	30,187	36,282	1,049	16,253
Number of shares awarded at 31 December 2022	0	0	0	0	0

Plan No.	Plan No. 11	Plan No. 12	Plan No. 13	Plan No. 14
Date of Board meeting	10/07/2019	02/04/2020	31/03/2021	24/02/2022
Number of shares allocated	4,567	36,197	47,015	32,742
Of which awarded to corporate officers	0	17,392	26,089	18,902
Date shares vested	10/07/2021	02/04/2022	11/05/2022	24/02/2024
Retention period ends	10/07/2023	02/04/2024	11/05/2023	24/02/2026
Number of shares cancelled or lapsed at 31 December 2022	1,000	21,555	3,304	0
Number of shares acquired at 31 December 2022	3,567	14,642	43,711	0
Number of shares awarded at 31 December 2022	0	0	0	32,742

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 THE 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 €34.20 at 31 December 2022, the Company's market capitalisation was €970.1 million.

From 1 February 2022 to 31 January 2023, the 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 2022 to 31 December 2023 is as follows:

Position at 31 December 2022

Percentage of share capital directly or indirectly held as treasury shares	0.40%
Number of shares cancelled over the past 24 months	Nil
Number of treasury shares ⁽¹⁾	112,768
Carrying amount of the portfolio at 31 December 2022 (in €)	3,374,775
Market value of the portfolio at 31 December 2022 ⁽²⁾ (in €)	3,856,666

(1) Of which 8,832 shares were allocated to the liquidity (market-making) agreement and 103,936 shares purchased under the buyback programme.

(2) On the basis of the closing price of €34.20 at 31 December 2022.

Aggregate gross flows at 31 December 2022

	Purchases	Sales	Transfers
Number of shares	108,276	10,760	58,353
Average transaction price (in €)	32.73	33.90	30.85
Amounts (in €)	3,544,141.91	364,765.88	1,800,434.43

1.6. CORPORATE GOVERNANCE

1

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: Conflicts of interest	YES
R3: Membership of the Board of Directors – Inclusion of independent members	YES
R4: Notification of Board members	YES
R5: Training of "Board members"	NO -the company is considering the implementation of a training plan
R6: Holding of Board and Committee Meetings	YES
R7: Establishment of committees	NO -the Investment Committee is chaired by a non-independent director who holds 12.55% of the Company's share capital
R8: Establishment of a specialised Corporate Social Responsibility (CSR) Committee	NO -the Company has not set up a specialised CSR committee, but this does not call into question the importance of this aspect that can be seen in its strategic decisions. The Board of Directors approved, on the one hand, the transformation of the Company into a company with a mission, and the Bcorp certification. These two CSR approaches maximise the Company's positive impact.
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 "members of the Board" in respect of their office	YES
R13: Evaluation of the work of the Board	YES
R14: Relationship 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	NO -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 has been granted.
R20: Supplementary pension plans	Not applicable -No supplementary pension plan has been 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 offices 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.

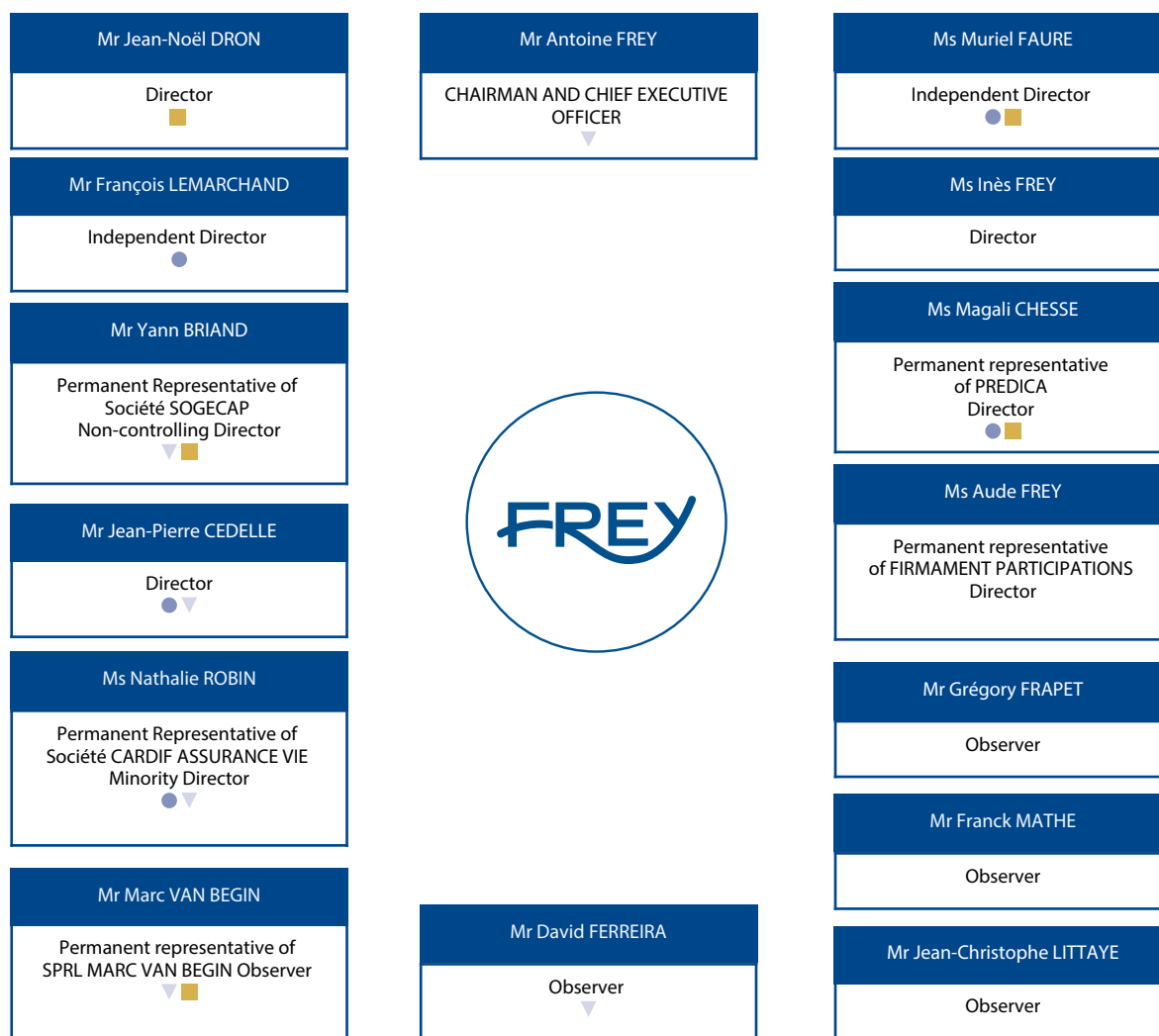
In addition to these main qualities, it is expected that members of the Board of Directors will make their decisions with an awareness of the environmental and social issues related to the Company's business.

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 MiddleNext 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.

The quality of the board of directors of FREY is assessed in terms of the balance of its composition and the competence and ethics of its members.



● Audit Committee ▼ Investment Committee ■ Appointments and Remuneration Committee

In its report on corporate governance dated 1 December 2022, the Autorité des Marchés Financiers recommended that each year the Appointments Committee questions the Board's needs in terms of expertise, including with regard to the various CSR topics, and to draw the consequences on the recruitment process put in place.

The quality of the board of directors of FREY is assessed in terms of the balance of its composition and the competence and ethics of its members.

At the meeting of the Board of Directors on 23 February 2023, the following experience and skills were identified:

- | | |
|---|---|
|  Property sector |  Finance, accounting and economy |
|  Risk management |  Governance |
|  Climate and sustainable development |  International |
|  Innovation | |

The skills and experience of each director are presented individually below.

Presentation of the terms of office of directors, permanent representatives and their skills:

1

ANTOINE FREY

CHAIRMAN OF THE BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

POWERS OF THE DIRECTOR:



PERSONAL DETAILS:

French nationality, 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 31/12/2022 OR ON THE DATE OF ISSUE, 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

POWERS OF THE DIRECTOR:



PERSONAL DETAILS:

French nationality, 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 31/12/2022 OR ON THE DATE OF ISSUE, 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

FIRMAMENT PARTICIPATIONS

DIRECTOR WHOSE REPRESENTATIVE IS AUDE FREY

INFORMATION:

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

FIRST APPOINTMENT:

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

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 31/12/2022 OR ON THE DATE OF ISSUE, IF APPLICABLE

Nil

OFFICES OUTSIDE THE GROUP THAT ENDED OVER THE LAST FIVE YEARS

Nil

INES FREY

DIRECTOR

POWERS OF THE DIRECTOR:



PERSONAL DETAILS:

French nationality, born in Reims in 2002

DATE FIRST APPOINTED:

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

CURRENT TERM OF OFFICE EXPIRES:

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

Inès FREY is a student at King's College in London in 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.

OFFICES AND MAIN POSITIONS HELD AS AT 31/12/2022 OR ON THE DATE OF ISSUE, IF APPLICABLE

Member of the Supervisory Board:

- SCA Firmament Participations

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

Nil

JEAN-PIERRE CEDELLE

DIRECTOR

POWERS OF THE DIRECTOR:



PERSONAL DETAILS:

French nationality, born in 1953 in Soissons

DATE FIRST APPOINTED:

24 June 2013

CURRENT TERM OF OFFICE EXPIRES:

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

Graduate studies/Diplomas: École du Bâtiment et des Travaux Publics (EBTP).

Professional experience: Methods engineer at several international locations (Saudi Arabia, Iraq, Nigeria); Chief Technical Officer, Immobilière FREY; Chairman, Immobilière FREY

OFFICES AND MAIN POSITIONS HELD AS AT 31/12/2022 OR ON THE DATE OF ISSUE, 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

JEAN-NOËL DRON

DIRECTOR

POWERS OF THE DIRECTOR:



PERSONAL DETAILS:

French nationality, 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 31/12/2022 OR ON THE DATE OF ISSUE, 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
- SAS RESTAURANT & CAVEAU DE LA CATHEDRALE
- SAS TRASCO SAR
- SAS TRASCO BELLE EPOQUE
- SAS TRASCO AMBASSY
- SAS TRASCO LYES
- SAS WERNER BURCKER
- SAS TRASCO CK

Manager:

- SARL Trasco
- SARL TRASCO-Société Messine de Restauration
- SARL JNC INVEST
- SCI DRON
- SCI DRON 01
- SCI Kammerzell
- SCI Kleber 1
- SCI Kleber 2

Member of the Supervisory Board:

- SCA Firmament Participations

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

Managing Director:

- SAS ALSACE À TABLE

Chairman:

- SAS CHEZ ANDRÉ

MURIEL FAURE

INDEPENDENT DIRECTOR

POWERS OF THE 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. Over more than 20 years she has notably created and developed a portfolio management company, Fourpoints IM. Since 2017, through her company LUMHIO, she has been Senior Advisor to the independent management company, Financière Tiepolo.

At the same time, she is involved in the profession within the French Financial Management Association by chairing the Technology Innovations Committee. She is a member of the Board of the Autorité des Marchés Financiers.

OFFICES AND MAIN POSITIONS HELD AS AT 31/12/2022 OR ON THE DATE OF ISSUE, 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

Nil

FRANÇOIS LEMARCHAND

INDEPENDENT DIRECTOR

POWERS OF THE DIRECTOR:



PERSONAL DETAILS:

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 31/12/2022 OR ON THE DATE OF ISSUE, IF APPLICABLE

Chairman of the Board of Directors:

- Mercator SA
- Importation et Distribution de Produit Exotiques SA

Director:

- Société Anonyme Immobilière de Villemiland-Wissous

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

Nil



DIRECTOR WHOSE PERMANENT REPRESENTATIVE IS YANN BRIAND

1

INFORMATION:

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

FIRST APPOINTMENT:

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 31/12/2022 OR ON THE DATE OF ISSUE, IF APPLICABLE**French companies****Director:**

- SA Selectirente
- SA Carmila
- SA FREY
- SPPICAV Otel
- SA Covivio Hôtels
- SAS Orientex Holdings
- SA Fonds Stratégique de Participations

Chairman:

- SAS SGI Holding SIS

Manager:

- Sogevimmo
- Pierre Patrimoine
- Sogepierre
- SGI Immo 1
- SGI Healthcare
- SGI Immo 3
- SGA 48-56 Desmoulins
- SGI Immo 5
- SGI Kosmo
- SGI 1-5 Astorg
- SGI 10-16 Ville l'Évêque
- SGI Caen
- SGI Vilette
- 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
- SA Oradéa Vie

French company**Director:**

- Carmila SAS

Manager:

- Château Mazeyres Pomeroy

/ YANN BRIAND

REPRESENTATIVE OF SOGECAP

POWERS OF THE DIRECTOR:



PERSONAL DETAILS:

French national, born in Carhaix Plouguer in 1974

Head of Real Estate -Sogecap.

OFFICES AND MAIN POSITIONS HELD AS AT 31/12/2022 OR ON THE DATE OF ISSUE, IF APPLICABLE

French companies

Director (as permanent representative of Sogecap):

- SA FREY
- SA CARMILA
- SA COVIVIO HOTELS
- Icade Health SA
- SA Icade Healthcare Europe
- SA Powerhouse
- SA 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

- Representative of SOGECAP, Member of the Board of CARMILA SAS
- Manager of SCI SGA RESIPARIS

/ CARDIF ASSURANCE VIE

DIRECTOR WHOSE PERMANENT REPRESENTATIVE IS NATHALIE ROBIN

INFORMATION:

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

Registered office at 1 Boulevard Haussmann - 75009 Paris

FIRST APPOINTMENT:

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 31/12/2022 OR ON THE DATE OF ISSUE, IF APPLICABLE**French companies****Director:**

- SA ICADE Santé
- SA Assu-Vie Société Française d'Assurances sur la Vie
- SPPICAV SA Health 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 Bouléragny
- SCI Vendôme Athènes
- SCI Paris Grande Armée
- Société Civile pour l'Étude et l'Aménagement du Centre d'Affaires Régional de Rungis (SECAR)
- SCI Bordeaux Armagnac

Chairman:

- SAS FDI Poncelet

Foreign company**Director:**

- Société par actions Cardif El Djazair

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

- SPPICAV SA Shopping Property Fund 1

NATHALIE ROBIN

REPRESENTATIVE OF CARDIF ASSURANCE VIE

POWERS OF THE DIRECTOR:



PERSONAL DETAILS:

French national,
born in Paris in 1962

Head of Real Estate at BNP Paribas Cardif.

OFFICES AND MAIN POSITIONS HELD AS AT 31/12/2022 OR ON THE DATE OF ISSUE, IF APPLICABLE

French companies

Director:

- SPPICAV SAS 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 & Partenaires Immobilier 1
- SAS Korian & Real Estate Partners 2

Member of the Supervisory Board:

- SCI Hémisphère Holding
- SAS Preim Healthcare
- SPPICAV SAS PWH
- SICAV CERTIVIA 2

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

French company

- SCPI France Investipierre
- SPPICAV SAS Plein Air Property Fund

/ **PREDICA**

DIRECTOR WHOSE PERMANENT REPRESENTATIVE IS MAGALI CHESSE

INFORMATION:

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

FIRST APPOINTMENT:

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 31/12/2022 OR ON THE DATE OF ISSUE, IF APPLICABLE**French companies****Member of the Supervisory Board (within CAA Group):**

- CA GRANDS CRUS
- PREIM HEALTHCARE
- SOPRESA

Director (within CAA Group):

- PREVISEO OBSEQUES
- LESICA

Member of the Supervisory Board (outside CAA Group):

- EFFI-INVEST II
- COVIVIO HÔTELS (formerly Foncière des Murs listed company)
- INTERFIMMO
- ALTAREA (listed company)

Director (outside CAA Group):

- KORIAN (listed company)
- Fonds Nouvel Investissement 1
- Fonds Nouvel Investissement 2
- Fonds Stratégique de Participations
- COVIVIO (formerly Foncière des Régions listed company)
- AEROPORT DE PARIS (listed company)
- ARGAN
- CAA Commerces 2
- GECINA (listed company)
- OPCI Messidor
- Patrimoine & Commerce
- CARMILA
- SEMMARIS
- AEW IMMOCOMMERCIAL

Observer (outside CAA Group):

- SIPAREX Associes

Chairman (outside CAA Group):

- PREDI RUNGIS

Foreign companies**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 GBMH

Director:

- SANEF (listed company)
- EUROSIC (listed company)
- LOUVRESSES DEVELOPMENT I
- URBIS PARK
- CA LIFE GREECE
- RAMSAY GENERALE DE SANTE (listed company)
- Foncière Développement Logement (listed company)
- La Médicale de France
- CAAM Mone Cash
- RIVER OUEST

Chairman:

- CITADEL
- CITADEL HOLDING

MAGALI CHESSE

REPRESENTATIVE OF PREDICA

POWERS OF THE DIRECTOR:



PERSONAL DETAILS:

French national, born in
Strasbourg in 1974

Head of Equity Investment Strategies -Crédit Agricole Assurances.

OFFICES AND MAIN POSITIONS HELD AS AT 31/12/2022 OR ON THE DATE OF ISSUE, 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 II (Predica member of the Supervisory Board)
- SA SEMMARIS (Predica director)
- Siparex Associés, SA (Predica, observer on the Board of Directors)
- SAS Tivana France Holdings (Predica), observer on the Supervisory Board (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 Predica Infrastructure
- SA Ramsay Santé
- SCA Effi Invest I (Predica member of the Supervisory Board)
- SA FREY

Business address of the directors: 1 Rue René Cassin -51/24430 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 2022.

Statements concerning the 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 gender.

During the financial year 2022, 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 to have a 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 Middledex 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.

The 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 2022, 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 24 February 2022; 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.

At 31 December 2022, the Chairman and CEO is assisted by one Deputy Chief Executive Officer:

- Sébastien Eymard, Deputy Chief Executive Officer, Finance and International

The role of the Deputy Chief Executive Officer is to assist the Chairman and Chief Executive Officer, to whom he reports, in the day-to-day management of FREY

As Sébastien Eymard's term of office expires at the end of the Annual General Meeting called to approve the financial statements for the year ending 31 December 2022, the Board of Directors shall be called upon to approve its renewal.

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 Officer(s).

On 25 July 2022, the Board of Directors of FREY acknowledged the resignation of François-Xavier Anglade, Pascal Barboni and François Vuillet-Petite as Deputy Chief Executive Officer.

New name of the Executive Management:

- Antoine FREY, Chairman and Chief Executive Officer
- Sébastien Eymard, Deputy Chief Executive Officer, Finance and International
- François-Xavier Anglade, Deputy Chief Executive Officer, Asset Management
- Pascal Barboni, Deputy Chief Executive Officer for Development
- François Vuillet-Petite, Deputy Chief Executive Officer

These resignations and appointments do not constitute a change in governance and are part of a technical restructuring of senior management so that it is more suited to the FREY Group.

List of positions held by Deputy Chief Executive Officers for the financial year 2022 or until the term of their office.

SEBASTIEN EYMARD

DEPUTY CHIEF EXECUTIVE OFFICER, FINANCE AND INTERNATIONAL

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 31/12/2022

Within the Group:

Foreign companies

Chairman of the Board of Directors:

- Parc Vallès Inversiones Inmobiliarias SLU
- Sociedad Gestora Santa Margarida SLU
- Eurofund Parc Lleida SL

Director:

- FREY Invest

Chairman of the Supervisory Board:

- FREYprop SA

Chairman:

- FREY mediterraneo
- Finestrelles shopping centre

OFFICES THAT ENDED OVER THE LAST FIVE YEARS

Within the Group:

Foreign companies

Chairman of the Board of Directors:

- FREY Durango SL
- Parla Natura SL

FRANÇOIS VUILLET-PETITE

DEPUTY CHIEF EXECUTIVE OFFICER UNTIL 25 JULY 2022

PERSONAL DETAILS:

French nationality, born in Reims in 1968

DATE FIRST APPOINTED:

24 June 2013

CURRENT TERM OF OFFICE EXPIRES:

25 July 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 31/12/2022

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 companies

Co-Manager:

- FREYprop, Unipessoal Lda (before change in legal form)

PASCAL BARBONI

DEPUTY CHIEF EXECUTIVE OFFICER FOR DEVELOPMENT UNTIL 25 JULY 2022

PERSONAL DETAILS:

French national, born in Paris in 1976

DATE FIRST APPOINTED:

21 September 2017

CURRENT TERM OF OFFICE EXPIRES:

25 July 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 31/12/2022

Within the Group:

Foreign companies

Director:

- FREY Invest SLU (Spain)

Member of the Supervisory Board:

- FREYprop SA (Portugal)

OFFICES THAT ENDED OVER THE LAST FIVE YEARS

Within the Group:

French company

Chairman:

- Citizers by FREY SAS

FRANÇOIS-XAVIER ANGLADE

DEPUTY CHIEF EXECUTIVE OFFICER ASSET AND ACQUISITIONS UNTIL 25 JULY 2022

PERSONAL DETAILS:

French national, born in Orléans in 1975

DATE FIRST APPOINTED:

20 May 2020

CURRENT TERM OF OFFICE EXPIRES:

25 July 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 AT 31/12/2022

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

Manager:

- GEMMANO sp. z.o.o
- GIAROLE sp. z.o.o

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

Nil

Business address of the Executive Management: 1 Rue René Cassin -51/24430 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.

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 is composed of:

- 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;

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 is made up of:

- 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 Predica;
- 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;

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 the opinions so obtained.

Each committee reports (via its Chairman) 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.

- 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 2022 financial year, the Investment Committee met twice, on 23 May and 5 July 2022.

- 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 their terms of office 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 Middledenext Code.

During the 2022 financial year, the Appointments and Remuneration Committee met once on 21 February 2022.

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 is made up of:

- Muriel Faure;
- Jean-Pierre Cedelle;
- Nathalie Robin, permanent representative of Cardif Assurance Vie;
- Magali Chesse, permanent representative of Predica;
- 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 Middenext Code.

During the 2022 financial year, the Audit Committee met four times on 21 February, 22 July, 12 October and 13 December 2022. The Board of Directors followed all the recommendations issued by the Audit Committee in the 2022 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, he/she 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 24 February, 6 April, 18 May, 25 May, 7 July, 25 July, 28 September, 19 October, 17 November and 15 December 2022, with an average attendance rate of 91% (not including observers).

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

- Review of conflicts of interest;
- Update on the activity of the Company and its subsidiaries during the second half of 2021;
- Review and approval of the parent company financial statements for the year ended 31 December 2021;
- Proposed allocation of earnings;
- Review and approval of the consolidated financial statements for the year ended 31 December 2021;
- Update on the liquidity agreement -Annual balance sheet;
- Regulated 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 2022 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 2021;
- Review and implementation of the free share allocation plan to employees and corporate officers of the FREY Group under the authorization granted by the Extraordinary General Shareholders' Meeting of 11 May 2021 under the terms of its 23rd resolution;
- Proposed renewal of delegations of authority and financial authorisations granted to the Board of Directors;
- Renewal of the authorisation granted to the Chairman and Chief Executive Officer to grant sureties, endorsements or guarantees in the name and on behalf of the Company;
- Annual update on the Company's policy on equal pay and professional equality; Annual assessment of the operation and preparation of the Board's work in accordance with recommendation 13 of the MiddleNext Code;
- Amendment of Article 1.2 of the Rules of Procedure the Board of Directors;
- 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;
- Presentation of the report of the Mission Committee;
- Convening of shareholders for an ordinary and extraordinary general meeting; Determining the agenda of this meeting; Powers to the Chairman and Chief Executive Officer;

- Review and approval of the FREY Group strategic plan;
- Implementation of the new share buyback programme as part of the authorisation granted by the Combined General Meeting of 18 May 2022 under the terms of its 15th resolution;
- Review by Board members of the shareholders' vote at the Combined General Meeting of 18 May 2022;
- Review of the terms and conditions relating to the acquisition of a leading historical retail park "Parque Mediterraneo" located in Cartagena (Murcia -Spain); Authorisation of investments to be made in respect of this transaction;
- Presentation and approval of the half-yearly activity report of the Company and its subsidiaries;
- Approval of the half-yearly consolidated financial statements at 30 June 2022;
- Report on the implementation of the liquidity agreement -half-yearly balance sheet;
- Review and approval of the FREY Group's five-year business plan (2023 -2027)

Attendance at Board meetings by video-conference

Directors attending meetings of the Board of Directors by videoconference 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.

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.

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.

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 24 February 2022, 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.

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.

1.6.2.3. Presentation of the management team

At 31 December 2022, the Board of Directors, the Chief Executive Officer, the Deputy Chief Executive Officer and the Deputy Chief Executive Officers were assisted by the Executive Committee:

Mary Blaise, Chief Financial Officer

Mary holds a DSCG (Diploma of Accounting and Finance) and was responsible for consolidating the FREY Group's accounts at KPMG for 6 years; she joined the company in 2016 as a Consolidation and Reporting Analyst.

Her knowledge of the Group and her experience very quickly lead her to take responsibility for the Reporting and Consolidation Department. She is now Chief Financial Officer.

Vanessa Debut, Real Estate Legal Director

After 8 years as Chief Legal Officer of the Grand Frais Group in Lyon, Vanessa joined FREY in September 2014 as Head of Legal Affairs.

In March 2018, she was appointed Deputy Chief Legal Officer.

Her experience led her to take over the responsibility of FREY's Real Estate Legal Department in March 2020.

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 Predica, 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;
- Predica (represented by Magali Chesse) was appointed to the Board of Directors at the behest of Predica;

Carine Stoeffler, Risk Manager

Carine joined the Group's teams in 2009 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.

Carine supports FREY and its development by identifying and strengthening the control of operational, legal and financial risks.

Grégory Samocki, Sales Director

Grégory is a graduate of the NEGOCIA business school, specialised as a "brand developer" (2005).

He joined the FREY Group in April 2006 as a marketer.

In 2013, he took over the sales department (appointed Sales Director).

- David Ferreira was appointed as observer to the Board of Directors on the initial proposal of Predica;
- 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.

Furthermore, 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 2022

During the 2022 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 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 50 shares at a unit price of €32.40 Acquisition of 26 shares at a unit price of €32.40	09/03/2022	2022DD825601
Firmament Participations	Euronext acquisition	Shares	Acquisition of 50 shares at a unit price of €32.70 Acquisition of 50 shares at a unit price of €32.80	11/03/2022	2022DD826117
Firmament Participations	Euronext acquisition	Shares	Acquisition of 25 shares at a unit price of €33.00	14/03/2022	2022DD826387
Firmament Participations	Euronext acquisition	Shares	Acquisition of 50 shares at a unit price of €33.00 Acquisition of 50 shares at a unit price of €32.30	25/03/2022	2022DD831966
Firmament Participations	Euronext acquisition	Shares	Acquisition of 50 shares at a unit price of €33.00	29/03/2022	2022DD832512
Firmament Participations	Euronext acquisition	Shares	Acquisition of 25 shares at a unit price of €33.00	30/03/2022	2022DD832671
Firmament Participations	Euronext acquisition	Shares	Acquisition of 50 shares at a unit price of €33.00 Acquisition of 50 shares at a unit price of €33.00	28/04/2022	2022DD838013
Firmament Participations	Euronext acquisition	Shares	Acquisition of 50 shares at a unit price of €33.00	06/05/2022	2022DD840076
Firmament Participations	Euronext acquisition	Shares	Acquisition of 50 shares at a unit price of €32.40 Acquisition of 50 shares at a unit price of €32.60 Acquisition of 50 shares at a unit price of €32.60 Acquisition of 50 shares at a unit price of €32.80 Acquisition of 50 shares at a unit price of €33.00	31/05/2022	2022DD844369
Firmament Participations	Euronext acquisition	Shares	Acquisition of 50 shares at a unit price of €33.00 Acquisition of 50 shares at a unit price of €33.00	02/06/2022	2022DD844768
Firmament Participations	Euronext acquisition	Shares	Acquisition of 50 shares at a unit price of €33.00	03/06/2022	2022DD844974
Firmament Participations	Euronext acquisition	Shares	Acquisition of 24 shares at a unit price of €33.00	07/06/2022	2022DD845265
Firmament Participations	Euronext acquisition	Shares	Acquisition of 50 shares at a unit price of €34.00	03/11/2022	2022DD869830
Sébastien Eymard	Sale on Euronext	Shares	Sale of 4,745 shares at a unit price of €35.20	16/11/2022	2022DD7872145
Firmament Participations	Euronext acquisition	Shares	Acquisition of 50 shares at a unit price of €34.00	24/12/2022	2022DD877573

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 2022/2023 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 also 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 2022.

As such, the General Meeting of 18 May 2022 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	433,333	433,333 ⁽⁴⁾	N/A	11,500	46,584	N/A	Nil	Nil
Jean-Pierre CEDELLE	115,472 ⁽¹⁾	9,619 ⁽⁵⁾	Nil	14,500	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
Inés 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
Predica	Nil	Nil	Nil	11,750	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) (6)}	106,292	65,536	Nil	Nil	3,420	3,925 shares	Nil	Nil
Pascal BARBONI ^{(3) (6)}	143,918	131,262	Nil	Nil	2,885	5,371 shares	Nil	Nil
Sébastien EYMARD ⁽³⁾	267,500	243,346	Nil	Nil	3,936	5,681 shares	Nil	Nil
François-Xavier ANGLADE ^{(3) (6)}	104,881	68,433	Nil	Nil	2,254	3,925 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 President.

(2) As observer.

(3) Remuneration for their employment contract within the FREY Group.

(4) Variable remuneration in respect of 2022.

(5) In respect of profit-sharing

(6) Remuneration calculated on a pro rata basis until 25 July 2022, date of termination of their corporate office.

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 2022 financial year were made in strict accordance with the remuneration policy approved by the General Meeting of shareholders of the Company on 18 May 2022 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 18 May 2022 approving the planned remuneration policy for the 2022 financial year, the General Meeting called to approve the financial statements for the financial year ended 31 December 2022 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 2022 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 2022.

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

(In €)	Antoine FREY Chairman and Chief Executive Officer		François VUILLET-PETITE Deputy Chief Executive Officer	
	2022	2021	2022 ⁽⁴⁾	2021
Remuneration due for the financial year ⁽¹⁾	1,307,584	856,632	175,248	300,004
Value of multi-year variable remuneration granted during the financial year	266,667	116,667	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	75,760	213,922
Valuation of other long-term remuneration plans	N/A	N/A	N/A	N/A
TOTAL	1,574,251	973,299	251,008	513,926

(In €)	Pascal BARBONI Deputy Chief Executive Officer for Development		Sébastien Eymard Deputy Chief Executive Officer, Finance and International	
	2022 ⁽⁴⁾	2021	2022	2021
Remuneration due for the financial year ⁽¹⁾	278,065	446,214	514,782	445,011
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)}	103,671	237,702	194,290	237,702
Valuation of other long-term remuneration plans	N/A	N/A	N/A	N/A
TOTAL	381,736	683,916	709,072	682,713

(In €)	François-Xavier ANGLADE Deputy Chief Executive Officer, Asset Management	
	2022 ⁽⁴⁾	2021
Remuneration due for the financial year ⁽¹⁾	175,568	244,503
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)}	75,760	166,394
Valuation of other long-term remuneration plans	N/A	N/A
TOTAL	251,328	410,897

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

(2) Valuation of bonus shares allocated prorated on 25 July 2022 (except Mr EYMARD). Section 1.5.11.2.1 above gives the breakdown of free shares granted.

(3) Valuation at closing price in 2021 (€32.80) and 2022 (€34.20)

(4) Remuneration calculated on a pro rata basis until 25 July 2022, date of termination of their corporate office.

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

(In €)	Antoine FREY				François VUILLET-PETITE			
	Chairman and Chief Executive Officer				Deputy Chief Executive Officer			
	FY 2022		FY 2021		FY 2022 ⁽¹⁰⁾		FY 2021	
	Amount due	Amount paid	Amount due	Amount paid	Amount due	Amount paid	Amount due	Amount paid
Fixed remuneration	433,333	433,333	400,000	400,000	106,292	106,292	180,000	180,000
Annual variable remuneration	433,333 ⁽¹⁾	400,000 ⁽²⁾	400,000	144,917	65,536 ⁽¹⁾	113,440 ⁽²⁾	113,440	82,560
Multi-year variable remuneration	383,334 ⁽⁸⁾	210,000 ⁽⁷⁾	116,667 ⁽⁹⁾	-	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	11,000 ⁽³⁾	11,500 ⁽⁴⁾	11,500	9,500	N/A	N/A	N/A	N/A
Benefits in kind	46,584 ⁽⁵⁾	46,584 ⁽⁵⁾	45,132	45,132	3,420 ⁽⁶⁾	3,420 ⁽⁶⁾	6,564	6,564
TOTAL	1,307,584	1,101,417	973,299	599,549	175,248	223,112	300,004	269,124

(In €)	Pascal BARBONI				Sébastien Eymard			
	Deputy Chief Executive Officer, Development				Deputy Chief Executive Officer, Finance and International			
	FY 2022 ⁽¹⁰⁾		FY 2021		FY 2022		FY 2021	
	Amount due	Amount paid	Amount due	Amount paid	Amount due	Amount paid	Amount due	Amount paid
Fixed remuneration	143,918	143,918	230,000	230,000	267,500	267,500	230,000	230,000
Annual variable remuneration	131,262 ⁽¹⁾	211,033 ⁽²⁾	211,033	181,800	243,346 ⁽¹⁾	211,033 ⁽²⁾	211,033	181,800
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	2,885 ⁽⁶⁾	2,885 ⁽⁶⁾	5,181 ⁽⁶⁾	5,181 ⁽⁶⁾	3,936 ⁽⁶⁾	3,936 ⁽⁶⁾	3,978	3,978
TOTAL	278,065	357,836	446,214	416,981	514,782	482,469	445,011	415,778

(In €)	François-Xavier ANGLADE			
	Deputy Chief Executive Officer, Asset Management			
	FY 2022 ⁽¹⁰⁾		FY 2021	
	Amount due	Amount paid	Amount due	Amount paid
Fixed remuneration	104,881	104,881	165,000	165,000
Annual variable remuneration	68,433 ⁽¹⁾	75,413 ⁽²⁾	75,413	64,977
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	2,254 ⁽⁶⁾	2,254 ⁽⁶⁾	4,090	4,090
TOTAL	175,568	182,548	244,503	234,067

(1) Variable remuneration (including profit-sharing) to be paid in 2023 in respect of FY 2022 (see section on variable remuneration below).

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

(3) Remuneration allocated in respect of the term of office of director to be paid in 2023 for FY 2022 (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 2022 for FY 2021 (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 in 20020 and paid in 2022

(8) Bonuses acquired in 2022, governed by the terms and conditions of the free share allocation plans No.12 and 13. The bonus corresponding to plan No. 13 of €266,667 will be paid in 2023, and the one for plan No. 12 of €166,677 in 2024.

(9) Bonus earned in 2021, governed by the conditions of free share allocation plan No. 10. It will be paid in 2023

(10) Remuneration calculated pro rata given the end of their term of office on 25 July 2022

1.6.3.1.4. Variable remuneration of the Chairman and Chief Executive Officer and the Deputy Chief Executive Officers

Short and long-term variable remuneration of the Chairman and Chief Executive Officer

The Board of Directors' meeting of 24 February 2022, acting on the recommendation of the Remuneration Committee of 4 and 30 March 2021, decided to modify the "short-term" variable remuneration arrangements for the Chairman and Chief Executive Officer, by adjusting the targets for the 2022 financial year to include two personal targets and amending the Company's performance criteria:

- set annually for all Group employees;
- three types (3) of targets, which are independent of each other;
- allow the determination of an annual variable bonus, with a weighting adapted 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. obtaining the discharge of the Mission Committee

At a meeting of 23 February 2023, 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 €433,333.

Thus, his variable remuneration and fixed remuneration account for 58% and 39%, respectively, of his total remuneration.

It should be noted that the payment of this annual variable remuneration for the 2022 financial year is subject to approval by the General Meeting called to approve the financial statements for the financial year ended 31 December 2022.

Variable remuneration of Deputy Chief Executive Officers

At its meeting of 24 February 2022, on the advice of the Remuneration Committee meeting of 21 February 2022 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 and François-Xavier Anglade will receive an annual variable bonus equal to seven (7) times their gross fixed monthly remuneration.

For the 2022 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. obtaining the discharge of the Mission Committee.

At a meeting on 23 February 2023, 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%, 90%, 100% achieved, with remuneration (including profit-sharing) amounting to, respectively, €131,262, €43,346, €65,536 and €68,433 pro rata for their term of office in 2022.

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 29% and 31%, respectively.

The proportions of Sébastien Eymard's variable and fixed remuneration relative to his total remuneration are 29% and 32%, respectively.

The proportions of François Vuillet-Petite's variable and fixed remuneration relative to his total remuneration are 19% and 31%, respectively.

The proportions of François-Xavier Anglade's variable and fixed remuneration relative to his total remuneration are 22% and 34%, respectively.

It should be noted that the payment of this annual variable remuneration for the 2022 financial year is subject to approval by the General Meeting called to approve the financial statements for the financial year ended 31 December 2022.

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

On 24 February 2022, 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.

At the same meeting, 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 24 February 2022 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 18 May 2022 voted to set €200,000 as the maximum payable in directors' fees to the members of the Board of Directors in respect of the 2022 financial year.

	FY 2022		FY 2021	
	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	11,000	1,296,584 ⁽³⁾	11,500	961,799 ⁽³⁾
Jean-Pierre CEDELLE	15,000	115,472 ⁽¹⁾	14,500	115,472 ⁽¹⁾
Jean-Noël DRON	6,000	Nil	5,750	Nil
Firmament Participations	9,000	Nil	8,000	Nil
Inès FREY	4,000	Nil	6,000	Nil
François LEMARCHAND	3,000	Nil	3,000	Nil
Muriel FAURE	24,250	Nil	24,000	Nil
SPRL Marc VAN BEGIN ⁽²⁾	4,750	Nil	5,500	Nil
Predica	11,250	Nil	11,750	Nil
Sogecap	10,250	Nil	10,250	Nil
Cardif Assurance Vie	11,000	Nil	13,500	Nil
Jean Christophe LITTAYE ⁽²⁾	4,500	Nil	4,500	Nil
Grégory FRAPET ⁽²⁾	3,500	Nil	1,500	Nil
David FERREIRA ⁽²⁾	Nil	Nil	Nil	Nil
Franck MATHE ⁽²⁾	1,500	Nil	2,500	Nil
TOTAL	€119,000	1,412,056	€122,250	€1,077,271

(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 2022, paid in 2023.

(5) Remuneration allocated in respect of 2021, paid in 2022.

1.6.3.1.6. Disclosures concerning the existence for executive corporate officers of SA FREY of: an employment contract, supplementary pension plans, payments or benefits due or liable to be due as a result of termination or change of role or subsequent to these, or payments relating to a non-compete clause

Senior executives/corporate officers	Employment contract	Supplementary pension plan	Payments or benefits due or liable to be due as a result of termination or change of role	Payments relating to a non-compete clause
Antoine FREY				
Chairman and Chief Executive Officer	NO	NO	NO	NO
François-Xavier ANGLADE				
Deputy Chief Executive Officer, Asset Management	YES	NO	NO	NO
Pascal BARBONI				
Deputy Chief Executive Officer, Development	YES	NO	NO	NO
Sébastien Eymard				
Deputy Chief Executive Officer, Finance and International	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 tables below show 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), and 24 February 2022 (Plan No. 14) the terms and conditions of which are described in Section 1.5.11.2 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)	14 24/02/2022	3,925	€134,235	24/02/2024	24/02/2026	1. 50% of shares subject to growth in the EPRA NDV NAV ps (restated for the distribution of dividends and the dilutive effect of equity/quasi equity issuance transactions) of +12% between 31/12/2021 and 31/12/2023 . 2. 50% of shares subject to growth in profit/(loss) from recurring operation (ROC) restated for DAP and DAA of +13% between 31/12/2021 and 31/12/2023 .
Pascal BARBONI (Senior Executive)	14 24/02/2022	5,371	€183,688	24/02/2024	24/02/2026	1. 50% of shares subject to growth in the EPRA NDV NAV ps (restated for the distribution of dividends and the dilutive effect of equity/quasi equity issuance transactions) of +12% between 31/12/2021 and 31/12/2023 . 2. 50% of shares subject to growth in profit/(loss) from recurring operation (ROC) restated for DAP and DAA of +13% between 31/12/2021 and 31/12/2023 .
Sébastien EYMARD (Senior Executive)	14 24/02/2022	5,681	€194,290	24/02/2024	24/02/2026	1. 50% of shares subject to growth in the EPRA NDV NAV ps (restated for the distribution of dividends and the dilutive effect of equity/quasi equity issuance transactions) of +12% between 31/12/2021 and 31/12/2023 . 2. 50% of shares subject to growth in profit/(loss) from recurring operation (ROC) restated for DAP and DAA of +13% between 31/12/2021 and 31/12/2023 .
François-Xavier ANGLADE (Senior Executive)	14 24/02/2022	3,925	€134,235	24/02/2024	24/02/2026	1. 50% of shares subject to growth in the EPRA NDV NAV ps (restated for the distribution of dividends and the dilutive effect of equity/quasi equity issuance transactions) of +12% between 31/12/2021 and 31/12/2023 . 2. 50% of shares subject to growth in profit/(loss) from recurring operation (ROC) restated for DAP and DAA of +13% between 31/12/2021 and 31/12/2023 .
TOTAL		18,902	€646,448			

(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 2022 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 31/12/2022	3,348	2,635	4,101	30,187
Number of shares cancelled or lapsed at 31 December 2022	0	0	0	833
Number of outstanding shares allocated at 31/12/2022	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 31/12/2022	36,282	1,049	16,253	3,567
Number of shares cancelled or lapsed at 31 December 2022	5,544	252	19,249	1,000
Number of outstanding shares allocated at 31/12/2022	0	0	0	0

Plan No.	Plan No. 12	Plan No. 13	Plan No. 14
Date of Board meeting	02/04/2020	31/03/2021	24/02/2022
Number of free shares allocated	36,197	47,015	32,742
Number of shares allocated to corporate officers	17,392	26,089	18,902
<i>François Vuillet-Petite</i>	4,348 ⁽¹⁾	6,522 ⁽¹⁾	3,925 ⁽¹⁾
<i>Pascal Barboni</i>	4,831 ⁽¹⁾	7,247 ⁽¹⁾	5,371 ⁽¹⁾
<i>Sébastien Eymard</i>	4,831 ⁽¹⁾	7,247 ⁽¹⁾	5,681 ⁽¹⁾
<i>François-Xavier Anglade</i>	3,382 ⁽¹⁾	5,073 ⁽¹⁾	3,925 ⁽¹⁾
Date shares vested	02/04/2022	11/05/2022	24/02/2024
Retention period ends	02/04/2024	11/05/2023	24/02/2026
Number of shares definitively allocated at 31/12/2022	14,642	43,711	0
Number of shares cancelled or lapsed at 31 December 2022	21,555	3,304	0
Number of outstanding shares allocated at 31/12/2022	0	0	32,742

(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.	Date of plan	Number of shares becoming available during the financial year	Of which subject to Performance conditions
François Vuillet-Petite	No. 4	06/07/2016	788	788
	No. 6	10/05/2017	4,101	4,101
	No. 8	20/06/2018	4,672	4,672
	No. 9	20/06/2018	146	0
Pascal BARBONI	No. 7	10/05/2017	4,101	0
	No. 8	20/06/2018	4,672	4,672
	No. 9	20/06/2018	73	0
Sébastien EYMARD	No. 7	10/05/2017	6,792	0
	No. 8	20/06/2018	4,672	4,672
	No. 9	20/06/2018	73	0
François-Xavier Anglade	No. 4	06/07/2016	394	0
	No. 7	10/05/2017	3,204	0
	No. 8	20/06/2018	3,471	3,471
	No. 9	20/06/2018	45	0
TOTAL			37,204	22,376

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	2022	2021	2020	2019	2018
Mean ratio	15.69	13.84	10.55	10.48	9.78
Median ratio	19.54	18.72	12.96	13.81	13.76
SMIC ratio	60.32	59.88	44.56	46.81	45.30
Change in NAV NDV ⁽²⁾	9.3%	2.6%	-4.5%	29.4%	64.0%
Change in total remuneration of the Chairman and Chief Executive Officer	6%	36%	-4%	5%	35%
Change in average employee remuneration ⁽³⁾	-8%	-4%	3%	-1%	22%

For François Vuillet-Petite, Deputy Chief Executive Officer:

x times	2022 ⁽¹⁾	2021	2020	2019	2018
Mean ratio	5.86	6.33	5.12	5.51	5.18
Median ratio	7.30	8.56	6.29	7.26	7.28
SMIC ratio	22.53	27.39	21.63	24.60	23.98
Change in NAV NDV ⁽²⁾	9.3%	2.6%	-4.5%	29.4%	64.0%
Change in total remuneration of the Deputy Chief Executive Officer	-13%	29%	-11%	4%	10%
Change in average employee remuneration ⁽³⁾	-8%	-4%	3%	-1%	22%

For Pascal Barboni, Deputy Chief Executive Officer:

x times	2022 ⁽¹⁾	2021	2020	2019	2018
Mean ratio	8.91	8.43	7.21	6.62	5.79
Median ratio	11.10	11.40	8.85	8.72	8.14
SMIC ratio	34.26	36.46	30.43	29.58	26.81
Change in NAV NDV ⁽²⁾	9.3%	2.6%	-4.5%	29.4%	64.0%
Change in total remuneration of the Deputy Chief Executive Officer	-1%	22%	4%	12%	23%
Change in average employee remuneration ⁽³⁾	-8%	-4%	3%	-1%	22%

For Sébastien Eymard, Deputy Chief Executive Officer:

x times	2022	2021	2020	2019	2018
Mean ratio	9.34	8.41	7.19	6.66	5.78
Median ratio	11.63	11.38	8.83	8.78	8.13
SMIC ratio	35.91	36.39	30.36	29.75	26.76
Change in NAV NDV ⁽²⁾	9.3%	2.6%	-4.5%	29.4%	64.0%
Change in total remuneration of the Deputy Chief Executive Officer	4%	22%	3%	13%	5%
Change in average employee remuneration ⁽³⁾	-8%	-4%	3%	-1%	22%

For François-Xavier Anglade, Deputy Chief Executive Officer:

x times	2022 ⁽¹⁾	2021	2020	2019	2018
Mean ratio	5.87	5.06	4.31	N/A	N/A
Median ratio	7.30	6.85	5.29	N/A	N/A
SMIC ratio	22.55	21.90	18.19	N/A	N/A
Change in NAV NDV ⁽²⁾	9.3%	2.6%	-4.5%	N/A	N/A
Change in total remuneration of the Deputy Chief Executive Officer	8%	22%	4%	N/A	N/A
Change in average employee remuneration ⁽³⁾	-8%	-4%	3%	N/A	N/A

⁽¹⁾ The Deputy CEOs who resigned were treated as corporate officers for the entire financial year to allow comparability over time.

⁽²⁾ From the financial years beginning on 1 January 2020, the triple net EPRA NAV is replaced by the NAV NDV.

⁽³⁾ The sample of employees selected for the calculation of ratios is made up of the Group's employees of any category under open-ended and fixed-term contracts with a full-year presence. Inflows and outflows during the year are therefore neutralised. For employees, the remuneration used is the gross remuneration paid (fixed, variable and benefits in kind), as well as, where applicable, profit-sharing and the valuation of free shares awarded (at the closing price for the year).

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 23 February 2023, and acting on the recommendation of the Appointments and Remuneration Committee, meeting on 21 February 2023, adopted the remuneration policy for all corporate officers of the Company for the 2023 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 2023 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 2023 financial year remains broadly unchanged from 2022. As a reminder, the Company's Combined General Meeting of shareholders of 18 May 2022 approved 100% of the remuneration policy applicable to the corporate officers for 2022. 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 Officer 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;

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 23 February 2023, acting on the recommendation of the Appointments and Remuneration Committee meeting of 21 February 2023, 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 18 May 2022;
- (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.

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 23 February 2023, acting on the recommendation of the Appointments and Remuneration Committee meeting of 21 February 2023, 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 remains broadly unchanged compared to the 2022 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.

- 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;
- align remuneration levels with the Company's results.

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.

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 60% 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 23 February 2023, acting on the recommendation of the Appointments and Remuneration Committee meeting of 21 February 2023, the Board of Directors set the annual fixed remuneration of the Chairman and Chief Executive Officer at €440,000 gross for the 2023 financial year

Short-term variable remuneration

At its meeting of 23 February 2023, acting on the recommendation of the Appointments and Remuneration Committee meeting of 21 February 2023, the Board of Directors approved the principles and criteria applicable to the annual variable remuneration of the Chairman and Chief Executive Officer for the 2023 financial year

By way of example, for the financial year ended 31 December 2022, the short-term annual variable component of the remuneration of the Chairman and Chief Executive Officer was €433,333.

For 2023, the annual variable portion of the remuneration of the Chairman and Chief Executive Officer was determined taking into account the achievement of collective targets applicable to all Group employees and whose definition is based on:

- a breakdown into mutually independent categories;
- quantitative and qualitative 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 2023, the reference to the following elements was selected (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 compensation

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 23 February 2023, acting on the recommendation of the Appointments and Remuneration Committee meeting of 21 February 2023, 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.

This long-term variable remuneration is subject to a four-step process:

- a vesting/performance criteria assessment period of two years;
- 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).

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 2022 fixed remuneration if the performance criteria are 100% achieved.

For example, the long-term variable bonus determined in 2023 will be subject to a vesting period running to 2025 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 2024 compared with the consolidated financial statements for the financial year ended 31 December 2022, will be paid in 2027.

Extraordinary remuneration

Lastly, 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:

- a company car;
- 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 2022, it should be noted that the amount of benefits in kind awarded to the Chairman and Chief Executive Officer totalled €46,584.

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 €1,900 for 2023.

At its meeting of 23 February 2023, acting on the recommendation of the Appointments and Remuneration Committee meeting of 21 February 2023, the Board of Directors decided to propose the renewal of these benefits in kind for the 2023 financial year for an amount of €38,508 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 2023 financial year.

For reference, it should be noted that the Chairman and Chief Executive Officer was awarded €11,000 in directors' fees for the 2022 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 Officer

Firstly, we would like to inform you that Sébastien Eymard, Deputy Chief Executive Officer, holds an employment contract with the Company, in respect of which the fixed, variable and exceptional components of his compensation are, where applicable, paid to him, and the benefits in kind from which he is entitled.

Mr Eymard was reappointed by the Company's Board of Directors on 20 May 2020 for a term of 3 years terminating at the end of the Ordinary General Meeting convened to approve the financial statements for the fiscal year ending 31 December 2022. 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 a meeting held on 23 February 2023, acting on the recommendation of the Appointments and Remuneration Committee meeting of 21 February 2023, the Board of Directors approved the items of remuneration for the Deputy Chief Executive Officer.

For fiscal year 2023, this remuneration policy remained broadly unchanged compared to the 2022 financial year.

The overall structure of the remuneration of the Deputy Chief Executive Officer 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 compensation paid to Sébastien Eymard under his employment contract for the year ended 31 December 2022 amounted to €267,500 gross.

At its meeting held on 23 February 2023, acting on the recommendation of the Appointments and Remuneration Committee meeting of 21 February 2023, the Board of Directors decided to approve Mr Sébastien Eymard's annual fixed compensation in 2023 at €275,000 gross.

Variable remuneration

At its meeting of 23 February 2023, acting on the recommendation of the Appointments and Remuneration Committee meeting of 21 February 2023, the Board of Directors approved the principles and criteria applicable to the annual variable remuneration of the Deputy Chief Executive Officer for the 2023 financial year.

These principles are broadly unchanged from those approved for the 2022 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 for Sébastien Eymard came to €243,346, including profit-sharing, under his employment contract.

The 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.

Sébastien Eymard's total variable bonus may reach an amount equivalent to 11 months of his fixed compensation with objectives achieved at 100%, including:

- 40% of the amount equivalent to 1 month's 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 23 February 2023 acting on the recommendation of the Appointments and Remuneration Committee meeting of 21 February 2023, 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 his variable remuneration, Sébastien Eymard 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 the Deputy Chief Executive Officer is subject to the approval of the Company's Annual Ordinary General Meeting.

Extraordinary remuneration

The Board of Directors has 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 event, it is specified that the payment of the elements of exceptional remuneration to the Deputy Chief Executive Officer is subject to its approval by an Ordinary Annual General Meeting of the Company's shareholders.

Benefits in kind

Under his employment contract, Sébastien Eymard is entitled to a company vehicle.

For the financial year ended 31 December 2022, should be noted that the benefits in kind awarded to Sébastien Eymard under his employment contract totalled €3,936.

It should also be added that these entitlements are subject to tax and social security in line with the URSSAF schedule.

At a meeting held on 23 February 2023, and on the opinion of the Appointments and Remuneration Committee meeting on 21 February 2023, the Board of Directors decided for fiscal year 2023 to renew the allocation of this benefit in kind for Sébastien Eymard at €3,936.

Awards of free performance shares

The long-term incentive of the Deputy Chief Executive Officer will be ensured by the allocation of free performance shares. This long-term incentive scheme aims to ensure that the Deputy Chief Executive Officer has a long-term perspective, but also to build his loyalty and align his 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 23 February 2023, and on the opinion of the Appointments and Remuneration Committee meeting on 21 February 2023, the Board of Directors decided on the principle of setting up a fifteenth 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 Deputy Chief Executive Officer 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 Officer: 5,361 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 Sébastien Eymard was granted free shares in respect of his mandate as Deputy Chief Executive Officer during the 2022 fiscal year (refer to 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 best of 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 best of 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 Predica 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.

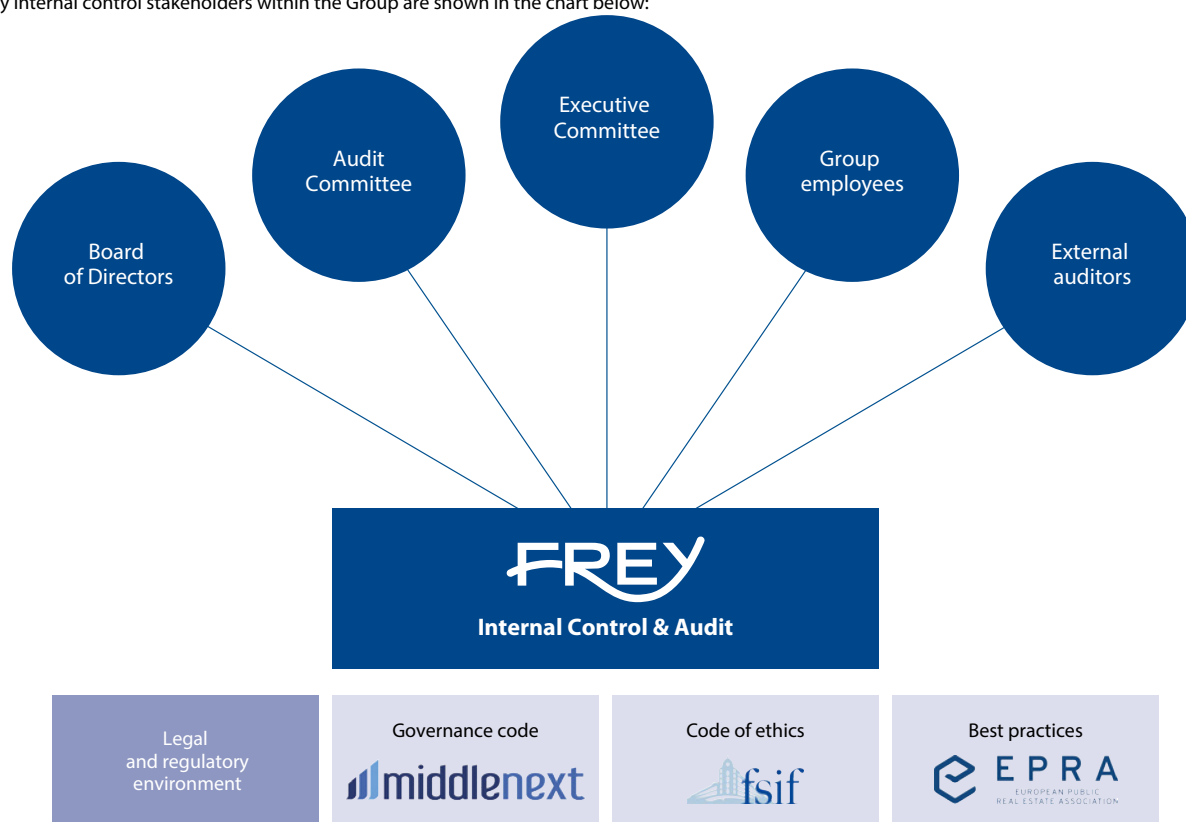
1.7.1. INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

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;

The key internal control stakeholders within the Group are shown in the chart below:



- 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.

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.

1.7.1.3.3. Executive Committee

In June 2022, the Group's Management Committee gave way to an Executive Committee (COMEX), a broader governing body that is more representative of what FREY has become today: a B Corp certified company, a growing group that is increasingly committed and ready to meet the many challenges facing it.

The Executive Committee currently has 9 members:

Chairman and Chief Executive Officer	Antoine FREY
Deputy Chief Executive Officer, Asset Management	François-Xavier ANGLADE
Deputy Chief Executive Officer for Development	Pascal BARBONI
Chief Financial Officer	Mary BLAISE
Real Estate Legal Director	Vanessa DEBUT
Deputy Chief Executive Officer, Finance and International	Sébastien EYMARD
Sales Director	Grégory SAMOCKI
Risk Manager	Carine STOEFFLER
Deputy Chief Executive Officer	François VUILLET-PETITE

As for the Management Committee, the COMEX's prerogatives are to determine and assess FREY's performance indicators and implement the company's strategy.

A presentation of the members of the Executive Committee is given in section 1.6.2.4 "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.

1.7.1.3.2. 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.

1.7.1.3.6. 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 carried out first by FREY's Executive 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 & 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.

This operational structure is supplemented by a human resources department, in charge of managing, coordinating and developing FREY's workforce. Payroll and social security contributions are outsourced.

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.

The 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 in question;
- 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 considers that it is not subject to other significant risks, other than those presented in Chapter 1.4 "Risk Factors" of this Management Report.

However, it cannot be ruled out that other risks may materialise in the future and have a material adverse effect on the Group, its business, its financial position and assets, its results or its 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 2022/2023".

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 the 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) 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>

1.8. 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 2022.

After taking note of the special report of the Statutory Auditors, the Annual Ordinary General Meeting of the shareholders of FREY will be invited to approve said agreements.

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 DEADLINES

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 conditions and payment deadlines in force as at 31 December 2022.

1.9.3. OVERHEADS - SUMPTUARY EXPENSES

1.9.3.1. Overheads that are excessive or not included in the special statement

During the past financial year, the Company did not incur any excessive overheads or overheads not appearing on the special statement within the meaning of Articles 223 (d) and 39-5 of the French General Tax Code.

1.9.3.2. Sumptuary expenses

During the past financial year, the Company recorded and reinstated for tax purposes sumptuary expenses as defined by Article 39-4 of the French General Tax Code totalling €109,612, representing a potential additional tax charge of €4,328 on taxable income and a potential additional distribution obligation of €87,683 on non-taxable income.

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

(In €)	31/12/2022	31/12/2021	31/12/2020	31/12/2019	31/12/2018
Financial position at year-end					
Share capital	70,917,008	70,917,008	61,508,158	60,562,493	47,104,163
Number of shares issued	28,366,803	28,366,803	24,603,263	24,224,997	18,841,665
Number of convertible bonds		-	-	-	1,519,264
Comprehensive income from actual operations					
Revenue excl. tax	29,713,899	22,221,299	17,015,612	13,565,588	12,849,435
Earnings before tax, depreciation, amortisation and provisions	17,238,942	6,063,726	21,916,463	-3,819,596	2,943,628
Income tax	-	-	-	-	-
Earnings after tax, depreciation, amortisation and provisions	-3,920,169	-9,863,711	21,866,472	-10,000,742	-2,546,118
Earnings distributed	-	-	6,273,663	-	-
Operating earnings per share					
Earnings after tax, depreciation, amortisation and provisions	0.61	0.21	0.89	-0.16	0.16
Earnings after tax, depreciation, amortisation and provisions	-0.14	-0.35	0.89	-0.41	-0.14
Dividend paid on each share	1.70	1.60	1.50	1.50	1.20
Workforce					
Average workforce for the financial year	34	30	30	28	26
Total payroll for the financial year	3,743,837	2,786,256	2,869,879	2,737,528	2,523,561
Amount of benefits paid (social security, charitable works, etc.)	3,693,840	2,651,731	2,250,032	2,251,326	1,364,565

APPENDIX 2 - TABLE OF CURRENT FINANCIAL AUTHORISATIONS

Issues with preferential subscription rights

Securities 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 18/05/2022 16 th resolution	26 months from 18/05/2022 to 18/07/2024		Up to the maximum ceiling of €50 million (specific ceiling and overall maximum ceiling)	None.

Issues without preferential subscription rights

Securities 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 18/05/2022 17 th resolution	26 months from 18/05/2022 to 18/07/2024		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 18/05/2022 18 th resolution	26 months from 18/05/2022 to 18/07/2024		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 18/05/2022 19 th resolution	26 months from 18/05/2022 to 18/07/2024		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)

Securities involved	Source (Resolution No.)	Duration of authorisation and expiry	Use of the authorisation	Maximum nominal 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 18/05/2022 20 th resolution	26 months from 18/05/2022 to 18/07/2024		Up to 20% of the share capital per year and up to the ceiling of €50 million 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%).
Issue of ordinary shares and marketable securities conferring access to the share capital in the event the Company initiates a public exchange offering	AGM 18/05/2022 21 st resolution	26 months from 18/05/2022 to 18/07/2024		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 18/05/2022 22 nd resolution	18 months from 18/05/2022 to 18/11/2023		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 and 24 February 2022	Up to 10% of the share capital	N/A
Capital increase with cancellation of the preferential subscription right of shareholders in favour of employees who have subscribed to a company savings plan in accordance with Article L.225-129-6 of the French Commercial Code.	AGM 18/05/2022 23 rd resolution	26 months from 18/05/2022 to 18/07/202		Up to €100,000	Price set within the limits and according to the terms and conditions provided for by law.
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 18/05/2022 24 th resolution	26 months from 18/05/2022 to 18/07/2024		Within the limit of 10% of the share capital per year and within the limit of €50,000,000, this amount is deducted from the overall ceiling set at (1)	N/A
Share subscription or purchase options in favour of Company employees or of certain categories thereof.	AGM 18/05/2022 25 th resolution	38 months from 18/05/2022 to 18/07/2025		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

Securities 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 18/05/2022 26 th resolution	26 months from 18/05/2022 to 18/07/2024		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 18 May 2022 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.

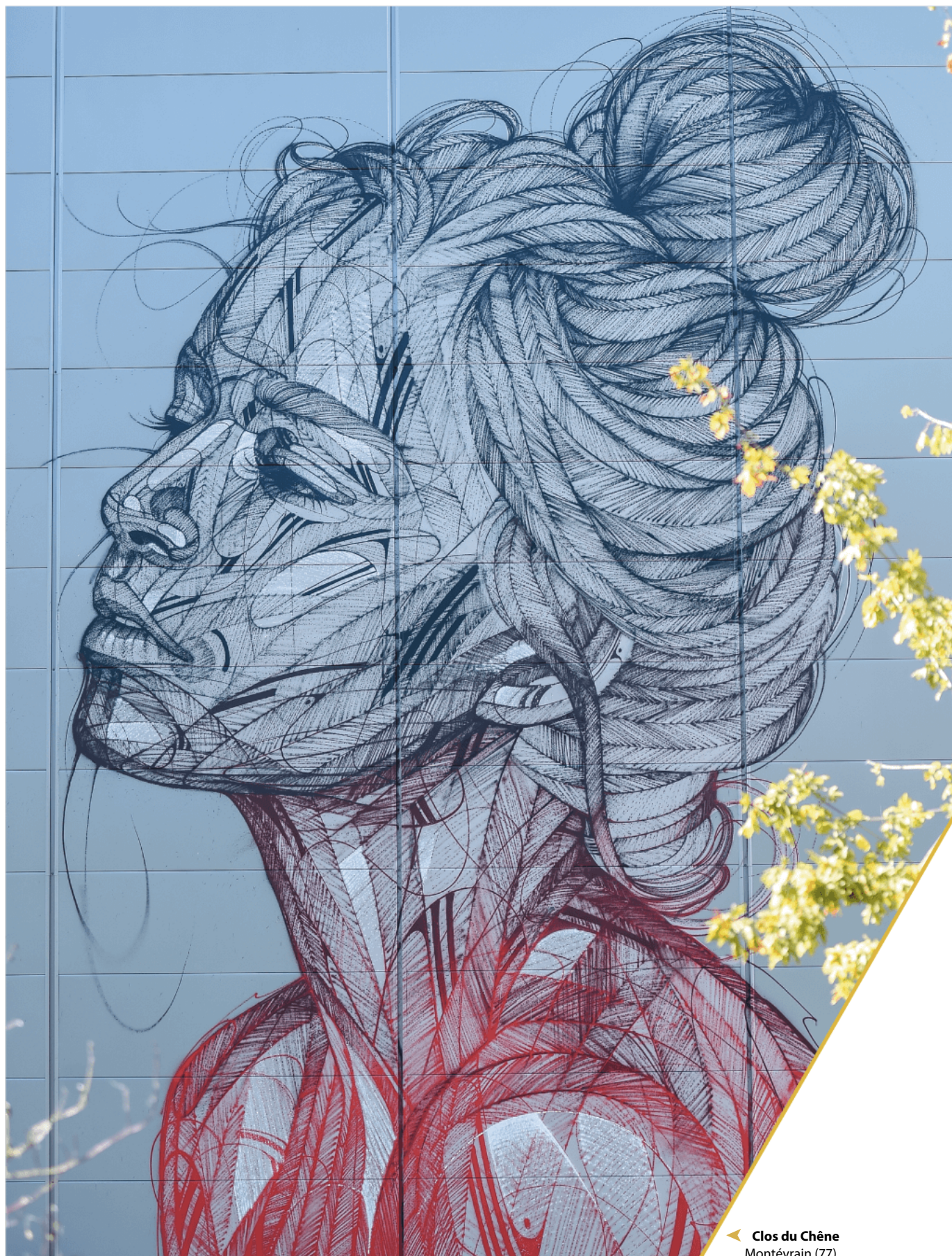
APPENDIX 3 -SUMMARY TABLE OF SOCIAL INFORMATION ON SA FREY SUBSIDIARIES

Position at 31 December 2022

Company	SIRET	Registered office	Last reporting date	% of share capital held by FREY	Consolidation method	NAV of securities (in% of ownership)	revenue excl. tax (100%)	Equity (100%)	Income for the last financial year (100%)
SASU F.Events	80 049 637 400 011	Bezannes	31/12/2022	100%	FC	€150,000	€896,726	-€1,245,721	-€234,148
Groupement Forestier Forey	88 200 559 800 017	Bezannes	31/12/2022	100%	FC	€9,990	€161,346	-€253,586	-€263,586
SASU FREY Aménagement et Promotion	50 020 204 900 028	Bezannes	31/12/2022	100%	FC	-	€1,789,636	-€2,481,172	-€4,935,141
SASU FREY Murs 02	81 382 264 000 013	Bezannes	31/12/2022	100%	FC	€10,000	€5,953,773	€6,148,159	€6,117,159
GIE FREY Solidarité	88 398 410 600 012	Bezannes	31/12/2022	100%	FC	-	-	-€106,707	-€106,707
SCI IF Allondon	79 040 337 200 010	Bezannes	31/12/2022	100%	FC	€9,990	-	-€1,186,125	-€1,196,125
SNC IF Bezannes	51 227 833 400 028	Bezannes	31/12/2022	100%	FC	€9,900	€409,888	€33,926	€23,926
SNC IF Chêne Vert	50 292 508 400 043	Bezannes	31/12/2022	100%	FC	€40,105	€3,358,779	€1,680,647	€1,622,674
SAS IF Clos du Chêne	53 318 731 600 013	Bezannes	31/12/2022	100%	FC	€16,252,450	€3,172,065	€7,308,966	€-2,504,977
SCI IF Ecopole	80 793 499 700 014	Bezannes	31/12/2022	100%	FC	€495,000	€0	€220,640	-€279,359
SNC IF Gestion & Transactions	49 433 447 700 028	Bezannes	31/12/2022	100%	FC	€9,900	€7,280,624	€689,144	€679,144
SNC IF Plein Ouest	53 314 064 600 019	Bezannes	31/12/2022	100%	FC	€9,900	€77,603	-€356,471	-€366,471
SNC IF Saint Parres	52 091 458 100 027	Bezannes	31/12/2022	100%	FC	€9,900	-	€64,290	-€143,927
SCI IF Valentine	79 040 224 200 016	Bezannes	31/12/2022	100%	FC	€9,990	-	-€111,312	-€121,312
SCI IF ZCN Investissement	81 041 888 900 012	Bezannes	31/12/2022	100%	FC	€9,900	€8,456,799	€1,751,363	€1,741,363
SCI Massonex	50 837 678 700 018	Bezannes	31/12/2022	100%	FC	€267,195	€12,650	-€67,538	-€10,304
SCI PAI 02	52 276 550 200 029	Bezannes	31/12/2022	100%	FC	€6,400,302	€2,288,074	-€5,774,034	-€660,481
Association Social Market	89 387 154 100 015	Bezannes	31/12/2022	100%	FC	-€	€45,398	€0	€0
SNC Retail Prodev	82 082 190 800 010	Bezannes	31/12/2022	100%	FC	€10,000	€0	-€1,755,540	-€1,765,540
SAS ZCN Aménagement	80 082 784 200 017	Bezannes	31/12/2022	100%	FC	€50,000	€5,353,129	-€1,385,847	-€1,978,169
SAS BEC PROMOTION	44 411 599 200 042	Bezannes	31/12/2022	100%	FC	€61,396,341	€5,446,436	-€5,173,889	-€6,678,132
SAS BBC SOLAR	52 347 091 200 123	Bezannes	31/12/2022	100%	FC	€112,800	€45,473	-€26,308	-€4,687
FREY Invest SLU	Company under Spanish law	Barcelona	31/12/2022	100%	FC	€82,132,801	€384,000	€73,161,106	-€4,530,307
Parc Vallès Inversiones Inmobiliarias SLU	Company under Spanish law	Barcelona	31/12/2022	100%	FC	€25,967,602	€6,836,993	€12,116,778	€2,228,876
Sociedad Gestora Santa Margarida SLU	Company under Spanish law	Barcelona	31/12/2022	100%	FC	€20,341	€1,481,036	€13,974	-
Eurofund Parc Lleida SL	Company under Spanish law	Barcelona	31/12/2022	100%	FC	€3,625,884	-	€3,125,471	-€409,876
Wadsford invest, SLU	Company under Spanish law	Barcelona	31/12/2022	100%	FC	€20,003,000	€3,266,027	€20,202,955	€200,508
Finestrelles shopping centre, SLU	Company under Spanish law	Barcelona	31/12/2022	100%	FC	€33,994,720	€7,009,239	€12,673,753	-€1,396,282
Gemmano, Sp. z.o.o	Company under Polish law	Warsaw	31/12/2022	100%	FC	€1,649	-	€1,649	-
Giarole, Sp. z.o.o	Company under Polish law	Warsaw	31/12/2022	100%	FC	€1,649	-	€1,649	-
Albufeira Retail Park LDA	Company under Portuguese law	Lisbon	31/12/2022	70%	FC	€12,147,505	€1,693,471	€17,319,660	€886,308
Algarve Shopping Centro Commercial SA	Company under Portuguese law	Lisbon	31/12/2022	70%	FC	€67,105,730	€10,470,573	€95,742,708	€5,912,300
FREYprop SA	Company under Portuguese law	Lisbon	31/12/2022	70%	FC	€1,400,000	-	-€1,376,965	-€229,361
Imoconti SA	Company under Portuguese law	Lisbon	31/12/2022	70%	FC	€1,071,741	€1,358,164	€1,516,088	€71,108
Project Guia SA	Company under Portuguese law	Lisbon	31/12/2022	70%	FC	€648,568	-	€925,265	-€42,351
SAS FRF 1	53 846 065 000 012	Bezannes	31/12/2022	67%	FC	€1,583,961	€235,414	€3,298,756	€1,520,067
SCI FRF 2	53 848 614 300 018	Bezannes	31/12/2022	62%	FC	€60,936,145	-	€101,487,278	€10,736,406
SCI FRF 2 - Torcy	53 968 293 000 018	Bezannes	31/12/2022	62%	FC	€3,725	€1,761,478	€581,741	€423,150
SCI FRF 2 - Torcy II	51 330 270 300 022	Bezannes	31/12/2022	62%	FC	€1,456,396	€134,245	€88,886	€78,886
SC FRF2 Apollo	81 295 568 000 010	Bezannes	31/12/2022	62%	FC	€3,725	€5,188,059	€720,462	€714,462
SCI FRF2 Khepri 1	80 028 323 600 019	Bezannes	31/12/2022	62%	FC	€3,725	€724,035	€843,719	€837,719
SCI IF Cormontreuil 01	50 892 831 400 022	Bezannes	31/12/2022	62%	FC	€4,878,724	€1,284,712	€11,327,125	€11,317,125
SCI Zone A	48 851 228 600 029	Bezannes	31/12/2022	62%	FC	€2,487,703	€1,638,016	€947,454	€847,454
SCCV Porte de Loire Invest	89 872 538 700 010	Bezannes	31/12/2022	50%	EA	€5,000	€5,200	-€43,499	-€53,499
SCI L'Agenaise d'Investissement	75 009 514 300 012	Bezannes	31/12/2022	50%	EA	€3,000	€2,376,118	-€6,304,418	-€484,833
SCI Patroclienne d'Investissement	80 389 666 100 011	Bezannes	31/12/2022	50%	EA	€5,000	€514,169	€112,586	€102,586
SCI Tervilloise d'Investissement	81 872 539 200 018	Bezannes	31/12/2022	50%	EA	€5,000	€724,159	€203,746	€193,746
La Lune des Docks	91 197 467 300 012	Paris	31/12/2022	39%	EA	€39,000	-	€69,894	€-30,106
SC FREY Retail Villebon	81 767 624 000 010	Bezannes	31/12/2022	5%	EA	€1,846,005	€8,607,503	€38,622,495	€1,702,390

APPENDIX 4 - PAYMENT TERMS AND PERIODS IN FORCE AT 31 DECEMBER 2022

	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						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 day and over)	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	11					49	27					600
Total amount of invoices in question	€238,239	€0	€49	€978	€35,099	€36,127	-€849,191	€180,722	€24,991	€331,141	€810,478	€1,347,331
Percentage of total purchases for the financial year incl. tax*	0.53%	0%	0%	0%	0.08%	0.08%						
Percentage of revenue for the financial year incl. VAT							-2.38%	0.51%	0.07%	0.93%	2.27%	3.78%
(B) Invoices excluded from (A) relating to disputed or unrecognised payables and receivables												
Number of invoices excluded							0	0	0	0	125	125
Total amount of invoices excluded, incl. VAT	€0.00	€0.00	€0.00	€0.00	€0.00	€0.00	€0.00	€0.00	€0.00	€0.00	€3,118,133	€3,118,133
(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						● Contractual time-limits: Cash					



◀ **Clos du Chêne**
Montévrain (77)

2

FINANCIAL STATEMENTS

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2.1.1. FINANCIAL INFORMATION CONCERNING THE FREY GROUP'S ASSETS, FINANCIAL POSITION AND RESULTS

2.1.1.1. Consolidated income statement at 31 December 2022

In €K	Note	31/12/2022 12 months	% revenue	31/12/2021 12 months	% revenue
REVENUE	5.1.1	124,096	100%	98,696	100%
PURCHASES CONSUMED	5.1.3	-44,017	-35%	-33,241	-34%
Payroll expenses	5.1.4	-13,166		-10,520	
Other income	5.1.5	62,905		55,797	
Other expenses	5.1.5	-60,464		-53,250	
Taxes and similar payments	5.1.6	-1,464		-1,017	
Allocations to and write-backs of depreciation, amortisation and impairment	5.1.7	-2,918		-3,425	
PROFIT FROM RECURRING OPERATIONS		64,972	52%	53,040	54%
Other operating income	5.1.8	2,845		8,504	
Other operating expenses	5.1.8	-10,851		-14,275	
of which waivers of rent receivables granted		-		-1,013	
Adjustment of investment property values	5.2.3	38,936		28,762	
OPERATING PROFIT		95,902	77%	76,031	77%
Share of net profit (loss) of associates	5.2.4	3,246		2,522	
OPERATING PROFIT/(LOSS) AFTER SHARE OF NET PROFIT/(LOSS) OF ASSOCIATES		99,148	80%	78,553	80%
Cost of net debt	5.1.9	-14,734		-10,888	
of which financial income		1,789		178	
of which financial expenses		-16,523		-11,066	
Other financial income and expenses	5.1.9	61,086		8,256	
PROFIT BEFORE TAX		145,500	117%	75,921	77%
Income tax	5.1.10	-10,125		-3,728	
NET PROFIT		135,375	109%	72,193	73%
NET PROFIT/(LOSS) ATTRIBUTABLE TO NON-CONTROLLING INTERESTS		-5,997		-6,761	
NET PROFIT (GROUP SHARE)		129,378	104%	65,432	66%
Earnings per share	5.1.11	4.56		2.62	
Diluted earnings per share	5.1.11	4.58		2.63	

2.1.1.2. Net consolidated comprehensive income statement at 31 December 2022

In €K	Note	31/12/2022 12 months	31/12/2021 12 months
NET PROFIT		135,375	72,193
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		225	93
Sub-total of comprehensive income not recyclable through profit or loss		225	93
TOTAL GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY:	2.1.1.5	225	93
COMPREHENSIVE INCOME		135,600	72,286
Comprehensive income attributable to owners of the Company		129,603	65,525
Comprehensive income attributable to non-controlling interests		5,997	6,761

2.1.1.3. Consolidated balance sheet at 31 December 2022

Assets

In €K	Note	31.12.2022	31.12.2021
Goodwill	3.4	5,912	5,912
Intangible assets	5.2.1	953	905
Property, plant and equipment	5.2.2	25,118	21,957
Investment property	5.2.3	1,739,010	1,487,918
Investments in associates	5.2.4	17,536	14,613
Other non-current assets	5.2.5	8,350	14,538
Deferred tax assets	5.2.12	1,213	1,242
TOTAL NON-CURRENT ASSETS		1,798,092	1,547,085
Inventories and work-in-progress	5.2.6	51,169	36,335
Trade receivables	5.3.2	13,923	18,248
Other current assets	5.2.8	36,836	48,334
Current financial assets	3.13	76,690	8,230
Cash and cash equivalents	5.2.9	72,063	84,466
TOTAL CURRENT ASSETS		250,681	195,613
Assets held for sale	3.12	1,896	12,755
TOTAL ASSETS		2,050,669	1,755,453

Liabilities

In €K	Note	31.12.2022	31.12.2021
Share capital		70,917	70,917
Reserves & Premiums	2.1.2	789,789	770,822
Income		129,378	65,432
EQUITY (GROUP SHARE)	1.5	990,084	907,171
Non-controlling interests	1.5	63,111	59,107
TOTAL EQUITY	1.5	1,053,195	966,278
Provisions for liabilities and charges	5.2.13	679	821
Non-current financial derivative liabilities	3.13	-	-
Non-current financial liabilities	5.2.10	826,401	658,474
Deferred tax liabilities	5.2.12	22,994	28,293
Other non-current liabilities		20,957	11,789
TOTAL NON-CURRENT LIABILITIES		871,031	699,377
Trade payables		10,235	5,723
Other current liabilities	5.2.14	64,848	66,561
Current financial derivative liabilities	3.13	-	1,981
Current financial liabilities	5.2.15	51,360	15,533
TOTAL CURRENT LIABILITIES		126,443	89,798
Liabilities related to a group of assets held for sale	3.12	-	-
TOTAL LIABILITIES		2,050,669	1,755,453

2.1.1.4. Cash flow statement by cash flow analysis

In €K	Note	31/12/2022 12 months	31/12/2021 12 months
<i>Cash flow from operating activities</i>			
Net profit of consolidated companies		135,374	72,193
<i>Derecognition of income and expenses with no impact on cash or not from operations</i>			
• Amortisation, depreciation & provisions		1,719	504
• Cost of financial debt	2.1.5.1.9	15,567	10,656
• Other financial income and expenses	2.1.5.1.9	-	-
• Change in taxes	2.1.5.1.10	10,125	3,728
• Change in fair value of investment property	2.1.5.2.3	- 38,936	- 28,762
• Change in fair value of financial instruments	2.1.5.1.9	- 70,441	- 11,576
• Capital gains and losses on disposals		- 1,800	- 1,899
• Share of net profit from associates	2.1.5.2.4	- 3,246	- 2,522
• Acquisition costs on equity securities		649	2,987
• Other non-cash income and expenses		-	-
CASH FLOW OF CONSOLIDATED COMPANIES		49,011	45,309
Dividends received from associates		-	-
Tax paid		- 3,878	- 1,301
Change in working capital requirement related to operating activities	2.1.5.3.2	13,635	7,517
CASH FLOW GENERATED FROM OPERATING ACTIVITIES (1)		58,768	51,525
<i>Cash flows from investment activities</i>			
Investment property valuation	2.1.5.3.3	- 135,501	- 111,173
Acquisition of fixed assets	2.1.5.3.3	- 5,122	- 9,261
Changes in loans, advances and other financial assets		982	- 10,942
Disposal of fixed assets	2.1.5.2.1-3	59,560	52,286
Disposal of financial assets		-	153
Change in other investments		-	-
Impact of changes in consolidation scope	2.1.5.3.4	- 129,782	- 69,939
CASH FLOW FROM INVESTMENT ACTIVITIES (2)		- 209,863	- 148,876
<i>Cash flow from financing activities</i>			
Dividends paid to shareholders of the parent company	2.1.2.1.1	- 45,360	- 26,616
Dividends paid to minority shareholders of consolidated entities		-	-
Increases and decreases in share capital	2.1.1.5-2.1.2.1.2	-	101,336
Net sale (acquisition) of treasury shares		- 1,393	- 1,712
Amounts paid on a change in holdings without loss of control		-	-
Increase in borrowings	2.1.5.2.10-15	475,393	430,349
Loan repayments (including finance leases)	2.1.5.2.10-15	- 274,890	- 366,204
Repayment of lease liabilities	2.1.5.2.10-15	- 952	- 921
Interest paid (including on lease obligations)		- 13,885	- 10,546
Change in other financing		-	-
CASH FLOW FROM FINANCING ACTIVITIES (3)		138,913	125,686
CHANGE IN CASH FLOWS (1+2+3)		-12,182	28,335
<i>Cash and cash equivalents – opening balance</i>	2.1.5.3.1	84,230	55,895
<i>Cash and cash equivalents – closing balance</i>	2.1.5.3.1	72,048	84,230
CHANGE IN CASH		-12,182	28,335

2.1.1.5. 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 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
Net profit/(loss) for the period			129,378	129,378	5,997	135,375
Dividends paid		- 45,360		- 45,360	- 1,993	- 47,353
Treasury shares			- 1,351	- 1,351	-	- 1,351
Other		18	228	246	-	246
TOTAL AS AT 31 DECEMBER 2022	70,917	424,371	494,796	990,084	63,111	1,053,195

2.1.2. MAJOR EVENTS DURING THE PERIOD

2.1.2.1. Group shareholding transactions

2.1.2.1.1. Dividend distribution

The General Meeting of Shareholders on 18 May 2022 approved the payment of a dividend of €1.60 per share to the 28,366,803 existing shares, i.e. a total dividend of €45.4 million.

The amount of the dividend paid in cash amounted to €45.4 million, taking into account treasury shares.

2.1.2.1.2. Change in share capital

As at 31 December 2022, the share capital of FREY had not been modified.

2.1.2.1.3. Liquidity (market-making) agreement and share buyback programme

The General Shareholders' Meeting of 18 May 2022 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 Company reserves the right to participate in the purchase of blocks of securities as well as to continue the execution of this share buyback programme during a public acquisition or exchange offer involving the Company's capital securities.

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 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 18 May 2022, i.e. until 18 November 2023.

At 31 December 2022, the Company held 112,768 treasury shares, or 0.40% of its share capital at that date, divided between the following two contracts:

- 8,832 shares held under the liquidity agreement signed on 3 March 2017 for market-making purposes;
- 103,936 shares held under the buyback agreement to achieve the other objectives authorised by the Board of Directors.

2.1.2.2. Financing

2.1.2.2.1. Signing of corporate lines

In February 2022, FREY signed a medium-term credit line with ESG (environmental, social and governance) performance criteria for a total amount of €70.0 million over 5 years. The financial conditions of this credit line 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; In May, an amendment was signed, bringing the latter to €100.0 million.

On 19 July 2022, FREY obtained an agreement to extend the maturity date of the corporate lines by one year from €100.0 million on 15 October 2027 and €70.0 million on 25 September 2027.

On 27 July 2022, FREY signed a medium-term financing line with ESG (environmental, social and governance) performance criteria for a total amount of €80 million over 5 years. In October, an amendment was signed, bringing the latter to €110 million,

On 29 August 2022, FREY obtained an agreement to extend the maturity date of the corporate lines of €50.0 million by one year to 8 November 2027.

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

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

The FREY Group strengthened its interest rate hedging positions by signing:

- in June 2022, three CAPs, (strike cap) of 1%, with a 3-year term;
- in November, two CAPs (strike cap) of 1.5%, including one capped at 3.5%, with a 2-year term;
- in November, two CAPs (strike cap) of 1.5% starting in March 2023 with a 3-year term.

2.1.2.3. Changes in consolidation scope

Changes in the consolidation scope at 31 December 2022 are described below.

Increase in consolidation scope

- On 30 March 2022, LA LUNE DES DOCKS was created. Its main purpose is the development and operation of the gastronomic and cultural hall within the ZAC des Docks de Saint-Ouen. This company, 39%-owned by FREY, is accounted for using the equity method.
- On 14 June 2022, FREY Invest S.L. acquired all the shares of WADSFORD INVEST, intended to manage the retail park Parque Mediterráneo located in Cartagena, Spain, acquired in July 2022. The name of this company is being changed and will be known as FREY MEDITERRÁNEO.
- On 22 June 2022, FREY Invest S.L. acquired all the shares of the company holding the Spanish outdoor shopping centre Finestrelles Shopping Centre for €127.5 million. The acquisition was financed from the company's own resources.
- On 20 July 2022, FREY acquired the shares of Polish companies GIAROLE sp. z.o.o and GEMMANO sp. z.o.o. intended to support future investments in Poland.

Exit from consolidation scope

- On 15 February 2022, FREY sold its BONNEUIL RETAIL PARK shares for €5.7 million, including the repayment of the current account. Equity-accounted securities were classified under "Assets held for sale" in the consolidated financial statements at 31 December 2021.
- On 7 May 2022, the Spanish company SL PARLA NATURA was dissolved without liquidation by universal transfer of assets to FREY INVEST S.L.
- On 15 June 2022, SCI SOPIC FREY, 50%-owned by FREY, and consolidated using the equity method, was dissolved.
- On 15 November 2022, four companies were dissolved without liquidation by universal transfer of assets:
 - FRF2 - Le Pontet to FREY Retail Fund 2
 - FREY Murs 01 to FREY
 - Citizers By FREY to FREY Aménagement & Promotion
 - Ecoparc Aménagement to FREY Aménagement & Promotion
- On 18 November 2022, IF Plein Sud and IF Plein Est were absorbed by a merger with FREY Murs 02 with retroactive effect on 1 January.

2.1.2.4. Projects and development

In 2022, FREY joined forces with Migros to transform the Vitam site into a mixed and sustainable project for the Geneva region.

FREY also partnered with Banque des Territoires and CDC Habitat to transform commercial areas for city outskirts by creating a land carry vehicle with an initial investment capacity of €200m (after leverage).

Work on the Saint-Ouen Docks project is in progress, representing a total surface area of 24,000 m², with openings planned between 2022 and 2024.

Following the unilateral decision of SA3M, Société d'Aménagement de Montpellier Méditerranée Métropole, which took place in June 2020, to stop the development of the "ODE A LA MER" project, the FREY Group contested this decision and initiated legal proceedings in order to obtain reimbursement of the costs incurred prior to this decision by SA3M and compensation for the losses incurred. At the balance sheet date, we do not consider that there shall be any adverse outcome to the FREY Group's legal action, which is still under examination. As a result, we have not recognised any impairment on costs incurred in the amount of €14.4 million.

2.1.2.5. Conflict in Ukraine

2022 was marked by the conflict in Ukraine.

This situation is a source of high risks and uncertainties, both economically, financially and politically, and could ultimately have impacts on all economic players, including those in the real estate sector.

To date, however, FREY has not identified any significant impact of this crisis on its business.

The Group will closely monitor developments in the international situation and the risks associated with this conflict.

2.1.3. 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

A developer, investor and manager, FREY is a property investment company specialising in the development and operation of outdoor shopping centres in Europe. FREY is a pioneer in eco-friendly retail parks with its Greencenter® concept, the inventor of a new generation of open-air shopping centres Shopping Promenade® and the leading French operator specialising in urban and retail renewal of city outskirts, FREY is also a state of mind embodied by its projects that are designed to promote social connection and conviviality. FREY, a B Corp™ certified mission company, is therefore committed on a daily basis to a more responsible, environmentally friendly and socially beneficial society for its ecosystem and its stakeholders. As the company knows just how essential retail is to urban diversity, social link, local economic resilience and environmental transition, its mission is restoring retail as a service for the common good. FREY also conducts major urban renewal operations and mixed-purpose projects. FREY is listed on compartment B of Euronext Paris.

2.1.3.1. 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 2022 and are identical to those used in the presentation of the annual consolidated financial statements for the year ended 31 December 2021.

2.1.3.2. 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 environmental strategy. As at 31 December 2022, at this stage, the impacts of climate change have not significantly impacted the financial statements.

2.1.3.3. 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 transaction:
 - 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.

2.1.3.4. 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.

On 22 June 2022, FREY Invest S.L. acquired all of the shares in the company holding the Spanish outdoor shopping centre Finestrelles Shopping Centre. In accordance with the provisions of I.F.R.S 3, the entry into the scope of consolidation generated goodwill of €11.5 million, fully impaired at 31 December 2022. This impact was classified as a change in the fair value of investment properties in the income statement.

2.1.3.5. Conversion of financial statements expressed in foreign currencies

The Group's annual consolidated financial statements are prepared in euros, which is the operational and presentation currency of the parent company. All consolidated foreign companies are located in the euro zone, with the exception of Polish subsidiaries for which the local currency is the Zloty. The Polish subsidiaries had no foreign exchange impact in the financial statements as at 31 December 2022.

2.1.3.6. 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.

2.1.3.7. 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.

2.1.3.8. 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.

2.1.3.9. 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;

2.1.3.10. 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.

When loans are initially recognised, directly-related transaction costs are included if the amount is material. 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.

2.1.3.11. 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.

2.1.3.12. 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.

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.

- 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.

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.

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 2022, Le Mans' assets were reclassified as "assets held for sale" for €1.9 million. (see 2.1.5.2.3).

2.1.3.13. Derivative financial instruments

The measurement and recognition of financial instruments and disclosure are determined by IAS 32, IFRS 9, IFRS 7 and IFRS 13.

The 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 2022 had a value of €65.6 million (excluding accrued interest), compared with €6.2 million at 31 December 2021.

The impact of the change in fair value, net of balances and premiums paid, was recognised in the income statement in the amount of €49.9 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	31.12.2022	31.12.2021
ASSETS			
Goodwill	D	5,912	5,912
Intangible assets	C	953	905
Property, plant and equipment	C	25,118	21,957
Investment property	B/D	1,739,010	1,487,918
Other non-current assets	D	17,536	14,538
Inventories and work-in-progress	D	51,169	36,335
Trade receivables	D	13,923	18,248
Other current assets	D	36,836	48,334
Derivative financial instruments	E	76,690	8,230
Cash and cash equivalents	B	72,063	84,466
Assets held for sale	A	1,896	12,755
LIABILITIES			
Non-current derivative financial instruments (rates)	E	-	-
Non-current derivative financial instruments (borrowings)	B	-	-
Non-current financial liabilities	B/C	826,401	658,474
Deferred tax liabilities	D	22,994	28,293
Other non-current liabilities	D	20,957	11,789
Trade payables	D	10,235	5,723
Other current liabilities	D	64,848	66,561
Current derivative financial instruments	E	-	1,981
Current financial liabilities	B/C	51,360	15,533
Liabilities related to a group of assets held for sale	C	-	-

A: Assets held for sale

B: Fair value through profit or loss

C: Measurement 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 nonobservable data (Level 3).

Assets measured at fair value (in €K)	Classification	31 December 2022	31 December 2021
Investment property	Level 3	1,739,010	1,487,918
Current derivative assets (trading instruments)	Level 2	76,690	8,230
Marketable securities	Level 1	263	282
TOTAL		1,815,963	1,496,430

Financial liabilities measured at fair value (in €K)	Classification	31 December 2022	31 December 2021
Non-current liability derivatives (hedge instruments)	Level 2	-	-
Current liability derivatives (trading instruments)	Level 2	-	1,981
TOTAL		-	1,981

Management of financial risks

Foreign exchange risk

To date, most of the FREY Group's activities are carried out in euro zone countries, with the exception of Poland. All turnover is generated in Europe and in euros. The financing of investments is denominated in euros. Given the Group's limited exposure to currencies outside the euro zone, the foreign exchange risk was not considered sufficiently significant to be hedged by derivatives.

Interest rate risk

At 31 December 2022, the Group's financial debt to credit institutions amounted to €806.3 million compared with financial debt of €606.4 million at 31 December 2021 excluding shareholders' current accounts.

The net financial debt is primarily variable-rate debt. However, the Group has entered into several interest rate hedging contracts in the form of swaps and CAPs, thus reducing exposure to interest rate risk. The percentage of the Group's total debt not subject to interest-rate fluctuations was 97.9% at 31 December 2022 compared with 92.0% at 31 December 2021.

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 2022

Amount in €K	-100 pts	-50 pts	E3M	+50 pts	100 pts
Impacts	422	-39	-	39	78

Sensitivity of investment property to the capitalisation rate

The average capitalisation rate used by independent experts in the valuation of investment property was 6.25% compared with 6.04% for the year ended 31 December 2021.

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 2022

Amount in €K	-100 pts	-50 pts	6.25%	+50 pts	100 pts
Investment property valuation	2,063,332	1,886,553	1,739,010	1,611,732	1,502,799
Valuation differential	324,322	147,543	-	-127,278	-236,211

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 2022.

The ratios requested by banking partners are as follows:

ICR		LTV excluding duties	
Relevant debt	€35.4 million	Relevant debt	€35.4 million
Required ratios	> 200%	Required ratios	< 60.0%
Ratios at 31/01/2023	1,582%	Ratios at 31/12/2022	50.6%

Consolidated ratios	LTV including stamp duty	ICR	Collateralised debt
Relevant debt	€745.0m	€745.0m	€745.0m
Required ratios	<= 60.0%	>= 2	<20.0%
Ratios at 31/12/2022	38.9%	5.1	3.2%

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.

2.1.3.14. 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.

2.1.3.15. 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.

2.1.3.16. 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.

2.1.3.17. Deferred taxes

The Group applies 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, IF Clos du Chêne, FREY Murs 02 and BBC Promotion 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 and F. Events.

2.1.3.18. 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 112,768 shares as part of the liquidity agreement and buyback agreement at 31 December 2022, i.e. with a value of €3.9 million on the basis of the most recent share price.

2.1.3.19. 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.

2.1.3.20. 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. The impact of IAS 23 on the Group's financial statements at 31 December 2022 was €0.5m.

2.1.3.21. 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 the age of 67;
- change in salaries 1.50%;
- employer contribution rate 35.00% to 50.00%;
- discount rate 3.77%.

2.1.3.22. 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.

2.1.3.23. 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 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 2022.

In the case of operating leases, the main restatement relates to the leasing of the offices in Paris.

2.1.3.24. 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;

2.1.3.25. 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.

2.1.3.26. Operating segments

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

This standard determines an operating segment as follows:

"An operational 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 reviewed regularly 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.

The 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 2022

At 31 December 2022 (in €K)	Property investment activity	Property development	Other	Total	Of which France	Of which Foreign
Rental income from stabilised assets	91,036			91,036	62,895	28,141
Non-recoverable expenses on stabilised assets	- 4,519			- 4,519	- 2,097	- 2,422
NET RENTAL INCOME FROM STABILISED ASSETS	86,517			86,517	60,798	25,719
Rental income from unstabilised assets	500			500	500	-
Non-recoverable expenses on unstabilised assets	- 105			- 105	- 105	-
NET RENTAL INCOME FROM UNSTABILISED ASSETS	395			395	395	-
Sales		4,884		4,884	4,884	-
Purchase cost of goods sold		- 4,350		- 4,350	- 4,350	-
DEVELOPER'S MARGIN		534		534	534	-
OTHER REVENUE			2,103	2,103	2,103	-
GROSS PROFIT				89,549	63,830	25,719
External services				- 9,470	- 7,449	- 2,021
Payroll expenses				- 13,166	- 13,007	- 159
Other income and expenses				2,441	3,501	- 1,060
Taxes and similar payments				- 1,464	- 834	- 630
Amortisation, depreciation and provisions				- 2,918	- 2,519	- 399
PROFIT FROM RECURRING OPERATIONS				64,972	43,522	21,450
Other operating income and expenses				- 8,006	- 7,322	- 684
Adjustment of investment property values				38,936	30,062	8,874
OPERATING PROFIT				95,902	66,262	29,640
Share of net profit (loss) of associates				3,246	3,246	-
OPERATING PROFIT/(LOSS) AFTER SHARE OF NET PROFIT/(LOSS) OF ASSOCIATES				99,148	69,508	29,640
Cost of net debt				- 14,734	- 7,897	- 6,837
Value adjustments of financial assets				61,086	61,086	-
PROFIT BEFORE TAX				145,500	122,697	22,803
Income tax				- 10,125	- 114	- 10,011
NET PROFIT				135,375	122,583	12,792
Non-controlling interests				- 5,997	- 5,181	- 816
NET PROFIT (GROUP SHARE)				129,378	117,402	11,976

The increase in rental income is explained by the delivery of Claye and Cœur Alsace's Shopping Promenade® in March 2021, the acquisition of Carré Sud in July 2021, as well as the acquisition of Finestrelles (Spain) and Parque Mediterráneo (Spain) in June 2022.

The tax expense comes mainly from foreign companies, which do not fall within the scope of the REIT tax regime, unlike French subsidiaries.

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

ASSETS

At 31 December 2022 (in €K)	Property investment activity	Property development	Other	Total
Investment property	1,739,010	-	-	1,739,010
Investments in associates	17,509	-	27	17,536
Inventories and work-in-progress	-	51,169	-	51,169

LIABILITIES

At 31 December 2022 (in €K)	Property investment activity	Property development	Other	Total
Investments in associates	-	20	-	20
Non-current financial liabilities	777,143	124	49,134	826,401
Current financial liabilities	48,936	310	2,114	51,360

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	-1,946			-1,946	-826	-1,120
NET RENTAL INCOME FROM STABILISED ASSETS	58,403			58,403	43,125	15,278
Rental income from unstabilised assets	12,542			12,542	12,542	-
Non-recoverable expenses on unstabilised assets	-847			-847	-847	-
NET RENTAL INCOME FROM UNSTABILISED ASSETS	11,695			11,695	11,695	-
Sales		4,279		4,279	4,279	-
Purchase cost of goods sold		-4,001		-4,001	-4,001	-
DEVELOPER'S MARGIN		278		278	278	-
OTHER REVENUE			2,455	2,455	2,455	-
GROSS PROFIT				72,831	57,553	15,278
External services				-7,376	-5,875	-1,501
Payroll expenses				-10,520	-10,372	-148
Other income and expenses				2,547	2,487	60
Taxes and similar payments				-1,017	-620	-397
Amortisation, depreciation and provisions				-3,425	-2,891	-534
PROFIT FROM RECURRING OPERATIONS				53,040	40,282	12,758
Other operating income and expenses				-5,771	-5,768	-3
Adjustment of investment property values				28,762	27,579	1,183
OPERATING PROFIT				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
Cost of net debt				-10,888	-6,357	-4,531
Value adjustments of financial assets				8,256	8,256	-
PROFIT BEFORE TAX				75,921	66,514	9,407
Income tax				-3,728	-1,670	-2,058
NET PROFIT				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 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

2.1.3.27. 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 the FREY's share capital.

2.1.4. CONSOLIDATION SCOPE

Entities included in consolidation scope	Consolidation method	31 December 2022		31 December 2021	
		% interest	% control	% interest	% control
FREY	FC	100.00%	100.00%	100.00%	100.00%
SIRET No. 398 248 591 00065					
1 Rue René Cassin -51430 Bezannes, France					
SNC IF Gestion & Transactions	FC	100.00%	100.00%	100.00%	100.00%
SIRET No. 494 334 477 00028					
1 Rue René Cassin -51430 Bezannes, France					
SAS FREY Aménagement & Promotion	FC	100.00%	100.00%	100.00%	100.00%
SIRET No. 500 202 049 00028					
1 Rue René Cassin -51430 Bezannes, France					
SNC IF Chêne Vert	FC	100.00%	100.00%	100.00%	100.00%
SIRET No. 502 925 084 00043					
1 Rue René Cassin -51430 Bezannes, France					
SNC IF Plein Sud ⁽²⁾	NC	-	-	100.00%	100.00%
SIRET No. 512 278 409 00028					
1 Rue René Cassin -51430 Bezannes, France					
SNC IF Bezannes	FC	100.00%	100.00%	100.00%	100.00%
SIRET No. 512 278 334 00028					
1 Rue René Cassin -51430 Bezannes, France					
SCI PAI 02	FC	100.00%	100.00%	100.00%	100.00%
SIRET No. 522 765 502,00029					
1 Rue René Cassin -51430 Bezannes, France					
SNC IF Saint Parres	FC	100.00%	100.00%	100.00%	100.00%
SIRET No. 520 914 581 00027					
1 Rue René Cassin -51430 Bezannes, France					
SAS IF Clos du Chêne	FC	100.00%	100.00%	100.00%	100.00%
SIRET No. 533 187 316 00013					
1 Rue René Cassin -51430 Bezannes, France					
SNC IF Plein Est ⁽²⁾	NC	-	-	100.00%	100.00%
SIRET No. 533 350 658 00019					
1 Rue René Cassin -51430 Bezannes, France					
SNC IF Plein Ouest	FC	100.00%	100.00%	100.00%	100.00%
SIRET No. 533 140 646 00019					
1 Rue René Cassin -51430 Bezannes, France					
SCI IF Allondon	FC	100.00%	100.00%	100.00%	100.00%
SIRET No. 790 403 372,00010					
1, rue René Cassin- 51430 Bezannes, France					
SCI IF Valentine	FC	100.00%	100.00%	100.00%	100.00%
SIRET No. 790 402 242,00016					
1, rue René Cassin- 51430 Bezannes, France					
SCI FREY Murs 01 ⁽¹⁾	NC	-	-	100.00%	100.00%
SIRET No. 794 375 758 00016					
1, rue René Cassin- 51430 Bezannes, France					
SAS ZCN Aménagement	FC	100.00%	100.00%	100.00%	100.00%
SIRET No. 800 827 842 00017					
1, rue René Cassin- 51430 Bezannes, France					
SAS F.Events	FC	100.00%	100.00%	100.00%	100.00%
SIRET No. 800 496 374 00011					
1, rue René Cassin- 51430 Bezannes, France					
SCI IF Ecopole	FC	100.00%	100.00%	100.00%	100.00%
SIRET No. 807 934 997 00014					
1, rue René Cassin- 51430 Bezannes, France					

		31 December 2022		31 December 2021	
SCI Massonex	FC	100.00%	100.00%	100.00%	100.00%
SIRET No. 508 376 787 00026					
1, rue René Cassin- 51430 Bezannes, France					
SCI IF ZCN Investissement	FC	100.00%	100.00%	100.00%	100.00%
SIRET No. 810 418 889 00012					
1, rue René Cassin- 51430 Bezannes, France					
SAS FREY Murs 02	FC	100.00%	100.00%	100.00%	100.00%
SIRET No. 813 822 640 00013					
1, rue René Cassin- 51430 Bezannes, France					
SNC Retail Prodev	FC	100.00%	100.00%	100.00%	100.00%
SIRET No. 820 821 908 00010					
1, rue René Cassin- 51430 Bezannes, France					
SASU Ecoparc Aménagement ⁽¹⁾	NC	-	-	100.00%	100.00%
SIRET No. 828 134 262 00017					
1 Rue René Cassin -51430 Bezannes, France					
Citizers By FREY ⁽¹⁾	NC	-	-	100.00%	100.00%
SIRET No. 847 878 683 00014					
1, rue René Cassin- 51430 Bezannes, France					
Groupe Forestier FOREY	FC	100.00%	100.00%	100.00%	100.00%
SIRET No. 882 005 598 00017					
1, rue René Cassin- 51430 Bezannes, France					
EIG FREY SOLIDARITE	FC	100.00%	100.00%	100.00%	100.00%
SIRET No. 883 984 106 00012					
1, rue René Cassin- 51430 Bezannes, France					
SOCIAL MARKET	FC	100.00%	100.00%	100.00%	100.00%
SIRET No. 893 871 541 00015					
1, rue René Cassin- 51430 Bezannes, France					
SAS BEC PROMOTION	FC	100.00%	100.00%	100.00%	100.00%
SIRET No. 444 115 992 00042					
1, rue René Cassin- 51430 Bezannes, France					
SAS BBC SOLAR	FC	100.00%	100.00%	100.00%	100.00%
SIRET No. 523 470 912 0123					
1, rue René Cassin- 51430 Bezannes, France					
SAS FRF1	FC	66.67%	66.67%	66.67%	66.67%
SIRET No. 538 460 650,00012					
1, rue René Cassin- 51430 Bezannes, France					
SCI FRF2	FC	62.08%	62.08%	62.08%	62.08%
SIRET No. 538 486 143,00018					
1, rue René Cassin- 51430 Bezannes, France					
SCI IF Cormontreuil 01	FC	62.08%	62.08%	62.08%	62.08%
SIRET No. 508 928 314 00022					
1 Rue René Cassin -51430 Bezannes, France					
SCI FRF 2 Torcy II	FC	62.08%	62.08%	62.08%	62.08%
SIRET No. 513 302 703 00022					
1 Rue René Cassin -51430 Bezannes, France					
SCI FRF 2 Torcy	FC	62.08%	62.08%	62.08%	62.08%
SIRET No. 539 682 930 00018					
1, rue René Cassin- 51430 Bezannes, France					
SCI FRF 2 Le Pontet ⁽¹⁾	NC	-	-	62.08%	62.08%
SIRET No. 751 194 861 00017					
1, rue René Cassin- 51430 Bezannes, France					

		31 December 2022		31 December 2021	
SCI Zone A	FC	62.08%	62.08%	62.08%	62.08%
SIRET No. 488 512 286 00029					
1, rue René Cassin- 51430 Bezannes, France					
SC FRF 2 Khépri 1	FC	62.08%	62.08%	62.08%	62.08%
SIRET No. 800 283 236 00019					
1, rue René Cassin- 51430 Bezannes, France					
SC FRF2 Apollo	FC	62.08%	62.08%	62.08%	62.08%
SIRET No. 812 955 680 00010					
1, rue René Cassin- 51430 Bezannes, France					
SL FREY Invest	FC	100.00%	100.00%	100.00%	100.00%
Spain					
SL Parla Natura ⁽¹⁾	FC	100.00%	100.00%	100.00%	100.00%
Spain					
Parc Vallès Inversiones Inmobiliarias S.L.U.	FC	100.00%	100.00%	100.00%	100.00%
Spain					
Sociedad Gestora Santa Margarida S.L.U.	FC	100.00%	100.00%	100.00%	100.00%
Spain					
Finestrelles Shopping Centre S.L.U	FC	100.00%	100.00%	-	-
Spain					
FREY Mediterraneo SL (WADSFORD INVEST, SLU)	FC	100.00%	100.00%	-	-
Spain					
Gemmano, Sp. z.o.o	FC	100.00%	100.00%	-	-
Poland					
Giarole, Sp. z.o.o	FC	100.00%	100.00%	-	-
Poland					
Eurofund Parc Lleida S.L	FC	70.00%	70.00%	70.00%	70.00%
Spain					
FREYPROP, UNIPESSOAL Lda	FC	70.00%	70.00%	70.00%	70.00%
Portugal					
Algarve Shopping -Centro Comercial SA	FC	70.00%	70.00%	70.00%	70.00%
Portugal					
ALBRP Albufeira Retail Park, Lda	FC	70.00%	70.00%	70.00%	70.00%
Portugal					
Immoconti -Sociedade Imobiliária SA	FC	70.00%	70.00%	70.00%	70.00%
Portugal					
Project Guia SA	FC	70.00%	70.00%	70.00%	70.00%
Portugal					
SCI L'Agenaise d'Investissement	EA – JV	50.00%	50.00%	50.00%	50.00%
SIRET No. 750 095 143 00012					
1, rue René Cassin- 51430 Bezannes, France					
SCI Sopic FREY ⁽¹⁾	NC	-	-	50.00%	50.00%
SIRET No. 517 826 111 00026					
1 Rue René Cassin -51430 Bezannes, France					
SCI La Patroclienne d'Investissement	EA – JV	50.00%	50.00%	50.00%	50.00%
SIRET No. 803 896 661 00011					
1 Rue René Cassin -51430 Bezannes, France					
SCI Tervilloise d'Investissement	EA – JV	50.00%	50.00%	50.00%	50.00%
SIRET No. 818 725 392 00018					
1 Rue René Cassin -51430 Bezannes, France					
SCI Bonneuil Retail Park ⁽³⁾	NC	-	-	50.00%	50.00%
SIRET No. 821 629 607 00010					
1 Rue René Cassin -51430 Bezannes, France					

		31 December 2022		31 December 2021	
SCCV PORTE DE LOIRE INVEST	EA – JV	50.00%	50.00%	50.00%	50.00%
SIRET No. 898 725 387 00010					
1 Rue René Cassin -51430 Bezannes, France					
SAS LA LUNE DES DOCKS	EA – JV	39.00%	39.00%	-	-
SIRET No. 911 974 673 00012					
6 Rue Juliette Dodu 75010 Paris, France					
SC FREY Retail Villebon ⁽⁴⁾	EA – JV	5.00%	5.00%	5.00%	5.00%
SIRET No. 817 676 240 00010					
1, rue René Cassin- 51430 Bezannes, France					

FC: Full Consolidation. **EA – JV:** Equity accounting of joint venture. **NC:** Non-consolidated

Parla Natura, Sopic FREY, Citizers, Ecoparc, FREY Murs 01 and FRF2 Le Pontet were dissolved without liquidation by Universal Transmission of Assets during 2022 (see Note 2.1.2.3).

As of 18 November 2022, Plein Sud and Plein Est were absorbed by a merger in favour of FREY Murs 02 (see Note 2.1.2.3).

Bonneuil Retail Park's shares were sold in February 2022.

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.

2.1.5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2022

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NOTE 1 | NOTES TO THE PROFIT AND LOSS ACCOUNT

2.1.5.1.1. Revenue

Breakdown of revenue by geographic region in €K	31/12/2022 12 months	31/12/2021 12 months
France	89,663	78,801
Spain	17,602	6,006
Portugal	16,831	13,889
TOTAL	124,096	98,696

Revenue as of 31 December 2022 includes rebilled rental expenses of €25,573 K compared to €19,071 K as of 31 December 2021. Rebilled rental expenses and underlying rental expenses are recognised under "Revenue" and "Purchases consumed" respectively, Note 2.5.1.3.

In €K	31/12/2022 12 months	31/12/2021 12 months
Rental income and rebilled taxes	99,955	79,396
Other rebilled rental expenses	17,153	12,565
TOTAL RENTAL INCOME	117,108	91,962
Sales/development activity	4,884	4,279
Other revenue	2,104	2,455
TOTAL REVENUE	124,096	98,696

The change in revenue is explained in Section 2.1.3.26 above.

Revenue from variable rent accounts for 2.7% of consolidated revenue at 31 December 2022.

2.1.5.1.2. 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 2022.

2.1.5.1.3. Purchases consumed

Details of purchases consumed in €K	31/12/2022 12 months	31/12/2021 12 months
Cost of development invoiced	4,350	4,001
Recoverable rental expenses (*)	25,573	19,071
Non-recoverable expenses on assets (*)	4,624	2,793
External services	9,470	7,376
PURCHASES CONSUMED	44,017	33,241

* 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 the impact of changes in the 2021 and 2022 scope.

2.1.5.1.4. Payroll expenses

In €K	31/12/2022 12 months	31/12/2021 12 months
Salaries and wages	9,906	7,923
Employer contributions	3,260	2,597
TOTAL	13,166	10,520

Headcount -breakdown by category*	31/12/2022 12 months	31/12/2021 12 months	Change
Employees	25	21	4
Managers	69	63	6
TOTAL	94	84	10

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

The increase in payroll expenses stems from a reduction in reprocessing internal fees and the development of the workforce.

2.1.5.1.5. Other income and expenses

In €K	31/12/2022 12 months	31/12/2021 12 months
Income from asset disposals (*)	62,224	54,333
Expenses related to asset disposals	-	-
Entry fees and compensation received	15	137
Other project-related income	67	1,138
Miscellaneous income from day-to-day operations	599	189
Carrying amount of assets sold (*)	-60,161	-52,492
Remuneration of directors	-100	-111
Other project expenses	-2	-498
Miscellaneous expenses for day-to-day operations	-201	-149
OTHER INCOME AND EXPENSES	2,441	2,547

* In 2022, three investment properties and two assets held for sale at 31/12/2021 were sold for €62.2m.

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

2.1.5.1.6. Taxes and similar payments

In €K	31/12/2022 12 months	31/12/2021 12 months
Taxes and duties on salaries and wages	135	125
Other taxes and duties: Regional economic tax (CET), property taxes, housing management duties, etc.	1,329	892
TOTAL	1,464	1,017

2.1.5.1.7. Allocations to and write-backs of depreciation, amortisation and impairment

In €K	31/12/2022 12 months	31/12/2021 12 months
Non-current assets	-1,641	-1,614
Inventories	-	153
Trade receivables (*)	-1,227	-1,964
Provisions for liabilities and charges	-50	-
TOTAL	-2,918	-3,425

2.1.5.1.8. Other operating income and expenses

In €K	31/12/2022 12 months	31/12/2021 12 months
Expenses on discontinued projects	-4,954	-2,513
Impact related to the consolidation scope*	-1,374	-2,418
Waivers of rent receivables granted	-	-1,013
Other operating income and expenses	-1,678	173
TOTAL	-8,006	-5,771

* In 2022, the impacts are mainly related to the acquisition costs of Finestrelles and the costs related to the official publication (property) of the mergers.

* 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), and expenses related to the official publication (property) of the mergers.

2.1.5.1.9. Cost of net debt and value adjustments of financial assets

In €K	31/12/2022 12 months	31/12/2021 12 months
Interest expense	-13,866	-7,392
Interest expense on lease obligations -finance leases	-295	-643
Interest expense on lease obligations -leases	-31	-43
Financial instrument expenses and income	130	-2,607
Other financial income and expenses	-672	-203
COST OF NET DEBT	-14,734	-10,888
Value adjustment of financial instruments (see.3.13)	61,035	8,298
of which Interest rate derivatives	61,035	8,298
of which Convertible debt derivatives	-	-
Other financial income and expenses	51	-42
OTHER FINANCIAL INCOME AND EXPENSES	61,086	8,256
TOTAL	46,352	-2,632

The positive change in the fair value of financial instruments is explained by the upward trend in interest rates that continued in December. This impact is increased by the effect of seven new interest rate hedges contracted over the year.

2.1.5.1.10. Income tax

In €K	31/12/2022 12 months	31/12/2021 12 months
Consolidated pre-tax profit	145,500	75,921
Share of net profit (loss) of associates	-3,246	-2,522
Reclassification affecting income tax	-376	-302
INCOME BEFORE TAX AND SHARE OF NET INCOME OF COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD	141,878	73,097
Theoretical income tax rate	25%	26.5%
THEORETICAL INCOME TAX	35,569	19,371
Effect on theoretical income tax of:		
Impact of non-taxable sector	-26,420	-19,663
Permanent differences	-1,068	3,616
Non-capitalised losses	2,605	1,562
Deferred tax rate variance over the financial year	-495	-297
Other	-442	-1,163
Effective income tax rate	7.14%	4.69%
EFFECTIVE INCOME TAX	9,749	3,426
+ Reclassification affecting income tax	376	302
EFFECTIVE INCOME TAX	10,125	3,728

In €K	31/12/2022 12 months	31/12/2021 12 months
Tax payable	17,926	1,450
Deferred tax	-7,801	2,278
TOTAL	10,125	3,728

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

The deferred tax liability generated in 2021 relating to the additions to the scope of consolidation of BBC Promotion was reversed in 2022 and resulted in the recognition of a tax expense due to exit tax in the amount of €14.2m.

2.1.5.1.11. Earnings per share

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

In €K	31/12/2022 12 months	31/12/2021 12 months
Net profit Group share	129,378	65,432
Number of ordinary shares outstanding at year-end	28,366,803	28,366,803
Average number of shares taken into account before dilutive impact	28,366,803	24,959,330
Dilutive effect of treasury shares	-112,768	-73,605
Average number of shares taken into account after dilutive impact	28,254,035	24,885,725
UNDILUTED NET EARNINGS PER SHARE	€4.56	€2.62
DILUTED NET EARNINGS PER SHARE	€4.58	€2.63

NOTE 2 | NOTES ON THE BALANCE SHEET

2.1.5.2.1. Intangible assets

CHANGES AT 31 DECEMBER 2022

Gross values in €K	31.12.2021	Increase	Decrease	Addition of Spain to the consolidation scope	31.12.2022
Other intangible assets	2,186	399	-394	13	2,204
Intangible assets in progress	-	-	-	-	-
Advances and prepayments on intangible assets	-	-	-	-	-
Amortisation	-1,281	-103	144	-11	-1,251
TOTAL	905	296	-250	2	953

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

2.1.5.2.2. Property, plant and equipment

CHANGES AT 31 DECEMBER 2022

Gross values in €K	31.12.2021	Increase	Decrease	Reclassification	31.12.2022
Land (*)	15,230	3,459	-	-	18,689
Buildings	8,181	29	-	-	8,210
Other property, plant & equipment	6,004	1,234	-416	40	6,862
Assets under construction	40	-	-	-40	-
Advances and prepayments on property, plant and equipment	-	-	-	-	-
Amortisation	-7,498	-1,536	391	-	-8,643
TOTAL	21,957	3,186	-25	-	25,118
Of which right-of-use -finance leases	2,954	-118	-	-	2,836
Of which Right of use -operating leases	1,782	-461	-	-	1,321

(*) 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 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
Of which right-of-use -finance lease	3,072	-118	-	-	2,954
Of which right of use -operating lease	2,241	-459	-	-	1,782

2.1.5.2.3. Investment property

CHANGES AT 31 DECEMBER 2022

Values in €K	Operated assets	Current assets (including bare land)	Total investment property
31.12.2021	1,390,902	97,016	1,487,918
Reclassifications			
Inventories	-	-6,727	-6,727
Non-current assets	-	10,260	10,260
Discontinued projects	-	-2,556	-2,556
Assets held for sale	-1,896	-	-1,896
Acquisitions	83,049	-	83,049
Works	12,661	27,117	39,778
Disposals*	-48,788	-	-48,788
Increase in consolidation scope	127,500	-	127,500
Reclassification	188	-188	-
Value creation	-	2,308	2,308
Change in fair value	51,118	-2,954	48,164
31.12.2022	1,614,734	124,276	1,739,010

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

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

The valuation methods used by the independent expert appraisers are set out in Section 2.1.3.8 "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 2.1.3.13 "Financial Risk Management".

The value of the investment property acquired under finance leases amounted to €43.7 million at 31 December 2022, compared with €42.5 million at 31 December 2021.

The assets held in Spain represent 19.7% of investment property, i.e. €342.6 million at 31 December 2022.

The assets held in Portugal represent 11.4% of investment property, i.e. €198.9 million at 31 December 2022.

The value of investment property in progress measured at cost amounted to €71.9 million at 31 December 2022 compared with €60.3 million at 31 December 2021.

The new item in the consolidation scope is the Finestrelles building in Barcelona (Spain). The acquisition relates to the Parque Mediterráneo building near Cartagena (Spain).

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	
	31.12.2022	31.12.2021
AMOUNT IN THE INCOME STATEMENT	38,936	28,762
Value creation	2,308	5,545
Delivery of assets	-	12,709
Change in fair value	36,628	10,508
TOTAL CHANGES IN THE INCOME STATEMENT	38,936	28,762

Pursuant to IFRS 3, the acquisition of Finestrelles, subject to an earn-out, generated goodwill of €11.5 million, fully impaired at 31 December 2022 and charged against the change in fair value.

2.1.5.2.4. Investments in associates

CHANGES AT 31 DECEMBER 2022

Gross values in €K	31.12.2021	Income Distributions	Change in scope	Other changes	31.12.2022	
Equity-accounted companies Assets	14,613	3,128 ^(*)	-126	-81	2	17,536
Equity-accounted companies Liabilities	-	25	-7	-	2	20
TOTAL	14,613	3,103	-119	-81	-	17,516

* As a reminder, as at 31 December 2021, Bonneuil Retail Park had been reclassified as "Assets held for sale".

CHANGES AT 31 DECEMBER 2021

Gross values in €K	31.12.2020	Income	Distributions	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.

Joint ventures

Joint ventures are companies in which the 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	31.12.2022	31.12.2021
Investment property	222,449	241,125
Other non-current assets	-	-
Current assets	27,041	16,612
TOTAL ASSETS	249,490	257,737
Adjusted equity	85,981	85,359
Financial liabilities	95,083	109,263
Other non-current liabilities	-	-
Current liabilities	68,426	63,115
TOTAL LIABILITIES	249,490	257,737

Simplified income statement in €K	31.12.2022	31.12.2021
Revenue	13,157	12,511
Profit from recurring operations	11,562	11,300
Adjustment of investment property values	2,005	-1,005
NET PROFIT/(LOSS)	11,286	7,834

2.1.5.2.5. Other non-current assets

CHANGES AT 31 DECEMBER 2022

Gross values in €K	31.12.2021	Addition of Spain to the consolidation scope	Increase	Decrease	Reclassification	31.12.2022
Guarantees and deposits	14,549	1,328	258	-2,765	-5,009	8,361
Other financial investments	52	-	-	-	-	52
Financial provisions	-63	-	-	-	-	-63
TOTAL	14,538	1,328	258	-2,765	-5,009	8,350

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

2.1.5.2.6. Inventories and work-in-progress

CHANGES AT 31 DECEMBER 2022

In €K	31.12.2022	31.12.2021
Work-in-progress	52,184	37,350
Goods	-	-
Provisions	-1,015	-1,015
TOTAL	51,169	36,335

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

2.1.5.2.7. Change in net property development inventories

In €K	Opening	Acquisitions	Disposals	Reclassification*	Other*	Closing
2021	40,243	5,844	-4,696	-2,270	-2,786	36,335
2022	36,335	19,290	-4,350	6,727	-6,833	51,169

* In 2022, these flows related to a development operation transferred within the Group, as investment property, with the restatement of the corresponding internal margin.

2.1.5.2.8. Other current assets

CHANGES AT 31 DECEMBER 2022

In €K	31.12.2022	31.12.2021
Loans, deposits and other receivables within one year (*)	3,489	10,711
Advances and prepayments paid on orders	405	417
Associates' current accounts	12,194	10,423
Tax receivables	11,403	16,995
Other receivables	6,294	6,257
Prepaid expenses	3,051	3,531
TOTAL	36,836	48,334

* The change in this item is mainly due to the reclassification of deposits relating to investment property.

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

2.1.5.2.9. Cash and cash equivalents

CHANGES AT 31 DECEMBER 2022

In €K	31.12.2022	31.12.2021
Marketable securities	263	282
Cash	71,800	84,184
TOTAL	72,063	84,466

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

2.1.5.2.10. Non-current financial liabilities

CHANGES AT 31 DECEMBER 2022

	Change in €K	31.12.2021	Increase in consolidation scope	Increase	Decrease	Reclassification (*)	31.12.2022
cash	Bond issues	-	-	-	-	-	-
	Bank loans	591,375	59,318	475,000	-329,911	-36,022	759,760
	Right-of-use liabilities – finance lease	10,563	-	-	-	-2,965	7,598
	Right-of-use liabilities -operating lease	1,026	-	275	-24	-872	405
	Other (**)	50,608	-	1,525	-	216	52,349
	Guarantees and deposits received	7,731	1,726	1,652	-1,280	-304	9,525
non cash	Bond issues	-	-	-	-	-	-
	Bank loans	-3,140	-	-1,735	373	1,266	-3,236
	Right-of-use liabilities – finance lease	-	-	-	-	-	-
	Right-of-use liabilities -operating lease	-	-	-	-	-	-
	Guarantees and deposits received	311	-	-	-	-311	-
TOTAL		658,474	61,044	476,717	-330,842	-38,992	826,401

* This involves the reclassification of liabilities maturing within one year (see Note 2.1.5.2.15).

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 2.1.5.2.15).

** These are liabilities to other associates in partner companies

Breakdown by maturity in €K	1 to 5 years	> 5 years	Total
Bank loans	756,524	-	756,524
Finance lease liabilities	7,598	-	7,598
Right-of-use liabilities	358	47	405
Guarantees and deposits received	9,525	52,349	61,874
TOTAL	774,005	52,396	826,401

2.1.5.2.11. Employee commitments

In €K	31.12.2022	31.12.2021
START OF PERIOD	821	879
Charges	62	54
Reversals	-3	-
Actuarial gains and losses	-271	-112
END OF PERIOD	609	821

2.1.5.2.12. Deferred taxes

	31.12.2022		31.12.2021	
In €K	DT Assets	DT Liabilities	DT Assets	DT Liabilities
I.F.R.S. - Investment property	-140	23,685	-90	27,604
PIDR	91	-	136	-
Capitalisation of losses carried forward	973	-	973	-
Other	289	-691	223	689
TOTAL	1,213	22,994	1,242	28,293

In 2022, the additions of Finestrelles to the consolidation scope generated a deferred tax liability of -€8.1m. The deferred tax liability generated in 2021 relating to the addition of BBC Promotion to the consolidation scope was reversed in 2022 and resulted in the recognition of a tax debt due to exit tax in the amount of €14.2m.

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

In €K	Change in deferred tax	
	31.12.2022	31.12.2021
CHANGE IN BALANCE SHEET	5,270	-15,629
Amount in the income statement	-	-
Increase in consolidation scope	2,485	13,509
Impact of hedge financial instruments	-	-
Impact of pension commitments	46	20
Impact of restatements related to rights-of-use assets (IFRS 16)	-	-
TOTAL CHANGE OVER THE PERIOD	7,801	-2,100

2.1.5.2.13. Provisions for liabilities and charges

CHANGES AT 31 DECEMBER 2022

In €K	31.12.2021	Increase	Reversals used	Reversals not used	Other changes	31.12.2022
Provisions for litigation	-	-	-	-	-	-
Other provisions for liabilities	-	50	-	-	-	50
Provisions for retirement benefits (see 3.21)	821	62	-	-3	-271	609
Investments in associates	-	20	-	-	-	20
TOTAL	821	132	-	-3	-271	679

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 2.3.21)	879	54	-	-	-112	821
Investments in associates	-	-	-	-	-	-
TOTAL	959	54	-80	-	-112	821

* Corresponds to the securities accounted for using the equity method where the value is negative.

2.1.5.2.14. Other current liabilities

In €K	31.12.2022	31.12.2021
Liabilities on acquisitions of fixed assets	34,603	44,241
Customers - Advances and prepayments received	461	891
Social security liabilities	4,991	4,274
Tax liabilities	13,598	7,747
Other liabilities	7,284	5,641
Prepaid income	3,911	3,767
TOTAL	64,848	66,561

2.1.5.2.15. Current financial liabilities

CHANGES AT 31 DECEMBER 2022

	Change in €K	31.12.2021	Increase in consolidation scope	Increase	Decrease	Reclassification (*)	31.12.2022
cash	Bond issues	-	-	-	-	-	-
	Bank loans	2,716	3,144	-	-5,860	36,022	36,022
	Right-of-use liabilities – finance lease	2,106	-	-	-2,106	2,965	2,965
	Right-of-use liabilities -operating lease	834	-	118	-952	872	872
	Guarantees and deposits received	7,265	-	497	-1,786	399	6,375
	Bank overdrafts (liabilities)	-	-	-	-	-	-
	Bank overdrafts (cash)	-	-	-	-	-	-
non cash	Associates' current accounts	1,838	33,276	-	-33,262	-	1,852
	Bond issues	-	-	-	-	-	-
	Bank loans	538	539	2,642	806	-1,266	3,259
	Right-of-use liabilities – finance lease	-	-	-	-	-	-
	Right-of-use liabilities -operating lease	-	-	-	-	-	-
	Guarantees and deposits received	-	-	-	-	-	-
	Bank overdrafts (liabilities)	236	-	-	-221	-	15
	Associates' current accounts	-	-	-	-	-	-
TOTAL		15,533	36,959	3,257	-43,381	38,992	51,360

* This involves the reclassification of liabilities maturing within one year (see Note 2.1.5.2.10).

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)	-	-	-	-	-	-
non cash	Associates' current accounts	11	196	1,646	-15	-	1,838
	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 2.1.5.2.10).

2.1.5.2.16. Additional information on current and non-current financial liabilities

Breakdown of bank loans and finance lease liabilities before hedging

Net financial debt in €K	31.12.2022	31.12.2021
Fixed rate	2,659	3,555
Variable rate	803,685	602,841
TOTAL	806,344	606,396

Unused drawdown rights

At 31 December 2022, the Group had an unused drawdown rights of €205m 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 2022 (margin included) was 1.82%, compared with 1.38% at 31 December 2021.

This rate of 1.82% breaks down into an average rate of 2.30% on mortgage loans and 1.78% 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	-73,452*	884,981	0	811,529

* 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 97.9% at 31 December 2022 compared with 92.0% at 31 December 2021.

NOTE 3 | NOTES ON THE CONSOLIDATED STATEMENT OF CASH FLOWS

2.1.5.3.1. 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	31.12.2022	31.12.2021
Cash and cash equivalents (Note 2.1.5.2.9)	72,063	84,466
Marketable securities -Other investments	-	-
Bank overdrafts (Note 2.1.5.2.15)	-15	-236
Reclassification of bank overdrafts consisting of short-term financial debt	-	-
TOTAL	72,048	84,230

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 2022, the Group had eight corporate lines of a total nominal amount of €950m, €745 million of which had been drawn down.

2.1.5.3.2. Breakdown of "Change in working capital requirements related to operating activities"

In €K	31.12.2022	31.12.2021
Inventories (see Notes 2.1.5.2.6 and 2.1.5.2.7)	-8,107	1,637
Trade receivables	5,218	4,029
Other receivables	9,294	8,994
Trade payables	4,512	-4,538
Other liabilities	2,718	-2,605
TOTAL	13,635	7,517

2.1.5.3.3. Breakdown of "Acquisition of fixed assets"

In €K	31.12.2022	31.12.2021
Acquisition of intangible assets (see Note 2.1.5.2.1)	-399	-300
Acquisition of property, plant and equipment (see Note 2.1.5.2.2)	-4,723	-9,658
Investment property valuation	-122,829	-94,851
Change in liabilities on acquisitions of fixed assets	-12,672	-15,625
TOTAL	-140,623	-120,434

2.1.5.3.4. Breakdown of "Changes in consolidation scope"

In €K	31.12.2022	31.12.2021
Cash flows related to equity investments *	-129,782	-69,939
Flows related to changes in ownership percentage	-	-
TOTAL	-129,782	-69,939

* In 2022, these mainly involved cash flows net of disbursements in relation to the acquisition of Finestrelles, as well as the earn-out of companies owned the assets from Carré Sud in Nîmes (30).

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).

NOTE 4 | OFF-BALANCE SHEET COMMITMENTS

2.1.5.4.1. 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	31.12.2022	31.12.2021
Less than one year	3,277	2,517
One to five years	7,957	11,234
More than five years	-	-
AMOUNT OF FINANCE LEASE PAYMENTS	11,234	13,751

In €K	31.12.2022	31.12.2021
Less than one year	3,233	2,500
One to five years	7,228	10,700
More than five years	-	-
PRESENT VALUE OF FINANCE LEASE PAYMENTS	10,461	13,200

The finance lease relating to the registered office will expire during the 1st half of 2023.

The amount of future minimum payments to be made under operating leases not restated by IFRS16 as they related to investment property amounted to €3.9m.

At 31 December 2022, annual rents on the basis of signed subleases amounted to €2.2 million, compared with €2.3 million at 31 December 2021.

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 €4.1 million, compared with €2.7 million at 31 December 2021.

2.1.5.4.2. Other commitments given

In €K	31.12.2022	31.12.2021
Mortgage guarantees	58,603	98,294
Pledges of mortgaged assets	2,464	2,464
Deposits and earnest payments	4,408	7,146
Other securities and deposits	4,920	680

It should be recalled that there are bank covenants linked to the financing subscribed by the FREY Group (Note 2.1.3.13).

There were no commitments given relating to Group companies' interests in joint ventures at 31 December 2022.

2.1.5.4.3. Leasing commitments – Lessor

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

In €K	31.12.2022	31.12.2021
Less than one year	84,652	70,767
One to five years	140,039	144,878
More than five years	24,158	24,054
AMOUNT OF OPERATING LEASE PAYMENTS	248,849	239,699

2.1.5.4.4. Other commitments received

In €K	31.12.2022	31.12.2021
Bank deposits (leases signed with lessors)	5,379	5,527
Bank deposits (completion of retail units)	3,752	6,155
Residual drawing rights on long-term borrowings	205,000	224,000
Other commitments received in connection with the disposal of assets	205	-

There were no commitments received relating to Group companies' interests in joint ventures at 31 December 2022.

NOTE 5 | RELATED COMPANIES

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	31.12.2022	31.12.2021
Provision of services ⁽¹⁾	652	611
Marketing fees ⁽²⁾	335	65
Overheads ⁽³⁾	6	-
Net current account interest received ⁽⁴⁾	147	95
TOTAL OTHER ASSOCIATES	1,140	771

(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 ventures financing relationship.

The main positions with the joint ventures in the balance sheet are as follows:

In €K	31.12.2022	31.12.2021
Trade receivables	203	154
Current accounts	12,194	10,423
TOTAL OTHER ASSOCIATES	12,397	10,577

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;
- Foncière 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 18 May 2022;
- Predica, 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 18 May 2022.

- 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 18 May 2022.
- 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 18 May 2022.
- 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 18 May 2022.
- 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 18 May 2022.

NOTE 6 | SENIOR EXECUTIVE REMUNERATION

The senior executives received remuneration from the Company amounting to €2.7 million for the 12-month period between 1 January 2022 and 31 December 2022; this remuneration amounted to €2.0million 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 2022

Amounts in €K	F.C.N.	Grant Thornton	Other	Total
Parent company	134	158	-	292
Subsidiaries (France and Spain)	61	102	55	218
Ancillary assignments	-	13	-	13
TOTAL	195	273	55	523

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

2.1.6. EVENTS SUBSEQUENT TO 31 DECEMBER 2022

On 14 February 2023, FREY sold its asset in Le Mans (72). This asset was classified under assets held for sale in the consolidated financial statements at 31 December 2022.

2.2. STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Financial year ended 31 December 2022

To the General Meeting of Shareholders of FREY,

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 financial year ended 31 December 2022.

We certify that, in accordance with IFRS standards as adopted by the European Union, the consolidated financial statements, 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 ASSESSMENTS - KEY POINTS OF THE AUDIT

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those 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, investment property has been recognised at a net book value of €1,739 million, representing 84.8% of total assets as at 31 December 2022.

Pursuant to IAS 40, FREY has opted to value and recognise its investment property according to the fair value method, as indicated in Note 2.1.3.8 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 of:

- 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 European single 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.

Due to the technical limits inherent in the block tagging of the consolidated financial statements in accordance with the European single electronic reporting format, it is possible that the content of certain tags in the notes to the appendices may not be returned in an identical manner to the consolidated financial statements attached to this report.

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 2022, Grant Thornton was in the 16th consecutive year of its assignment and FCN in its 13th 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. More over 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, 23 March 2023

The Statutory Auditors

Grant Thornton

French member of Grant Thornton International

Amandine Huot-Chailleux

FCN

Pamela Bonnet

2.3. CORPORATE FINANCIAL STATEMENTS OF FREY SA

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Financial year ended 31 December 2022

2.3.1. BALANCE SHEET AT 31 DECEMBER 2022

Balance sheet - Assets

(in euros)	Gross	Amort./Depr./Prov.	31 December 2022	31 December 2021
Intangible assets	1,687,769	634,157	1,053,612	941,854
Property, plant and equipment	349,722,418	41,985,504	307,736,914	321,725,384
Non-controlling	358,759,904	17,692,849	341,067,055	266,212,136
Other financial investments	13,363,446		13,363,446	18,936,290
FIXED ASSETS	723,533,537	60,312,509	663,221,028	607,815,664
Work-in-progress	1,239,995	23,500	1,216,495	4,692,362
Advances and prepayments paid on orders	194,244		194,244	47,430
Trade receivables and related accounts	14,266,179	2,600,237	11,665,942	14,168,696
Other receivables	602,757,028	5,533,669	597,226,359	453,851,653
Marketable securities (treasury shares)	3,372,721		3,372,721	1,977,793
Cash	24,319,520		24,319,520	10,128,033
CURRENT ASSETS	646,149,687	8,154,405	637,995,282	484,865,971
Prepaid expenses	91,041		91,041	90,334
CAP premiums to be amortised	10,630,067		10,630,067	2,892,975
Loan issue costs to be amortised	4,424,832		4,424,832	3,805,949
ACCRUALS	15,145,940		15,145,940	6,789,258
GRAND TOTAL	1,384,829,164	68,466,915	1,316,362,249	1,099,470,892

Balance sheet - Liabilities

(in euros)	31 December 2022	31 December 2021
Share capital	70,917,007	70,917,007
Issue, merger, contribution premiums	424,371,247	469,738,577
Legal reserve	2,814,573	2,814,573
Other reserves	612	612
Retained earnings	-9,863,710	
Net profit/(loss) for the year	-3,920,169	-9,863,710
Regulated provisions	1,320,805	656,889
EQUITY	485,640,365	534,263,949
Provisions for liabilities	568,401	567,262
PROVISIONS FOR LIABILITIES AND CHARGES	568,401	567,262
Convertible bonds		
Other borrowings and financial debt	752,335,943	540,201,258
Advances and prepayments received on orders in progress	210,440	156,031
Trade payables and related accounts	2,116,203	4,419,021
Liabilities for non-current assets	9,835,510	10,957,435
Tax and social security liabilities	4,669,207	2,871,055
Other liabilities	60,899,096	5,902,569
DEBT	830,066,399	564,507,371
Prepaid income	87,084	132,309
GRAND TOTAL	1,316,362,249	1,099,470,892

2.3.2. INCOME STATEMENT AT 31/12/2022

(in euros)	France	Export	31 December 2022	31 December 2021
Net revenue ^{(1) (2)}	29,713,899		29,713,899	22,221,299
Other income			11,215,652	8,644,578
OPERATING INCOME			40,929,551	30,865,877
Purchase of raw materials and other supplies			-4,162,811	-1,538,079
External costs			-18,443,390	-15,139,917
Taxes, duties and similar payments			-3,930,939	-3,217,772
Payroll expenses			-8,184,982	-6,263,155
Operating liabilities			-12,751,450	-11,164,930
Other operating expenses			-288,500	-1,007,709
OPERATING EXPENSES			-47,762,073	-38,331,566
OPERATING RESULTS			-6,832,522	-7,465,688
JOINT OPERATIONS (LOSS)			-56,662	-534,170
Financial income			24,865,103	18,370,986
Financial expenses			-23,099,236	-21,672,514
NET FINANCIAL INCOME/(EXPENSE)			1,765,867	-3,301,527
PRE-TAX PROFIT/(LOSS)			-5,123,318	-11,301,385
Non-recurring income			28,457,614	18,884,659
Non-recurring expenses			-27,253,652	-18,280,774
NON-RECURRING INCOME/(EXPENSE)			1,203,962	603,885
Income tax or tax credit			814	-833,789
NET PROFIT/(LOSS)			-3,920,169	-9,863,710

(1) 31/12/2022 including lease credit notes for the period November 2020 = 6,019

(2) 31/12/2022 including lease credit notes for 2021 = €261,730.

2.3.3. SIGNIFICANT EVENTS

Property investment

- In January 2022, FREY sold its assets located in Thonon for €6 million.
- In March 2022, FREY carried out two unit developments on the Cesson site for €2.3m and €0.3m, and additional work on the Arles site for €0.5m in July 2022.
- In June 2022, the developments on the Bezannes site were finalised for €0.7 million.
- In December 2022, FREY sold part of its assets in Claye Souilly (North Building) for €20.4m.

Borrowing and corporate credit lines

- In February 2022, FREY signed a loan of €70 million for a term of 5 years, then an additional €30 million in May 2022. This loan is subject to ESG performance criteria.
- In July 2022, a loan agreement of €80 million was taken out for a period of 5 years with two possible extensions on 2028 and 2029, then in October an amendment was signed for an additional loan of €30 million. This loan is subject to ESG performance criteria.
- In March 2022, the loan previously borne by La Plaine was fully repaid early in an amount of €18.8 million.
- FREY obtained two one-year extensions for its €100m loan and €70m until 2027.
- New issue, amendment and renewal fees were activated for €1.7m
- In July 2022, SA FREY set up a "Cash Pooling" cash position that includes its French subsidiaries in its cash flow reporting. The remuneration is 0.5%.
- FREY SA has signed several contracts with its Spanish subsidiary FREY Invest.
- A portion of the loans granted was recapitalised in the amount of €82m.
- The FREY Group strengthened its interest rate hedging positions by signing:
 - in June 2022, three CAPs, (strike cap) of 1%, with a 3-year term;
 - in November, two CAPs (strike cap) of 1.5%, including one capped at 3.5%, with a 2-year term;
 - in November, two CAPs (strike cap) of 1.5% starting in March 2023 with a 3-year term.

Shares, membership and equity investments

- In March 2022, La Lune des Docks was created with a 39% partnership for FREY SA with the aim of developing and operating a gastronomic and cultural hall "La Halle".
- In May 2022, SOPIC was liquidated.
- In July 2022, the company acquired a holding in Polish subsidiaries Gemmano SP. Z.O.O and Giarole SP. Z.O.O.
- In September 2022, FREY acquired the shares of IF Plein Est and IF Plein Sud from FAP and sold its stake in Citizers.

- The two companies IF Plein Est and IF Plein Sud were merged into FREY Murs 02 (a wholly-owned subsidiary of FREY).
- In October 2022, FREY paid an ear-out cost of €0.7m for BBC Promotion (a company holding a "Carré Sud" shopping centre in Nîmes) and its subsidiary.
- In November 2022, FREY up made a universal transfer of assets to its subsidiary, FREY MURS 01. It now directly owns Massonex, which owns a unit in Thoiry.

Dividends

At the General Meeting of 18 May 2022, shareholders voted to pay a dividend of €1.6 per share, i.e. a dividend of €45.3 million, as the treasury shares held on the distribution date do not entitle them to a dividend.

2.3.4. 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 €1,316,362,249, and the net accounting income amounted to a loss of -€3,920,169.

The financial year lasts 12 months covering the period from 01/01/2022 to 31/12/2022.

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 -façade | 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;

- or 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 €12,474,373 was recognised in the corresponding sub-accounts of the underlying assets:

- merger loss -Land: €5,976,763
- merger loss -Buildings, fixtures and fittings: €6,497,610

The change in the loss in the financial statements at 31 December 2022 follows the sale of the Claye Souilly building.

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, namely, 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.

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 18 May 2022 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.

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

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 31/12/2022, they amounted to €45.2K.

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. At 31/12/2022, the amount was €4.4m, including €3.6m for the Claye Souilly site.

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 risks. They are Swaps and CAPs. 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.

The premiums paid are amortised over the life of the hedging contract through the "CAP premiums to be amortised".

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.

The FREY Group strengthened its interest rate hedging positions in 2022 by signing four CAPs maturing in 2025 and three CAPs maturing in 2026.

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 31/12/2022 amounted to €243K, compared to €279K at 31/12/2021.

The decrease in the current commitment is mainly due to changes in the discount rate.

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 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 31/12/2022 are as follows:

- retirement age calculated on the basis of a contribution period of 41 years capped at the age of 67;
- change in salaries 1.5%;
- employer contribution rate 35% to 50%;
- discount rate 3.77%.

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

2.3.5. ADDITIONAL INFORMATION

Average workforce

Salaried workforce for the financial year: 33.55 people

Salaried workforce for the previous financial year: 30.45 people

Senior executive remuneration

The senior executives received €1.9 million in remuneration from the Company for the financial year; this remuneration amounted to €1.3 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 management agreement with each of its subsidiaries to centrally manage the Group's cash and in 2022 the Group implemented a Cash Pooling agreement with its subsidiaries.

At 31/12/2022, the company posted current accounts for a total of €594,887K, including €13,617K for Cash Pooling and a current account

contribution for foreign subsidiaries for an amount of €200K, which is not remunerated.

In terms of liabilities, the balance of current accounts for Cash Pooling amounted to €57,921K.

The interest on these current accounts generated financial income of €10,960K at FREY and a financial expense of €167K.

Financial income from the participating loans of the subsidiary FREY Prop for €114,100K and FREY Invest for €4,896K amounted to €2,328K. The latter was reclassified to participating loans in 2022.

The Company also presents a current account contribution for the economic interest group in the amount of €89K, which is not remunerated.

Provision of services

In 2022, FREY provided the following services on behalf of its subsidiaries:

Accounting assistance

The corresponding income in the corporate financial statements amounted to €329K for the 2022 financial year;

Management Fees

The corresponding income in the corporate financial statements amounted to €3,903K for the 2022 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 expense amounts to

€1,137K for FREY, compared with invoiced rents amounting to €20,641K.

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

None.

2.3.6. NOTES TO THE BALANCE SHEET

NOTE 1 | STATEMENT OF NON-CURRENT ASSETS

(in euros)	31 December 2021	Increases	Reclassifications	Decreases	31/12/2022
INTANGIBLE ASSETS	1,559,704	378,009		249,945	1,687,769
Land ⁽¹⁾	49,654,537	14,676		11,493,862	38,175,352
Including loss	12,312,225			6,335,462	5,976,763
Buildings, fixtures and fittings ⁽¹⁾	265,282,136		749,809	19,439,499	246,592,445
Including loss	11,863,996			5,389,961	6,474,036
Other property, plant & equipment	5,937,324	150,075	3,116,650	864,175	8,339,876
Including loss	440,922			417,348	23,574
Assets under construction ⁽²⁾	42,964,733	19,159,757	-3,866,459	1,643,286	56,614,746
Advances and prepayments					
PROPERTY, PLANT AND EQUIPMENT	363,838,730	19,324,508	-	33,440,822	349,722,418
Equity investments ⁽³⁾	161,151,551	79,289,054	4,895,936	676,637	244,659,904
Receivables from equity investments ⁽⁴⁾	118,995,936	46,411	-4,895,936	46,411	114,100,000
Other financial investments ⁽⁵⁾	18,967,401	15,317		5,619,272	13,363,446
Of which liquidity agreement	781,327	14,916			796,243
FINANCIAL INVESTMENTS	299,114,888	79,350,782		6,342,320	372,123,350
TOTAL	664,513,322	99,053,299	-	40,033,087	723,533,537

(1) in 2022, FREY carried out disposals, it sold its assets in Thonon for €5.3 million and the Claye Souilly North building for €25.6 million, including €11.7 million in technical losses. It completed work on the Bezannes site for €0.75 million, and delivered units in the municipality of Arles (€0.48 million) and Cesson (€2.6 million).

(2) the €17.5m increase in current fixed assets mainly related to work in St Ouen.

(3) FREY paid the balance of the acquisition of BBC Promotion holding a "Carré Sud" shopping centre in Nîmes. IF Plein Est and IF Plein Sud were merged into FREY Murs 02, a wholly-owned subsidiaries of FREY and SOPIC was liquidated.

(3 and 4) The company signed a contract and reclassified the loan from its subsidiary FREY Invest as an equity investment.

(5) the decrease in financial fixed assets is mainly due to the release of escrows related to the acquisition of St Ouen.

(in euros)	31/12/2021	Increases	Decreases	31/12/2022
Breakdown of investments (2.3.6 - Note 1)				
BBC PROMOTION	60,658,623	737,718		61,396,341
CITIZERS	10		10	-
FREY MURS 01	9,901		9,901	-
FREY MURS 02	10,000	512,390		522,390
MASSONEX		267,195		267,195
SOPIC	154,336		154,336	-
IF PLEIN EST	9,900	184,687	194,587	-
IF PLEIN SUD	9,900	307,903	317,803	-
FREY INVEST	1	82,132,800		82,132,801
LA LUNE DES DOCKS		39,000		39,000
GEMMANO		1,649		1,649
GIAROLE		1,649		1,649
Dormant companies	100,298,880			100,298,880
TOTAL	161,151,551	84,184,991	676,637	244,659,904

NOTE 2 | STATEMENT OF DEPRECIATION, AMORTISATION AND PROVISIONS ON NON-CURRENT ASSETS

(in euros)	31/12/2021	Charges	Decreases	31/12/2022
INTANGIBLE ASSETS	617,850	16,306		634,156
Land				
Buildings, fixtures and fittings	39,787,109	9,602,464	10,261,380	39,128,192
Including loss	1,245,555	1,232,756	1,025,401	1,452,909
Technical facilities, machinery and tools	51,120	13,053		64,173
Other property, plant & equipment	2,275,120	841,157	323,140	2,793,138
Including loss	62,863	61,394	117,654	6,603
PROPERTY, PLANT AND EQUIPMENT	42,113,349	10,456,673	10,584,519	41,985,503
TOTAL	42,731,200	10,472,979	10,584,519	42,619,660

NOTE 3 | STATEMENT OF OTHER PROVISIONS

(in euros)	31/12/2021	Charges	Reversals not used	Reversals used	31/12/2022
REGULATED PROVISIONS	656,889	663,915			1,320,805
Special amortisation ⁽¹⁾	656,889	663,915			1,320,805
PROVISIONS FOR LIABILITIES AND CHARGES	567,262	568,401		567,262	568,401
Provisions for foreign exchange losses					
Other provisions for liabilities and charges ⁽²⁾	567,262	568,401		567,262	568,401
PROVISIONS FOR IMPAIRMENT	17,127,242	10,567,240		1,847,228	25,847,254
Provisions for equity investments ⁽³⁾	13,935,349	4,024,695	267,195		17,692,849
Provisions for customer loans	31,111			31,111	
Provisions for inventories and work-in-progress	23,500				23,500
Provisions for trade receivables	1,732,329	1,277,325		409,418	2,600,237
Provisions for impairment of current accounts ⁽⁴⁾	1,404,952	5,262,220		1,139,503	5,530,669
TOTAL	18,351,393	11,799,556	267,195	2,147,295	27,736,460

(1) Special amortisation in relation to the acquisition of BBC PROMOTION and FRF1 shares.

(2) Provision for free share allocation plans.

(3) Additional impairment of free share allocation plan shares in the amount of €3,757K and reversal of the depreciation of the shares in SCI Massonex.

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

NOTE 4 | STATEMENT OF RECEIVABLES AND LIABILITIES

Statement of receivables (in euros)	31/12/2022			31/12/2021
	Gross amount	At 1 year at most	Over 1 year	
Receivables from equity investments	114,100,000		114,100,000	118,995,936
Loans				31,111
Other financial investments	13,363,446	8,197,447	5,165,999	18,936,290
Of which concerning related entities				
Trade receivables	14,266,179	11,488,319	2,777,860	15,901,025
Of which concerning related entities	4,683,926	4,750,082		4,750,082
Personnel and related accounts	20,304	20,304		20,304
Social security and similar bodies	4,999	4,999		3,875
Income tax	14,443	14,443		30,513
State -Value Added Tax	2,869,302	2,869,302		9,606,531
Other taxes and similar payments				553,626
Group and associates ⁽¹⁾	597,168,544	597,168,544		442,202,641
Of which concerning related entities	597,168,544	597,168,544		442,202,641
Miscellaneous debtors	2,679,435	2,679,435		2,839,112
Of which concerning related entities				
Prepaid expenses	91,041	91,041		90,334
CAP premiums to be amortised	10,630,067	3,625,521	7,004,546	2,892,975
TOTAL	755,207,760	626,159,356	129,048,405	612,104,279

Statement of liabilities (in euros)	31/12/2022				31/12/2021
	Gross amount	At 1 year at most	At over 1 year and 5 years or less	At more than 5 years	
Bond issues					
● Less than 1 year at inception					
With credit institutions					
● More than 1 year at inception ⁽¹⁾	238,377,714	238,377,714			217,066,900
● More than 1 year at inception	510,100,000	100,000	510,000,000		319,260,000
Guarantees and deposits received	3,858,228	1,158,505	2,331,356	368,367	3,874,358
Trade payables and related accounts	2,116,203	2,116,203			4,419,021
Of which concerning related entities	315,053	315,053			457,780
Personnel and related accounts	1,883,537	1,883,537			1,364,268
Social security and similar bodies	881,949	881,949			677,894
State -Income tax					
State -Value Added Tax	1,465,303	1,465,303			673,662
State -Other taxes and duties	438,418	438,418			155,229
Liabilities for non-current assets	9,835,510	9,835,510			10,957,435
Of which concerning related entities	292,814	292,814			664,453
Group and associates ⁽¹⁾	58,009,887	58,009,887			6
Of which concerning related entities	58,009,880	58,009,980			
Other liabilities					
● Less than 1 year at inception	2,889,210	2,889,210			5,902,563
Prepaid income	87,084	24,989	62,095		132,309
TOTAL	829,943,043	317,181,225	512,393,451	368,367	564,483,649

(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 2022, the outstanding amount of credit drawn by the Company was €745.1 million, consisting of long-term loans repayable within five years.

The average interest rate on the debt, after including the interest rate hedges and with a 3-month Euribor of 2.132% at 31/12/2022, was 1.76%.

Investments

The company manages its excess cash through investments in the form of an account or term accounts or deposits.

NOTE 6 | ACCRUED EXPENSES

Accrued expenses included in the following balance sheet headings (in euros)	31/12/2022	31/12/2021
Loans and financial debt from credit institutions (accrued interest)	3,360,280	1,066,900
Trade payables and related accounts	1,398,138	3,045,361
Debt on non-current assets	9,716,420	10,648,585
Personnel and related accounts	2,600,480	1,916,203
Tax and social security liabilities	1,336,428	177,531
Other liabilities	36,938	27,829
TOTAL	18,448,684	16,882,409

NOTE 7 | DEFERRED INCOME

Deferred income included in the following statement of financial position headings (in euros)	31/12/2022	31/12/2021
Trade receivables and related accounts ⁽¹⁾	9,374,811	11,041,349
State -Value added tax	1,917,037	2,092,292
Accrued interest receivable	932,667	570,500
Other deferred income	524,871	253,897
TOTAL	12,749,386	13,958,038

(1) Of which €3,903K relates to the 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 Promenade² in Claye in 2021.

NOTE 8 | DEFERRED EXPENSES

At 31 December 2022, the loan issue costs under the Corporate lines amounted to €4,425K.

These expenses are amortised over the term of the credit.

NOTE 9 | PREPAID EXPENSES AND INCOME

At 31 December 2022, prepaid expenses amounted to €91K compared with €90K at 31 December 2021. They relate exclusively to operating expenses.

At 31 December 2022, deferred income amounted to €87K compared with €132K at 31 December 2021. This income corresponds to entry fees.

NOTE 10 | CAP PREMIUM TO BE AMORTISED

At 31 December 2022, expenses related to the subscription of instruments still to be amortised amounted to €10,630K versus €2,893K at 31 December 2021.

The significant change is explained by the subscription of seven maximum rates in 2022.

NOTE 11 | COMPOSITION OF SHARE CAPITAL

	Number	Nominal value
Shares comprising the share capital at the start of the year	28,366,803	€2.50
Shares issued during year		
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

At 31/12/2022, the company held:

- 8,832 of its own shares with a book value of €302 thousand as part of the liquidity agreement set out in the significant events for the financial year at the beginning of these notes.

- 103,936 shares with a book value of €3,373K purchased as part of the Employee Free Share Allocation Plan approved by the Board of Directors;
- No shares vested without defined allocation.

This book value is determined on the basis of the share price at 31 December 2022.

NOTE 12 | CHANGE IN SHAREHOLDERS' EQUITY

(in euros)	31/12/2021	Allocation of earnings	Dividends paid	Increase	31/12/2022
Share capital	70,917,008				70,917,008
Issue premium	469,738,578		-45,367,331		424,371,246
Regulated reserves	612				612
Legal reserve	2,814,574				2,814,574
Other reserves					
Retained earnings		-9,863,711			-9,863,711
Profit/(loss) 31/12/2021	-9,863,711	9,863,711			
Profit/(loss) 31/12/2022		-3,920,169			-3,920,169
Regulated provisions	656,890			663,915	1,320,805
TOTAL	534,263,950	-3,920,169	-45,367,331	663,915	485,640,365

NOTE 13 | BREAKDOWN OF INCOME TAX AT 31 DECEMBER 2022

	Profit before tax	Tax	Net profit/(loss)
Profit from recurring operations	-5,124,945	814	-5,124,131
Net non-recurring income/(expense)	1,203,962		1,203,962
TOTAL	-3,920,983	814	-3,920,169

2.3.7. NOTES TO THE INCOME STATEMENT

NOTE 1 | REVENUE

Revenue for the financial year ended 31 December 2022 amounted to €29,713,899 and broke down as follows:

(in euros)	31/12/2022	31/12/2021
Rental income	20,373,394	16,154,255
Provision of intra-group services	4,232,647	4,307,857
Off-plan sales (land and buildings)	4,275,080	673,909
Re-invoicing of work	223,849	546,720
Entry fees	45,225	56,734
Rental management fees	377,349	291,852
Miscellaneous income	186,354	189,972
TOTAL	29,713,899	22,221,299

The increase in rental income is due in particular to the pro rata temporis effect of the delivery in March 2021 of the Shopping Promenade* in Claye-Souilly.

NOTE 2 | FINANCIAL INCOME

(in euros)	31/12/2022	31/12/2021
Financial income from equity investments	6,320,872	5,357,476
Dividends (details 2.3.8)	2,826,352	127,739
Interest on current accounts and Cash Pooling ⁽¹⁾	10,959,529	4,831,135
Interest on participating loans	2,328,410	2,362,290
Reversal of financial impairments	31,111	18,943
Reversal of impairment of financial assets	872,528	5,527,521
Financial income on CAP	1,356,904	
Gain on exchange rate differences	19,648	42,200
Miscellaneous	149,748	103,682
TOTAL	24,865,103	18,370,987

(1) Change related to the implementation of Cash Pooling and increase in interest rates

NOTE 3 | FINANCIAL EXPENSES

(in euros)	31/12/2022	31/12/2021
Loan interest ⁽¹⁾	-10,673,101	-4,449,978
Other financial expenses -hedges	-2,636,830	-2,381,144
Current account interest	-166,756	
Share of net profit/(loss) from transparent subsidiaries	-617,196	-2,939,026
Loss on universal transfer of assets/Merger of companies		-915,589
Financial write-down charges ⁽²⁾	-8,966,058	-10,906,131
Foreign exchange loss		-80,439
Miscellaneous	-39,295	-208
TOTAL	-23,099,236	-21,672,514

(1) Change related to the increase in interest rates and bank debt

(2) Impairment on FREY subsidiaries in respect of 2022

NOTE 4 | NET NON-RECURRING INCOME/(EXPENSE)

Net non-recurring income/(expense) for the financial year ended 31/12/2022 was €1,204K, broken down as follows:

(in euros)	Expenses	Income
Value of property, plant and equipment and intangible assets disposed of ⁽¹⁾	-24,607,039	26,533,570
Disposals of securities	-154,346	121,516
Allocation of shares to employees	-1,800,452	1,800,452
Penalties/Tax adjustments/Disputes/Bonuses	-27,900	2,076
Special amortisation for acquisition of securities	-663,915	
TOTAL	-27,253,652	28,457,614

(1) Disposal of the asset in Claye Bâtiment Nord (77), and Thonon (74).

2.3.8. OTHER INFORMATION

Off-balance sheet

Commitments given

	31/12/2022	31/12/2021
Mortgage guarantees ⁽¹⁾	€2,464 K	€21,011 K
Deposits and earnest payments	€4,408 K	€4,488 K

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

Commitments received

	31/12/2022	31/12/2021
Bank deposits (leases signed with lessors)	€2,377 K	€2,394 K
Bank deposits (completion of retail units)	€548 K	€2,671 K

At 31 December 2022, the Company also had a residual draw-down right of €205 million on its financing signed with its financial partners.

Covenants

At 31/12/2022, all loan covenants signed by FREY SA were respected.

Consolidated ratios	LTV	ICR	Collateralised debt
Relevant debt	€745.0 M	€745.0 M	€745.0 M
Required ratios	<=60.0%	>= 2	<20.0%
Ratios at 31/12/2022	38.9%	5.1	3.2%

Financial instruments

Type of hedge	Start date	Initial amount	Mark-to-Market valuation	Balance sheet provision	Maturity date
CAP BNP	30/06/2021	€16,852K	€8,735K	No	30/06/2026
CAP BNP	30/06/2022	€66,666K	€3,640K	No	30/06/2025
CAP BNP	01/03/2023	€25,000K	€1,321K	No	01/03/2026
CAP CACIB	01/07/2020	€34,067K	€6,223K	No	01/01/2025
CAP CACIB	30/06/2021	€16,852K	€8,650K	No	30/06/2026
CAP CACIB	30/06/2022	€66,667K	€3,603K	No	30/06/2025
CAP CACIB	24/10/2022	€25,000K	€917K	No	01/11/2025
CAP CACIB	24/10/2022	€25,000K	€1,198K	No	01/11/2025
CAP CIC	01/07/2020	€34,030K	€6,209K	No	01/01/2025
CAP LCL	01/07/2020	€34,067K	€6,219K	No	02/01/2025
CAP SG	01/07/2020	€34,067K	€6,500K	No	02/01/2025
CAP SG	30/06/2021	€16,852K	€8,704K	No	30/06/2026
CAP SG	30/06/2022	€66,667K	€3,617K	No	30/06/2025
CAP SG	01/03/2023	€25,000K	€1,307K	No	02/03/2026
LCL SWAP (LA PLAINE)	17/12/2018	€14,628K	€1,105K	No	16/12/2026
CAP LCL	14/09/2021	€16,852K	€8,650K	No	30/06/2026

Free share allocation plans in effect within the Company at 31 December 2022

The table below shows the free share allocation plans in effect within the Company at 31 December 2022:

	Plan No. 8	Plan No. 9	Plan No. 10	Plan No. 11	Plan No. 12	Plan No. 13	Plan No. 14
	20/06/2018	20/06/2018	20/06/2018	20/06/2018	20/06/2018	20/06/2018	11/05/2021
Date of Board meeting:	20/06/2018	20/06/2018	07/03/2019	10/07/2019	02/04/2020	31/03/2021	24/02/2022
Total number of shares allocated free of charge of which:							
	41,826	1,301	35,502	4,567	36,197	47,015	32,742
<i>Corporate officers</i>							
● François Vuillet-Petite	4,672	146	4,348	-	4,348	6,522	3,925
● Pascal Barboni	4,672	73	4,831	-	4,831	7,247	5,371
● Sébastien Eymard	4,672	73	4,831	-	4,831	7,247	5,681
● François Anglade	3,471	45	3,382		3,382	5,073	3,925
● Date shares vested:	20/06/2020	20/06/2020	07/03/2021	10/07/2021	02/04/2022	11/05/2022	24/02/2024
Retention period ends:	20/06/2022	20/06/2022	07/03/2023	10/07/2023	02/04/2024	11/05/2023	24/02/2026
Number of shares vested at 31 December 2022:	36,282	1049	16,253	3,567	14,642	43,711	0
Cumulative number of shares cancelled or lapsed:							
	5,544	252	19,249	1,000	21,555	3,304	0
Free shares allocated and outstanding at 31 December 2022:	0	0	0	0	0	0	32,742

Subsidiaries and equity investments

	Share capital	Equity	Percentage of share capital held	Gross book value of securities	Net book value of securities	Revenue excl. tax	Net profit/(loss) of last financial year
1. Subsidiaries (more than 50% owned)							
SNC IF GT	€10,000	€689,145	99.00%	€9,900	€9,900	€7,288,625	€679,145
SASU FAP	€3,757,500	-€2,481,172	100.00%	€17,630,060	€0	€1,789,636	-€4,935,141
SL FREY Invest	€100,000	€73,161,106	100.00%	€82,132,801	€82,132,801	€384,000	-€4,530,307
SNC IF Bezannes	€10,000	€33,927	99.00%	€9,900	€9,900	€409,889	€23,927
SNC IF Saint Parres	€10,000	€64,291	99.00%	€9,900	€9,900	€0	-€143,927
SNC IF Plein Ouest	€10,000	-€356,471	99.00%	€9,900	€9,900	€77,603	-€366,471
SAS IF Clos du Chêne	€10,000,000	€7,308,967	100.00%	€16,252,450	€16,252,450	€3,172,065	-€2,504,977
SCI IF VALENTINE	€10,000	-€111,312	99.90%	€9,990	€9,990	€0	-€121,312
SCI IF ALLONDON	€10,000	-€1,186,125	99.90%	€9,990	€9,990	€0	-€1,196,125
SCI IF ECOPOLE	€500,000	€220,641	99.00%	€495,000	€495,000	€0	-€279,359
SCI IF ZCN INVESTISSEMENT	€10,000	€1,751,363	99.00%	€9,900	€9,900	€8,456,799	€1,741,363
SASU FREY MURS 02	€10,000	€6,148,159	100.00%	€522,390	€522,390	€5,953,774	€6,117,159
GF FOREY	€10,000	-€253,586	99.90%	€9,990	€9,990	€161,346	-€263,586
SA FREYPROP	€2,000,000	-€1,376,965	70.00%	€1,400,000	€1,400,000	€0	-€229,361
SAS BEC PROMOTION	€420,000	-€5,173,889	100%	€61,396,341	€61,396,341	€5,446,436	-€6,678,132
SAS FREY Retail Fund 1	€1,736,904	€3,298,756	66.67%	€1,583,961	€1,583,961	€235,414	€1,520,068
SNC FREY Retail Fund 2	€80,127,244	€101,487,279	62.08%	€60,936,145	€60,936,145	€0	€10,736,406
SCI MASSONEX	€1,000	-€67,539	100%	€267,195	€267,195	€12,650	-€10,305
GEMMANO SP. Z.O.O	€1,949	€1,949	100%	€1,649	€1,649	€0	
GIAROLE SP. Z.O.O	€1,949	€1,949	100%	€1,649	€1,649	€0	
2. Equity investments (holding between 0% and 50%)							
SCI Agenaise d'Investissement	€6,000	-€6,304,418	50.00%	€3,000	€3,000	€2,376,119	-€484,834
SCI La Patroclienne d'Investissement	€10,000	€112,587	50.00%	€5,000	€5,000	€514,170	€102,587
SC FREY RETAIL VILLEBON	€6,161,684	€38,622,495	5.00%	€1,846,005	€1,846,005	€8,607,503	€1,702,390
SCI Tervilloise d'Investissement	€10,000	€203,746	50.00%	€5,000	€5,000	€724,159	€193,746
LA LUNE DES DOCKS	€100,000	€69,894	39%	€39,000	€39,000	€0	-€30,106
3. Membership							
Association SOCIAL MARKET	€0	€0	100%		€0	€45,398	€0

Dividends received

SAS FREY Retail Fund 1 (subject to corporation tax)	€57,490
SAS FREY Murs 02 (subject to corporate tax)	€273,284
SAS BBC PROMOTION	€2,495,578

Statement of loans and advances granted to subsidiaries

	Loans
1. Subsidiaries (more than 50% owned)	
SA FREYprop	€114,100,000
	Current accounts and Cash Pooling
2. Subsidiaries (more than 50% owned)	
SASU FAP	€83,225,521
SL FREY Invest	€239,257,440
SNC IF Bezannes	€1,713,785
SNC IF Saint Parres	€14,749,012
SNC IF Plein Ouest	€276,304
SAS IF Clos du Chêne	€44,179,716
SCI IF Valentine	€3,378,239
SCI IF Allondon	€11,319,663
SCI IF Ecopole	€10,579,858
SCI IF ZCN Investissement	€81,950,654
SASU FREY Murs 02	€46,688,650
SCI Massonex	€170,590
BBC Promotion	€11,864,018
GF Forey	€17,965,704
BBC Promotion	€11,864,018
GEMMANO SP. Z.O.O	€100,000
GIAROLE SP. Z.O.O	€100,000
3. Equity investments (holding between 1% and 50%)	
SCI Agenaise d'Investissement	€5,619,307
SCI La Patroclienne d'Investissement	€572,071
SC FREY Retail Villebon	€1,923,035
SCI Tervilloise d'Investissement	€735,363
SAS La Lune Des Docks	€314,713
4. Memberships	
SOCIAL MARKET	€707,651

2.4. STATUTORY AUDITORS' REPORT ON THE CORPORATE FINANCIAL STATEMENTS

Financial year ended 31 December 2022

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 2022, as attached to this report.

We hereby certify that the Company financial statements, pursuant to French accounting rules and principles, are true and accurate, and faithfully reflect the operating results for the year ended, as well as the financial position, assets and liabilities of the Company at the end of the 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 ASSESSMENTS - KEY POINTS OF THE AUDIT

Pursuant to Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we hereby bring to your attention the key audit matters relating to the risks of material misstatements that, in our professional judgement, were greatest for the audit of the annual financial statements for the year, as well as the responses we have provided in light of such 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 2022, equity investments were recorded in the balance sheet at a net value of €227 million, while related receivables and current accounts amounted to €705.7 million, representing a total of 70.9% 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 2022, €308 million in operating assets (land and buildings) are shown on the statement of financial position, representing 23.4% of the total balance sheet. They are recognised at their acquisition date at their acquisition cost, depreciated on a straight-line basis over the useful lives defined for each depreciable component and, where applicable, written down on the basis of their value in use.

As indicated in the section entitled "Intangible assets and property, plant and equipment" in the notes, the value in use is based on the market values determined by independent experts.

Due to the estimates inherent in the valuation methods used by property experts to assess the value in use of the tangible operating assets, we considered this to be a key point in our audit.

Audit procedures implemented in response to the risks identified

In particular, we ascertained that the depreciation methods previously defined for each component were complied with and that additional provisions were made for impairment if necessary.

With this objective, we, in particular:

- assessed the consistency of depreciation recognised by component in accordance with defined depreciation plans;
- corroborated the assumptions and valuation methods underlying the valuations implemented by the independent experts;
- compared the net book values of 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 position 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 European single 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 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 2022, Grant Thornton was in the 16th consecutive year of its assignment, and FCN in its 13th year.

RESPONSIBILITIES OF MANAGEMENT AND OF THOSE CHARGED WITH CORPORATE GOVERNANCE FOR THE ANNUAL ACCOUNTS

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, 23 March 2023

The Statutory Auditors

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

FCN
Pamela Bonnet



◀ **Shopping Promenade®**
Claye-Souilly
Claye-Souilly (77)

3

FREY: A COMMITTED COMPANY

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Since 2007, FREY, a pioneer in ecological 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 use wood, on a massive scale, as a bio-sourced material for the construction of its projects;
- to invest €35 million to acquire and operate sustainably managed forests in France, with a view to supplying the French timber construction sector;
- 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. 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 5,000 companies worldwide, including 200 in France.

In 2022, the Group wanted to change its climate strategy to align it with new international requirements. To do this, FREY carried out a new carbon assessment according to the GHG Protocol methodology. This is an international protocol that provides a framework for measuring, recording and managing greenhouse gas emissions from private and public sector activities developed by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI). The main objective of the GHG Protocol is to harmonise the carbon calculation on a global scale.

Using this approach to update the carbon assessment will enable the Group to define a new climate strategy in line with the Science Based Target initiative (SBTi) resulting from the partnership between the United Nations, the World Resources Institute (WRI), the Carbon Disclosure Project and the WWF. The Science Based Target initiative (SBTi) aims to encourage companies to adopt science-aligned carbon strategies, i.e. targeting a level of decarbonisation that is consistent with keeping global average temperature rises well below 2°C, or even below 1.5°C, compared to pre-industrial levels.

Through this initiative, FREY has set the following targets by 2030:

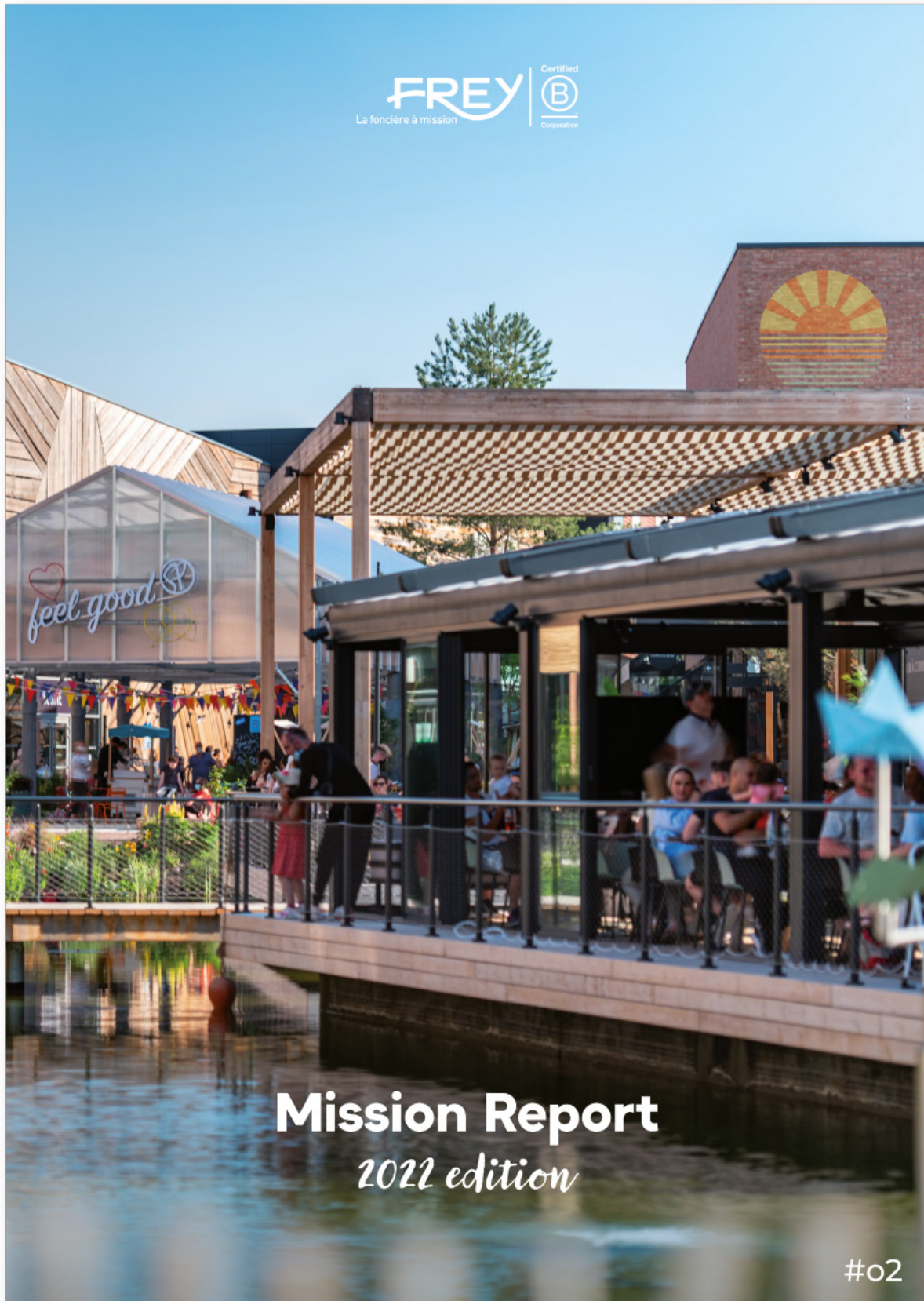
- 42% reduction in scope 1 & 2 GHG emissions (direct emissions) compared to 2021. This trajectory follows the objectives of the Paris Agreements (2015) aimed at limiting global warming to +1.5 C.
- Scope 3 (indirect emissions: construction and operation of sites)
 - Halving its carbon intensity expressed in Kg CO2eq/m² compared to 2021 (excluding visitor travel),
 - Regarding GHG emissions related to visitors' travel (carbon producing transport), FREY will also consider them as part of its climate strategy and implement targeted actions to reduce them.

The property investment company plans to submit the entire trajectory (including visitor trips) to SBT during this year.

In line with this climate strategy, FREY aims to become a renewable energy producer by first deploying solar panels in its portfolio. The Group will favour the installation of solar panels on its roofs, to limit the carbon footprint of the installations, unlike solar shade canopies on car parks. This would make it possible to recover part of the parking spaces for new forms of occupancy of the space with higher added value for the territory, such as: housing, new mixed buildings and their returning to nature in order to promote biodiversity and combat urban heat islands. In order to develop short energy circuits and limit losses on the network, FREY will favour local energy consumption. Solar power generation potential is estimated at 40,000 MWh, which would cover 50% of the consumption by assets. To achieve this, FREY wants to equip 50% of the portfolio ⁽¹⁾ with solar panels by 2026 and 100% by 2028.

(1) Portfolio including assets more than 50% owned by FREY (excluding Finestrelles Shopping Centre) and more than 3 units.

3.1. MISSION REPORT



3

The Mission Comr

Frey's mission is a real societal project because it involves not only the company but also all its stakeholders. Our role: to help reinvent the shopping areas to make them new centres of life, which offer economic, ecological and social meaning.

Thanks to this vision, Frey plays a role as a pathfinder and tester with everything that involves courage, ambition, exposure and risk. This is the full interest of being a "Company with a Mission" (*Société à Mission*): exploring and experimenting with new things together in order to maintain the pioneering ambition. This is what motivates us greatly on the Mission Committee.

In monitoring the Mission, our involvement is multifaceted and clarified after two years of activity: listening and questioning to understand the problems the company faces, informing decision-making by providing our complementary expertise, challenging and opening new topics, and rethinking modes of governance.

“
Maintaining
momentum
while building
a long-term
vision
”

2022 was the year of the operational implementation of the roadmap defined in 2021. The initial feedback from the teams is very useful for us to enrich our thoughts and work with pragmatism. Thus, the Committee is beginning to find its place and we are building an open, transparent and constructive dialogue with Frey in a climate of mutual trust. Our operations are becoming more targeted, professional and self-sustaining for effective governance of the Mission, allowing us to move towards more transformational discussions.

While we have already made progress on various topics, many challenges still need to be discussed and addressed more thoroughly. The organisation can be improved to strengthen consistency between bodies, reporting and the integration of the Mission in investment choices, but the ingredients of change are in place. Due to the requirements it imposes, the B Corp certification is also a great framework for structuring and improving.

The challenge is to maintain the team's momentum and perseverance in implementing actions while building a long-term vision. Consistency and endurance will be the key to success.

The other major challenge is to keep an open mind and to bring the Mission to life to ensure that our objectives respond with impact to changes in society.



nittee's editorial



*From left to right: Clémence Bechu, Elisabeth Laville, Nathalie Palladitcheff, Carine Stoeffler and Christophe Garot.
Absent on the day, François Lemarchand*

FREY - Mission report 2022

03

"Our mission statement"

RESTORING

RETAIL IN

THE SERVICE

OF THE

COMMON

GOOD

Portraits © Nathalie Oundjian - Photos Parks © Fred Laurès © Bartosch Salmanski

©2023 • grafil  GRAPHICDESIGN / 790 891 105 - © FREY

FREY - Mission report 2022

04



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Part 01 About us p.07

Frey, a committed real estate company
Mission, a road to transformation
Everyone involved in the Mission

Part 02 Our Mission p.14

At the beginning of 2023,
where do we stand?

Main pillars & focus:

- **Urban diversity:**
the example of Clos du Chêne
- **Social link and local economic resilience:**
spotlight on our Social Clubs
- **Environmental transition:**
the forest at Frey
- **Involving stakeholders:**
our visitors' commitment

Part 03 Appendices p.37

Find out more
Dashboard
The **Mission** Committee



06



Part 01

About

3

Frey, _____ *P 08*
a committed real estate company

The Mission, _____ *P 10*
a road to transformation

Everyone involved
in the Mission _____ *P 12*

Shopping Promenade Cœur Picardie in Amiens

01



Frey, a committed real estate company

Shopping Promenade in Claye-Scully

Who are we?

We are Frey, a responsible property developer, promoter, investor and manager, founded by Antoine Frey in 2008. Frey is a listed real estate company specialised in the development and operation of outdoor shopping centres in France and Europe. Frey also conducts major urban renewal operations and mixed-purpose projects.

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

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

"Our mission statement"

RESTORING RETAIL TO THE SERVICE OF THE COMMON GOOD

- 1** Retail as a driver of urban diversity
- 2** Retail as a driver of social links and local economic resilience
- 3** Retail as a driver of 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.

Frey in figures

€1.7bn
Economic portfolio

632,810 m² GLA*
Surface area of the
property portfolio

98%
Financial
occupancy rate

€732m
Ongoing
project investments

94 employees, 100% of whom are involved in the Mission

(Figures at 31 December 2022)

*Surface area of the Group share of the property portfolio

Discover all of our commitments on the special website for our mission:

freylamission.fr



B Corp, the beginning 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.

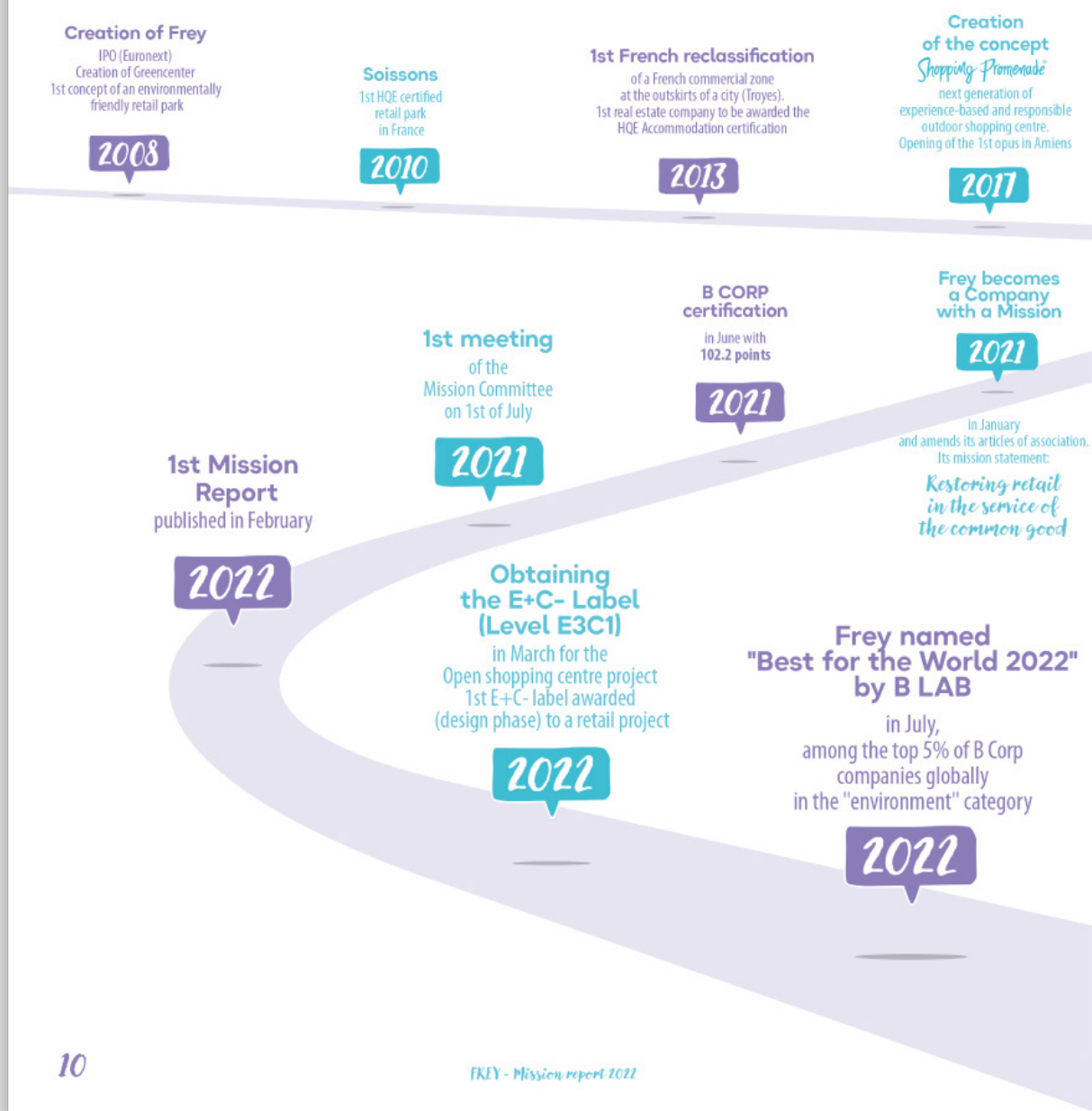
Issued by the independent organisation B Lab, this international certification is one of the most demanding and confirms the company's responsible environmental and social practices.

With a **score of 102.2 points⁽¹⁾**, Frey demonstrates the level of commitment to its stakeholders (shareholders, investors, suppliers, brands, local authorities, employees and visitors to its retail locations).

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.

The Mission, a road to transfor



mation

The adventure continues!

Creation
of the
FoREY
Forest Group

2020

1st review
of the Mission

2025

Every human activity, whatever it may be, pollutes. It's normal. It's inexorable.

So we must all try to give as much meaning as possible to this activity so that its environmental footprint is of real benefit.

That's the meaning of a company with a Mission! It must define, beyond the simple - but necessary - act of making profits, what is its purpose, its usefulness for the planet and for society.

At Frey, our deep conviction is that the usefulness of trade must go far beyond that of simple retail transactions, that it must play a part in the relationship between people, help to break down barriers, contribute fully to local economic dynamics, and that it must also minimise its impact on the environment as much as possible. These are key issues and challenges that we have chosen to meet through our major Mission objectives.

This commitment is a sincere and collective ambition, shared by all Frey employees and its stakeholders: to prove that, beyond serving its interests, a company can also play a role in a powerful, lasting and beneficial change for everybody.

Antoine Frey,
Chairman and Chief Executive Officer of Frey



*Frey is a member of
the Community of Companies with a Mission*

*The definition of the
Mission made it possible
to give a meaning to and
to boost Frey's historical
commitment*

Everyone involved in the Mission

Oversight of the Mission

To ensure its strategic and operational implementation, the Mission is integrated into the company's governance and decision-making at all levels:

- **The Mission Committee** meets twice a year with a few members of the Executive Committee (Comex) in attendance. These meetings are key moments in presenting the progress made and for raising questions on the implementation of the Mission. At the initiative of its Chair, the members of the Committee also met just once during the year. Intermediate exchanges and reporting between Frey and the Committee will be set up in 2023 to strengthen interactions.

- **The full Executive Committee** then meets after each Committee meeting to share recommendations and make decisions on the implementation of the Mission.

- **The Board of Directors** receives regular feedback on the Committee meetings. At the suggestion of the members of the Committee and as requested by the Board of Directors, more frequent interactions will soon be put in place, particularly with the introduction of an annual report by the Chairwoman of the Committee, which is essential for the consistency of the company's strategy and reporting.

- At the operational level, each Committee meeting is reported to the **Managers' Club** and each manager is in charge of implementing an objective and coordinates a cross-functional working group that considers it.

Each employee of the company is therefore invested in a working group.

The meetings of the Mission Committee give rise to significant questions, recommendations and arbitrations. Frey seeks to ensure its long-term monitoring and integration through this organisation.

Member

What is the Mission Committee?

On 29 January 2021, Frey's shareholders unanimously approved the resolution to allow it to adopt the status of a "Société à Mission" (Company with a Mission), in accordance with French Law No. 2019- 486 of 22 May 2019, known as the "PACTE" law.

Frey then established a separate Mission Committee, a separate corporate body, responsible for monitoring the performance of the Mission.

This is a powerful innovation that brings the voice of the company's stakeholders into governance in the form of a body for listening, dialogue and critical oversight.

Being part of the Mission Committee authorises each member to play the role of challenger, a true "critical friend" working in the company and in the implementation of its Mission.

The role of the Committee is to:

- **Monitor the performance of the Mission** and the resources deployed by Frey to achieve the objectives set (operational commitments, levers for action, 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 achieving it.
- **Carry out any work necessary** to fulfil its role and prepare its report.

At Frey, it is composed of 5 external members and 1 employee representative
(see bibliography in the appendix)

It is integrated at every level of the company

the opinion of...

Carine Stoeffler

Member of the Mission Committee

These first two years made it possible to integrate the Mission at the heart of the company's operations by bringing a new strategic vision, which is constantly enriched by discussions with the Committee.

Whilst Frey has always been committed, the Mission makes it possible to give consistency and meaning to all its actions. Today, each of our operational or strategic decisions is questioned with regard to our Mission.

We have also been able to involve all employees through the working groups dedicated to achieving the 15 objectives. This creates real emulation and strengthens cross-functionality and exchanges.

Going forward, one of the challenges is to give a purpose to our impact and manage it through better data collection and more formalised reporting.

We must also maintain employee involvement by promoting places for discussions, pooling and communication.

Finally, we will need to regularly challenge our Mission objectives in order to maintain the relevance and level of ambition of our commitment.



Part 02

Our Mission

3

**At the beginning of 2023,
where do we stand?** P 16

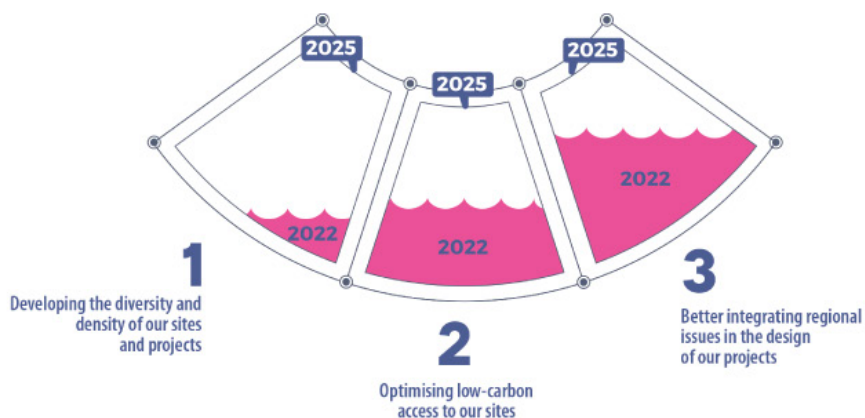
Key pillars & focus

- **Urban diversity:** P 18
the example of Clos du Chêne P 20
- **Social link and local
economic resilience:** P 22
spotlight on our Social Clubs P 24
- **Environmental transition:** P 26
the forest at Frey P 28
- **Involving stakeholders:** P 30
our visitors' commitment P 32

At the end of 2022,

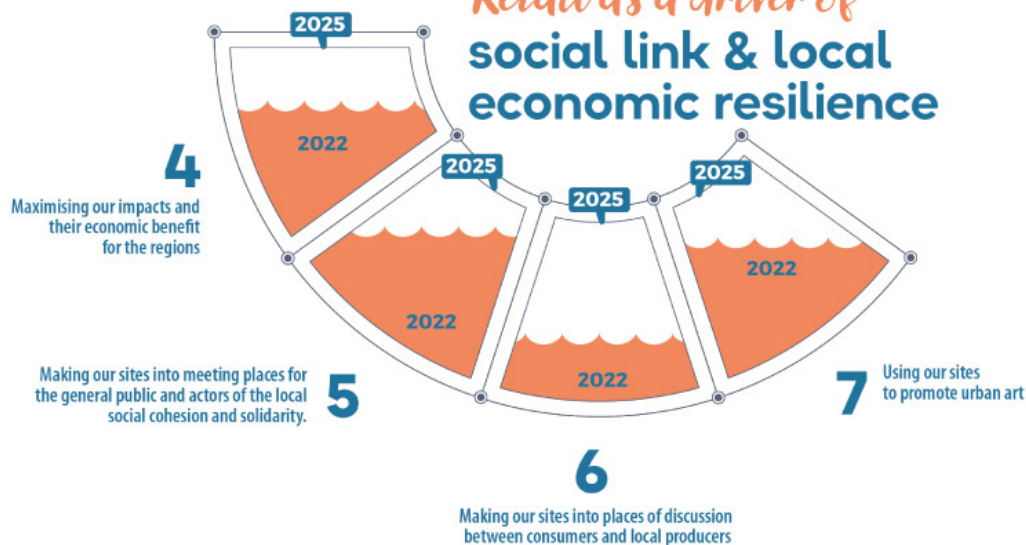
Pillar 1

Retail as a driver of
urban diversity



Pillar 2

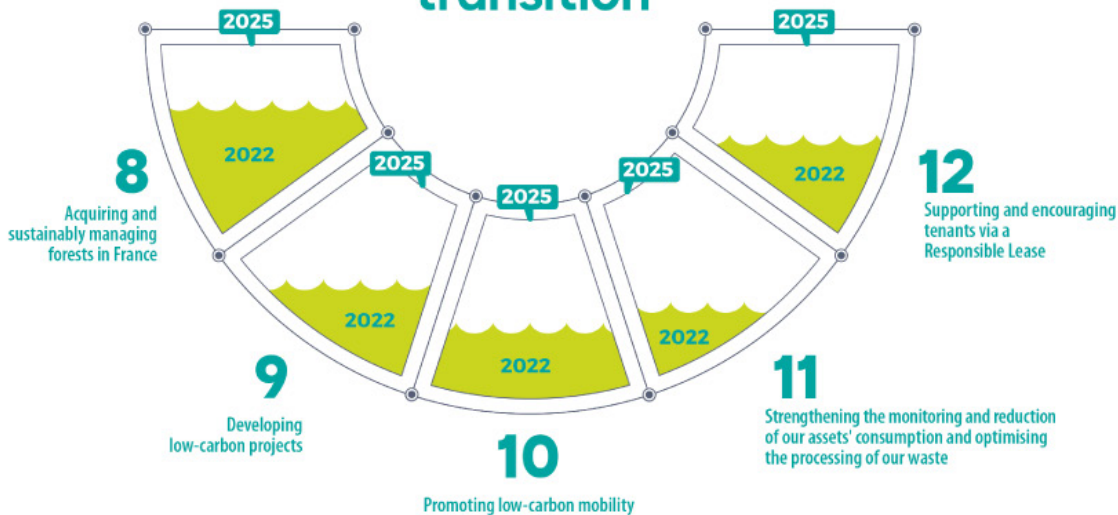
Retail as a driver of
social link & local economic resilience



where are we up to?

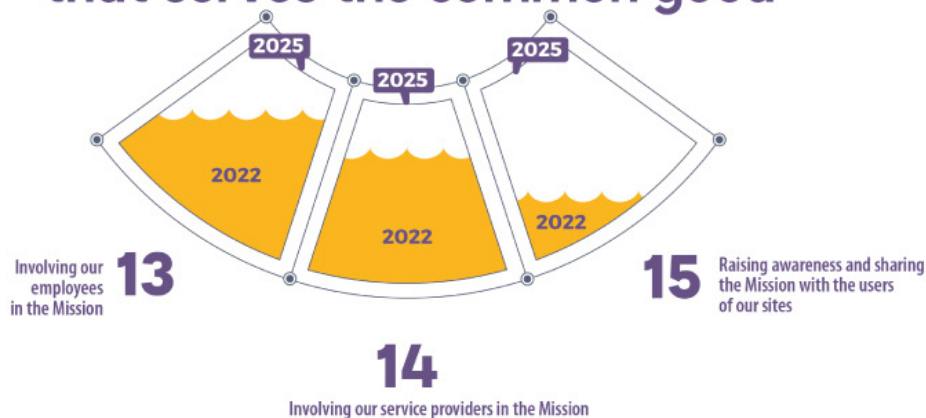
Pillar 3

Retail as a driver of environmental transition



Pillar 4

Frey, a company that serves the common good



FREY - Mission report 2022

17

Pillar

1

*To be sustainable,
a place must be
born from its roots*

Retail as a driver of urban diversity

Member of the Mission

our challenges

Rebuilding, enhancing, connecting

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 with a variety of uses (retail, leisure, services, offices, housing, productive spaces, etc.), integrated into their environment and meeting the needs of the regions.

Objective 1

Developing the diversity of our programmes and the density of our assets and projects

Achievements in 2022**32%**

diversity for ongoing projects (vs. 30% target).

Analysis of potential for increasing density carried out at 100% of sites

Objective 2

Optimising carbon-free access to our sites

Achievement in 2022

Improving infrastructures and services related to internal soft mobility at 2 new sites

Objective 3

Better integrating regional challenges in the design of our projects

Achievements in 2022

- Repository of the analysis of regional issues
- Repository tested on a pilot project

3

the view of...

Urban diversity is a sine qua none condition of the development of the role of retail, which has historically been put out in single-functional spaces on the outskirts of cities.

It is now essential to transform these areas in order to revitalise the areas and respond to social and environmental challenges.

This diversity requires the integration of tertiary activities, services, leisure, culture and housing beyond simple juxtaposing.

These new pieces of mixed and connected cities must also:

- Be considered according to the region, its socio-economic issues, the cultural and geographical context.

- Incorporate the imperatives of adapting to climate change and bringing nature back to urban spaces.

- Allow for real hybridisation of uses and social diversity promoting integration of everybody.

- Think about the reversibility of spaces to adapt to future changes in lifestyles.

Frey initiates projects to this end and has many advantages. To go further, there is a dual challenge of identifying sites that can be transformed and mobilising the necessary economic resources.

As such, the partnership between Frey, Banque des Territoires and CDC Habitat is very good news. The public and private sectors will need to work together on this issue.

**Clémence
Bechu**

Committee

Spotlight on objective 1

*Developing urban diversity
and the density of our sites*

Clos du Chêne (77):
an open-air shopping centre selected by the STATE
as a "Demonstrator of the Sustainable City"



Which project? Hybridising the uses of Clos du Chêne

The project aims to hybridise a retail hub and peripheral car brands by strengthening the diversity of functions and stopping waterproofing land.

Commercial buildings will accommodate parking, housing and amenities.

These retail premises will become the active ground floor included in mixed real estate complexes, precipitating a new, more user-friendly and inclusive urban form.

The creation of open-ended, scalable silo parking, which is the basis of the transformation method, will make it possible to recover part of the parking spaces created in the past, in order to consider new forms of space occupancy: new mixed buildings, returning to nature, etc.


Guilhem Trillat

Asset Manager at Frey in charge of Clos du Chêne

This project offers us a great opportunity to reflect on urban density and the development of mixed uses on existing commercial assets on the outskirts. As a pilot for our Group, these studies will enable us to envisage the implementation of a new growth driver in the coming years. The challenges of these changes are significant. Among them: rethinking the evolution of Clos du Chêne while maintaining a balanced economic model.

FREY - Mission report 2022

A "Sustainable City Demonstrator" project: what does this mean?

 In May 2021, as part of France 2030 and the 4th Future Investment Programme (PIA), the Ministry of Housing, the Ministry of Regional Cooperation and Relations with Local Authorities, the General Secretariat for Investment and the Banque des Territoires, in partnership with the National Agency for Urban Renovation (ANRU) for projects located in priority districts of the urban renewal policy, launched the call for expression of interest (AMI) "Demonstrators of the sustainable city", with €305 million. This unprecedented initiative aims to create a national network of demonstrators, on the scale of clusters or neighbourhoods, illustrating the diversity of ecological transition and sustainable development challenges in French urban spaces.

At the beginning of 2022, the French Prime Minister Jean Castex announced the 9 winning projects, including one carried out by EpaMarne and Frey.

A unique project in France

Clos du Chêne in 2023

The largest retail park in Ile-de-France

A 100% retail destination

50,000m² of built surface areas	60 shops and restaurants	2,000 parking spaces
10M of visitors per year	18Ha of land tenure, almost entirely artificial	

Clos du Chêne in 2030

The 1st suburban retail zone in France transformed into a mixed and sustainable district



Arnaud Diguët

Operational Director
EpaMarne EpaFrance

Taking efficient land use into account and enhancing the environment is encouraging us to profoundly rethink our urban development model.

As such, retail areas on the outskirts of urban areas are an opportunity to gradually move from single-functional use to mixed and sustainable city districts.

The Lisières project in Montévrain, which includes Clos du Chêne, is a demonstrator of this new way of doing things.

Its success requires collective intelligence and the involvement of players from the public sector (local authorities, EpaMarne) and a company (Frey) around a project that makes sense.



CLOS DU CHÊNE
PARC COMMERCIAL - MARNE LA VALLÉE

Pillar

2

Today, people
are moving less and less
to go shopping.
They seek meaning
through experiences
and...

Retail as a driver
of social link &
local economic
resilience

our challenges

Becoming part of an area and creating value

In the face of the loss of social ties in cities, we are committed to recreating living spaces that are conducive to moments of sharing and exchange.

We also want our sites to contribute to the economic development of the regions in which they operate.

Through its local roots, Frey wants to be a genuine economic and social partner for the regions. Our ambition is to support local entrepreneurs and retailers, to welcome associations, to promote local production and to make our centres a space for art and culture.

Member

Objective 4

Maximising our impacts and their economic benefit for the regions

Achievements in 2022**Construction companies:**

- 30% of the companies in the work of the Docks de Saint-Ouen and Open Grand Geneva projects were local

Service providers:

- Maintain 90% of 2022 budgets allocated to local companies for site management

Tenants:

- Maintain 30% of rents in the properties from local tenants

Objective 6

Making our sites places for exchanges between consumers and local producers

Achievement in 2022**2**

new sites hosting local producers and craft markets

Objective 5

Making our sites a meeting place between the public and stakeholders in the local social and solidarity fabric

Achievements in 2022**3**

events organised in support of local associations and charities

1

large, responsible flea market organised

Objective 7

Using our sites to promote urban art

Achievements in 2022**3**

new sites hosting street art

29

new works carried out at all sites

a local and committed aspect

François

Lemarchand

of the Mission Committee

the view of...

The challenge is to create new living spaces that bring meaning, offering reinvented shops and a diversity of other activities.

Cultivating social bonds seems easier to understand. Frey is already ahead of the curve through the integration of art, services, catering and leisure, as well as the conviviality of its spaces.

To go further, meeting the challenges of providing access to healthcare via a variety of health services seems essential.

Frey can also work with people from the community to promote access to art and culture by organising exhibitions, concerts or live shows.

Promoting economic resilience requires meeting the different expectations of consumers, both in search of meaning and facing the decline in their spending power.

On this point, a range of activities must be cultivated, melding with the existing commercial fabric in the area and inventing new committed businesses. Restaurants and leisure are also key pillars to strengthen.

Frey must continue to promote second hand products and innovate through partnerships with local manufacturers and producers who can promote their products and local know-how.

Spotlight on objective 5

24

Making our sites a meeting place between the public and stakeholders in the local social and solidarity fabric

The Social Club:

The culture and associations centre "made in Frey"

Frey Social Clubs, located in the heart of its shopping centres, are unique, completely free places that are open to the city and everybody in it, offering a cultural programme that is accessible to everyone throughout the year. They are also the places of residence of many associations in the catchment areas, which meet there every day of the week to practice their artistic or sporting activities.

at the Shopping Promenade in Claye-Souilly.

Filates

113 faces of Afghan women in support of the fight against oppression, through the work of Alsatian artist Stéphane Tretz. The art of awakening consciousness.

"Being Female" exposure,



Cognitive and interactive experience at the "Touchez-voir" exhibition!

The Table of Senses



Shooting Breast Cancer Awareness Month 2022

"HOPLA BOOBS" by the Visages de Women association in support of women affected by breast cancer.



Job fair

Young people from the local mission and job relays Schiltigheim and Strasbourg during the event in partnership with the Social Club.

Pauline Willer

Head of Social Club Shopping Promenade de Strasbourg

Since its opening, almost 2 years ago, the Social Club has become a place for exchange and fun where the associative, cultural and artistic worlds have met. This is an essential place for our Shopping Promenade.

Event programming serves a multi-generational and multicultural audience, and benefits everyone: customers, retailers and their employees, site service providers, associations, artists, etc.

Many people are now regulars at the venue and meet there to enjoy events, as well as using the room equipped to host professional meetings.

The Social Club gives a different image to the shopping centre, contributes to the social life of the site and allows us, through engaging actions, to change awareness and our view of the world.



FR - Mission report 2022



Association and troupe of dancers from urban culture on the occasion of the launch evening of the Breast Cancer Awareness Month 2021 campaign.



Fitness dance class at the Amiens social club.
Zumba Association



Choir at the Shopping Promenade de Claye-Souilly.



with the artist and exhibitor Silke Host, as part of his exhibition "Colorate Sensuality", in solidarity with the Breast Cancer Awareness Month 2022.



One year's exhibition on the theme of collaborative creation, by Mr. Projet, an artist from Strasbourg.



Shopping Promenade in Claye-Souilly.

Pillar

3

Taking into account the carbon impact linked to mobility is a strategic issue...

Retail as a driver of the environmental transition

our challenges

Minimising and supporting

Commercial real estate faces many challenges: reducing the artificialisation of spaces, efficiency of construction and operation, development of new materials such as wood in respect of biodiversity, and the circular economy. Faced with these environmental challenges, Frey is making concrete commitments to support the ecological transition of its activity.

Within the property scope, Frey is working on low-carbon construction methods, efficient energy management, the development of renewable energies, etc. Beyond this scope of direct responsibility, we must also guide our visitors and tenants towards more responsible practices.

Objective 8

Acquiring forests in France and using them sustainably

Achievement in 2022

€33/Ha
invested to win back biodiversity and the carbon sustainability of our forests

Objective 9

Developing low-carbon projects and optimising the thermal performance of existing assets

Achievements in 2022

- Carbon OMS developed and deployed on a 1st project
- E+C- label obtained on a 1st project (design level)

Objective 10

Promoting low-carbon mobility

Achievement in 2022

1.6%
the car park equipped with charging stations for electric vehicles (initial target of 1.5%)
Reminder 2025 objective: 5%

to be addressed in the context of choices to acquire future assets

Objective 11

Strengthening the monitoring and reduction of consumption of our assets and optimising the treatment of our waste

Achievements in 2022

- 100%**
French sites audited in terms of consumption (water and electricity) and waste management
- Optimising waste management at 2 new sites

Objective 12

Supporting and encouraging tenants via a Responsible Lease

Achievement in 2022

100%
leases signed on the 3 pilot sites
= responsible leases
(compared with target of 80%)

Christophe Garot

Member of the Mission Committee

the view of...

In 2022, the Group made progress, among other things, in terms of carbon efficiency, by initiating the systematic use of Life Cycle Analysis, with a view to measuring and reducing the carbon impact of its projects.

The recruitment of a CSR manager also allows Frey to properly structure and manage its strategy (objectives, targeted actions and reporting).

Reviewing of the Climate strategy, by updating the Group carbon assessment (according to the GHG protocol), with the intention of aligning with international standards, is a step in the right direction and confirms the importance of certain long-term issues, strengthening the credibility of commitments.

With its awareness of its global footprint, the associated challenges and the levers, the Frey Group is able to meet the challenges of the sector.

In particular, by anticipating the current and future requirements of RE2020, which aims to drastically reduce carbon emissions related to its development activity (scope 3 direct); by assisting these tenants in their planning choices and energy intensity, and taking into account the impact of visitors' travel during the operational phase (Scope 3 indirect).

Spotlight on objective 8

28

Acquiring forests in France
and using them sustainably

FoREY: wood at the heart of

FoREY: a sustainably managed forest heritage

By creating its own forest group and sustainably exploiting forests in France, Frey has a dual objective:
1 - to supply the French timber industry and contribute to its structuring.
2 - to guarantee its own needs by securing the timber supply for its projects with a biosourced, sustainable and local material.

The FoREY Forest Group

in figures

2020

Frey creates its own Forestry Group

3,500 ha

Overall surface area of forest assets by 2030

€35M

investment capacity

1,600 ha

spread over 8 forests in France*

* FoREY figure at 31-12-2021
(48% of the acquisition target by 2030 achieved)



FoREY is a member of the Pro Silva association, a united forestry association to promote forest management that respects the natural processes of forest ecosystems

Ghislain de La Selle

Forestry Expert at the FoREY Forestry Group



"Where the condition of the forest makes it possible, we direct the forestry management with continuous cover, more commonly referred to as "all-aged management".

This is not a forestry method that meets criteria set out in advance and that is quantifiable from an office. It is at the heart of the forest, at the foot of the trees, that we strive to shape the future population. Through all-aged management and by the control method, our aim is to obtain, gradually, a structured and stratified population with a tree-by-tree mixture of

individuals with well-differentiated functions.

Carbon storage flows in forests are then maximised in terms of quantity (the annual natural increase) and quality (carbon sustainability rating) for a more resilient forest that is closer to its natural cycles.

Our desire is thus to increase the ecological value and economic value of the forest, with the intuition that these two notions can stimulate each other and need not be in opposition."



Messingy forest in Côte d'Or

FREY - Mission report 2022

Our low-carbon strategy

Wood for the low-carbon construction by Frey

The wood cycle:



Julie Le Roux

Frey Head of CSR & Sustainable Development

FoREY's priority is to improve the quality of the wood harvested by maximising the production of timber for construction and rehabilitation in France.

This allows for long-term carbon storage and contributes to the decarbonisation of the sector.

At Frey, the use of wood as a biosourced building material is, after eco-design and efficiency, the main lever for developing low-carbon projects.

Open[®]

GRAND GENÈVE

1st commercial project to receive the E+C- label



Open, in Saint-Genis-Pouilly (01), is a unique project across the whole of France in terms of carbon efficiency. Thanks to the implementation of a carbon OMS (Operational Management System), the deployment of an ACV (Life Cycle Analysis) and the massive use of wood for structure and cladding, Open obtained the E+C- label (level E3C1) in the design phase. It is a 1st in France for a commercial real estate project.

5,000 m³

volume of wood used for project structure and cladding



Pillar

4

The best way
to change others...
is to change
yourself

Frey, a company
**that serves the
common good**

our challenges

Including, committing, raising awareness.

The success of the three previous pillars can only be achieved with the commitment and awareness of all stakeholders in the Frey ecosystem.

This commitment obviously takes employees into account, but goes further by integrating brands, suppliers and even the visitors to our sites.



Objective 13Including our employees
in the Mission**Achievement in 2022****100%**
employees involved
in achieving the Mission's
objectives**Objective 14**Involving our service providers
in the Mission**Achievement in 2022**"Responsible service providers"
charter signed by 79% of suppliers
(75% target)**Objective 15**Raising awareness and sharing
the Mission with users of our sites**Achievement in 2022**Creation of the
"Collective Interest Centre"
marker and roll-out to 2 first sites**the view of...**

The commitment of stakeholders
is essential in carrying out the Mission
for the common good.

Frey has been a pioneer in many areas
and can share its experience and
assume an influencing role by driving
collective movements.

In-house, Frey involves each of its
employees in implementing
the Mission and achieving B Corp
certification.
It is a great success that must continue
and grow.

To motivate brands and suppliers,
I believe a great deal in leading by
example: Frey can change practices
by going even further in real estate
performance and setting criteria
for environmental commitment and
contributing to local issues in building
management and commercial policy.

Beyond that, Frey can position itself
as a partner of local authorities by
proposing to make its centres a place
for urban experimentation around the
challenges of reconvertng commercial
sites, access to culture or care,
the development of cool places,
intergenerational diversity, local roots,
etc.

Lastly, collective dynamics must
involve visitors in an experience-based
approach. Beyond valuing the actions
carried out at each centre, Frey must
truly be able to get them to commit
to changing their behaviour.
On mobility, for example, carpooling
and cycling must be enhanced through
appropriate amenities and attractive
events.

Elisabeth**Laville**Member of the
Mission Committee

Spotlight on Objective 15

32

The Centre of Collective Interest, or how to involve users of our sites in our Mission

Of all the communities with which we want to share our Mission, the users of our premises (customers, employees of brands and service providers) are certainly the most difficult to address.

So how can we share with them the challenges facing us and the convictions that drive us? How can we highlight the concrete evidence that already marks the responsible commitment made by our locations? And how can we encourage these everyday users to join us in order to bring our Mission

to life and together contribute to the creating wealth for their regions and improving our impact on the environment? These are the major fundamental challenges that we need to respond to in order to bring our Mission to life and to take on board this multi-faceted and fundamental stakeholders.

3 questions to



Clara Fabry

Head of Operational Marketing at Frey
and manager in charge of Objective 15

What is a Collective Interest Centre?

It's a place where you no longer have to choose between enjoying yourself and doing good! Each of our sites is much more than a shopping centre, they are a place of life and encounters, a place that offers services, a place that benefits the local area and its inhabitants. A place that serves the interests of all.

How do you communicate your commitments to the public?

Our goal was to inform and raise awareness among all the users of our sites. We had to find the right message and the right medium to address equally retailers, the teams working there, and visitors.

To share our Mission with them, we have chosen to speak by rolling out new dedicated signage.

Under the common marker "Collective Interest Centre", several topics are addressed: biodiversity, accessibility, mobility, culture, social, recycling, etc.

We have installed explanatory totems to show our various actions on a daily basis. As they move around, visitors can discover the concrete evidence of our commitment.

What about the message?

We are only at the beginning of the adventure, and there is a long way to go! But we already feel clearly that many users are not only sensitive, but also feel affected by the major issues that drive us. The events we organise, for example, on the themes of "Do It Yourself" and preserving biodiversity are becoming increasingly popular. The aspirations of visitors to our sites are changing...and ours as well. All this is very good!

FREY - Mission report 2022



*Our responsibility
is to see the world
as it is,*

And... the final word



address known
difficulties and anticipate
future difficulties

the view of...

After two years of the Mission, Frey maintains its ambition, experiments, succeeds, and sometimes fails.

This process makes it possible to move forward with pragmatism and to really change practices. But we are still in the start-up and scoping phase and it is too early to see the results.

Objectives and actions to address existing problems are well defined. New challenges are now opening up.

Nathalie

Palladitcheff

Chairwoman of
the Mission Committee

The first is to be able to constantly adapt to the changing context and challenges. We need to cultivate a forward-looking vision of topics while keeping an open mind in order to decipher and anticipate tomorrow's issues. For me, it is a fundamental principle of the role of the Mission Committee, a body for mutual questioning and for taking a step back.

With this in mind, a number of fundamental issues are emerging. First, preserving ecosystems is a topical and urgent issue. Frey could commit to this issue in synergy with climate issues and develop its business model in this dual approach.

In addition, strengthening the integration of ESG issues into investment decisions seems essential to me. A risk analysis could be conducted in due diligence to have a clear view of the risk/return equation and the potential for asset transformation.

Finally, Frey's pioneering approach makes it a leader in its sector, but the company will not be able to fully transform without a commitment throughout its value chain. Some issues would be worth addressing at the industry level to pool and maximise impacts. Frey could therefore share its feedback and initiate collective reflection with industry players to strengthen synergies, encourage experiments and find common solutions.

These are all new projects that we must open, alongside monitoring ongoing actions, to maintain the common ambition of "Restoring retail in the service of the common good."



Part 02

Appendices

Find out more	P 39
Dashboard	P 40
The Mission Committee	P 42



2022, was also when...

Frey has been a sponsor of the Epicerie Sociale et Solidaire de Reims since June 2021. Frey invited its employees to take part in volunteer days throughout the year to help out the association's volunteers.



A day in nature for Frey's teams at the heart of our Messigny and Ventoux forest (21) in order to get involved in responsible forest management



Find out more

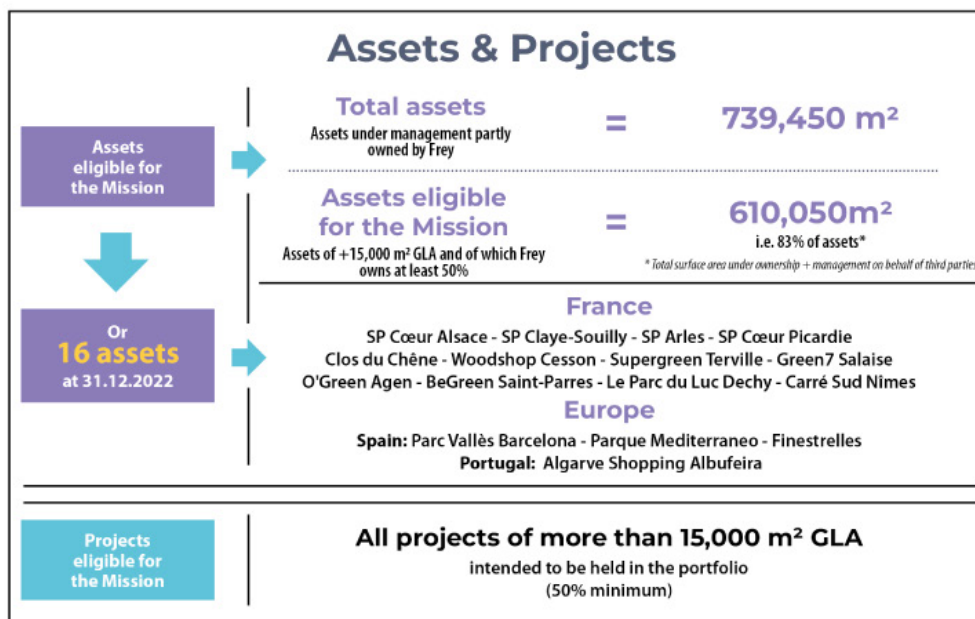
Presentation of the Mission's scope of engagement

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.



Summary table of the 15

Pillar 1

Vision 2025

2022 landing

1 - Developing the diversity and density of our sites and projects

- **Diversity:** maintain a share of diversity corresponding to 30% of the GLA surface area of the projects
- **Density:** boost density and accommodate new regulated uses on existing sites

- **32% diversity for projects under development to date (vs. target of 30%)** 😊
- Surveys for increasing density carried out **at 100% of sites** 😊

2 - Optimising low-carbon access to our sites

- **Creating a focus group for each site with the various stakeholders** to improve external connections (public transport, bike paths, pedestrian routes)
- **Improving the quality of the internal carbon-free mobility infrastructure on our sites**

- **Methodology for working** with stakeholders to develop external connections defined and written 😊
- **Pilot site identified** 😊
- **Improving infrastructures and services** related to internal soft mobility at 2 new sites 😊

3 - Better integrating regional issues in the design of our projects

- **100% of projects** adopting a methodology and a framework for analysing regional issues
- Institutionalising **meetings and exchanges** with a panel of project stakeholders (companies, retailers, craftspeople, artists, producers, associations, etc.)

- **Repository** of the analysis of regional issues created 😊
- **Repository** tested on a pilot project 😊

Pillar 2

Vision 2025

2022 landing

4 - Maximising our impacts and their economic impact on the regions

- **Becoming a key player** in the regions for promoting local jobs 😊
(target adjusted from 2023 on the theme of the valuation of local jobs)

- **Construction companies:**
 - **30% of local companies** involved in work on the Docks de Saint-Ouen and Open Grand Genève projects 😊
- **Service providers:**
 - **Maintaining 90% of 2022 budgets** allocated to local companies for site management 😊
- **Tenants:**
 - **Maintaining 30% of rents** by local tenants within the portfolio 😊

5 - Making our sites a meeting place between the public and stakeholders in the local social and solidarity fabric

- **100% of sites involved** in promoting local social and community activities
- **Continuing to develop** Social Clubs in France and abroad
- **Hold more events** that bring people together in a convivial setting

- **Organising:**
 - 3 non-profit events, 😊
 - 1 large responsible flea market 😊

6 - Making our sites places of exchange between local consumers and producers

- **Organising at least 1 action** per year promoting local producers and craftsmen at **100% of the sites** 😊

- **Sustain existing actions** 😊
- **Organising markets** on 2 new sites 😊

7 - Using our sites as spaces to promote urban art

- **100% of sites offering** a unique artistic experience to visitors

- **Works created** at 3 new sites 😊
- **29 new works completed** (vs. 23% target) 😊
- **Organisation of the 4th edition of the Festival de Street Art de Clos du Chêne Marne-la-Vallée**, which offers for the first time a meeting between artists and the public (schools, visitors, site employees) from 30/05 to 04/06/2022 😊

objectives and their indicators



Pillar 3

Vision 2025

2022 landing

8 - Acquiring forests in France and managing them sustainably

- Continue acquisitions with the objective of **3,500 ha in 2030**
- **Be innovative and exemplary** in the management of forestry assets
- **€15/ha invested** in biodiversity in 2 forests
- **€18/ha** new plantations across all assets (vs. target of €15/ha/year)



9 - Developing low-carbon projects

- **100% of projects** subject to a low-carbon operations management system (OMS) targeting the E+C- label
- **OMS** drafted and deployed on a first project
- **E+C- label** (level E3C1 - design stage) obtained for Open



10 - Promoting low-carbon mobility

- **5% of the parking spaces** on sites equipped with charging terminals for electric vehicles
- **Implementing** at least 1 event to promote carbon-free mobility per year at all sites
- **1.6% of the parking space** equipped with charging terminals for electric vehicles (vs. target of 1.5%)
- **Qualitative studies** to identify customers' expectations and practices on 7 sites (vs. target 4)
- **Organising 2 events** promoting low-carbon mobility (vs. target 1)



11 - Strengthening the monitoring and reduction of consumption of our assets and optimising the management of our waste

- **100% of sites** powered with green energy and committed to reducing consumption (for communal areas)
- **100% of sites** committed to a waste management optimisation strategy
- **100% of French sites** subject to an inventory of consumption and an audit of solutions to reduce consumption (communal shares)
- **1 new site** covered by optimising waste management (vs. target of 2 new sites covered)



12 - Supporting and encouraging tenants via a Responsible Lease

- **100% of tenants signing a responsible lease**
- **Establishing a bonus system** for retailers who go beyond the defined environmental requirements
- **Supporting retailers** in their social commitment
- **100% of the leases** signed at the 3 pilot sites are responsible (vs. target of 80%)



Pillar 4

Vision 2025

2022 landing

13 - Including our employees in the Mission

- **100% of staff** committed to achieving the Mission's objectives
- **Organising actions** that engage employees in working towards the Mission
- **39 volunteer days** at the Solidaire grocery store and 70 employees involved
- **Forey Day** on 8/11/22 with 32 employees
- **Numerous day-to-day** actions carried out over the year



14 - Involving our service providers in the Mission

- **100% of suppliers** signatories to the Responsible Service Provider and Supplier Charter in France and abroad
- **Supporting our suppliers** and service providers in their CSR approach
- **79% of all eligible French suppliers** (vs. 75% target)
- **Charter translated** into Spanish, Portuguese and Polish
- **15 main service providers** surveyed via a quiz on the application of the charter



15 - Raising awareness and sharing the Mission with the users of our sites

- Communicating about the Mission on **100% of sites**
- Obtaining an average **Net Promoter Score** of at least 6/10
- **Creating the "Centre for Collective Interest"** marker and deploying signage on 2 sites
- Customer survey conducted. **Net Promoter Score** of 6/10 achieved





It is made up of 6 members,
the majority of whom
represent external stakeholders.



The Mission



**Clémence
Bechu**

**Director of the development of
the urban planning and architecture
agency Bechu & Associés.**

Graduated from the University of Dauphine Paris with an MSG and a Master's in Project Management, Clémence is responsible for the development of the agency and the management of the operational teams.



**Elisabeth
Laville**

**Elisabeth founded
the consulting firm Utopies,**
she graduated from HEC in 1988 and
spent a few years on the strategic planning of
two advertising agencies before creating
Utopies in 1993. She has since been
recognised as one of Europe's leading experts
on sustainable development.



**Nathalie
Palladitcheff**

**Chairwoman of
the Mission Committee**

President and CEO of Ivanhoé Cambridge,
a real estate development and
investment group, a subsidiary of Caisse
de Dépôt et Placement du Québec,
one of the largest institutional fund
managers in the world. Nathalie is responsible
for ensuring the growth and development
of the company.

For Frey, the Mission Committee is an essential body for listening, dialogue and a critical eye. 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 achievement of the Mission and the resources deployed by Frey to fulfil the objectives set (operational commitments, levers for action, performance indicators).
- Ensure compliance with the Mission and report any shortcomings or obstacles to its achievement.
- Adopt a Mission Report, attached to the company's management report.
- Carry out any work necessary for the fulfilment of its role and the preparation of its report.

Committee



**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.



**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.



**François
Lemarchand**

Member of Frey's Board of Directors as an independent director. In 1976, he founded the family-owned holding company Mercator SA, which he still chairs. 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 role.



3.2. NON-FINANCIAL INFORMATION

3.2.1. NET RESULT GROUP SHARE – CARBON

For the first time in its 2019 results, FREY published a Carbon net result Group share.

This indicator amounts to quantifying the theoretical financial impact of the Group's carbon footprint on its profitability.

In 2022, the Group carried out a new comprehensive carbon review over the two years 2021 and 2022. To do this, the internationally recognised GHG protocol methodology was adopted to replace the Bilan Carbone® methodology used in 2018 for the Group's first carbon assessment.

FREY has also decided to change the carbon price of €25 per tonne used by the Group since 2018 to calculate its Carbon NIGS and to use an ambitious price of €80 per tonne to align with the prices of the European carbon market.

FREY's 2022 Carbon Net Income thus came to €96.0m, after deducting the Group's 2022 carbon charge of €33.4m.

For 2021, taking these new parameters into account, the Group's carbon net result Group share is recalculated at €34.6m, after deducting a carbon charge of €30.8m.

To explain these changes, the Group compared the calculation of the carbon assessment according to the old method (Ademe Bilan Carbone) and the new method (GHG Protocol) across all scopes in the table below.

	On 2022 results GHG Protocol	On 2021 results GHG Protocol	On 2021 results Ademe Bilan Carbone
Corporate emissions (T. CO2 eq.)	1,324	1,320	1,408
Wholly-owned asset portfolio m ²	605,994	498,933	498,933
Emissions by assets held (T. CO2 eq.)	401,122	338,800	185,959
Ratio (kg CO2/m ² of assets)	662	679	373
Financial flows -development	€14.3m	€41.2m	€31.2m
Development emissions (T. CO2 eq.)	15,147	44,800	38,866
Ratio (kg CO2/ development flows)	1.06	1.09	1.18
TOTAL ANNUAL EMISSIONS (T. CO2 eq.)	417,593	384,920	224,232
Carbon price -€/tonne	€80	€80	€25
Carbon impact	€33.4m	€30.7m	€5.6m
Net result Group share (before impact)	€129.3m	€65.4m	€65.4m
NET RESULT GROUP SHARE – CARBON	€95.9M	€34.6M	€59.8M

Methodological clarifications

The Company provides the following methodological clarifications:

- The scope in question takes into account the impact:
 - of employees and the use of FREY's offices ("Corporate emissions", including employee travel, energy consumption, refrigerant leaks, inputs, fixed assets and waste produced)
 - the operation of the assets ("Emissions by assets held", including the energy consumption of the FREY's communal areas, FREY inputs, energy consumption and refrigerant leaks of tenants as well as the impact of visitor travel),
 - asset construction ("Development emissions", excluding changes in the scope of tenants due to lack of data availability).
- The FREY Group's carbon assessment was carried out according to the GHG Protocol methodology and on the basis of available emission factors.
- The Group relied on the collection of real data, replacing previous assumptions, to more accurately calculate the FREY carbon footprint across all scopes, in particular:
 - Construction scope:
 - Calculation of the carbon impact of a project based on the implementation of a Life Cycle Analysis (LCA), then

extrapolated to all projects by distinguishing between the various construction lots (External works, green spaces, structural work and frames, second work and technical lots). The previous method did not distinguish emission factors by type of constructive lots at the level of the portfolio.

- Taking into account all construction projects, whereas previously only the most projects with the biggest impact were taken into account.

- Operating scope:
 - Collection of actual data on the number of visitors to 80% of sites and conduct field surveys to obtain the mode of travel of visitors to 40% of sites, then extrapolation to the entire portfolio. Due to a lack of actual data in 2018, the previous calculation method was based solely on ADEME assumptions and emission factors.
 - This new method leads to a significant increase in the number of visitors, significantly impacting the Group's carbon footprint.
- The assumptions used to calculate input data and emission factors result in high levels of uncertainty commonly observed in the methodology used, in the order of 40% linked in large part to visitor travel.

3.2.2. OTHER NON-FINANCIAL INFORMATION

In November 2021, for the first time, FREY signed loans whose financial conditions are linked to meeting 4 major CSR commitments. Following this signature, the Group also amended all of its corporate financing in place to transform them into responsible loans with the same 4 commitments, namely:

1. Continued investment and exploitation in sustainably managed forests in France through FoREY, its forest group created in 2020, with a target of 3,500 hectares by 2030.
2. Obtaining environmental certifications:
 - BREEAM® for the group's major development projects, retained by the property company,
 - BREEAM® In-Use for significant assets with a target of 100% of assets certified by 2025;

The level of these indicators is presented in the following table:

Indicators	Level requested	Level 31/12/2022
FoREY investment	955 ha	1,667 ha
Environmental certifications:		
● BREEAM®-certified large-scale development projects kept by the property company	100%	100%
● BREEAM® In-Use certified significant assets	25%	25%
Charging stations for electric and hybrid vehicles	2.0%	1.6%
B Corp™ Certification	N/A	N/A

3. The development of low-carbon mobility aimed at reducing greenhouse gas emissions (Scope 3) of assets in the portfolio, by setting up charging stations for electric and hybrid vehicles, with targets of 5% of the total number of parking spaces in 2025 and 10% in 2030;

4. B Corp™ certification (not applicable in 2022).

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

At 31 December 2022, two indicators out of the three applicable indicators (excluding B Corp certification) were adhered to. Indicator 3 relating to the installation of charging stations for electric and hybrid vehicles could not be reached due to delays in delivery. Installation contracts for 2023 have already been signed and the delay in 2022 should be compensated for.

3.3. LIMITED ASSURANCE REPORT BY ONE OF THE STATUTORY AUDITORS BASED ON SELECTED CONSOLIDATED NON-FINANCIAL INFORMATION PRESENTED IN THE 2022 UNIVERSAL REGISTRATION DOCUMENT

3

Financial year ended 31 December 2022

To the General Meeting of Shareholders of FREY,

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 2022 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 2022 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 3.2.2 2022 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";
- 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 AUDITOR'S 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 2022 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, 23 March 2023

One of the Statutory Auditors

Grant Thornton

French member of Grant Thornton International

Amandine Huot-Chailleux

Bertille Crichton

3.4. FINANCIAL RISKS RELATED TO THE EFFECTS OF CLIMATE CHANGE

The likelihood of increasing extreme weather events (heat waves, floods, droughts, storms, etc.) as well as the increase in chronic risks linked to long-term changes in climate patterns (gradual rise in temperatures, rising sea levels, etc.) raise a new question of the consequences of climate change on the real estate sector

In 2022, FREY began to analyse the potential impacts of these risks on its assets based on two considerations:

- Physical risks for assets: these are direct losses associated with damage caused by climate hazards (deteriorations, damage, etc.).
- Transition risks: these are the economic consequences caused by the implementation of a low-carbon economic model that requires major structural, technological and social changes (carbon taxes, regulatory constraints, obsolescence of the portfolio, etc.).

To carry out this study, FREY is supported by MSCI via its MSCI Real Estate Climat Value-at-Risk® portal, which enables a financial translation of climate change risks.

For each asset, the main physical risks were analysed (i.e. coastal and river floods, extreme cold, extreme heat, cyclones, forest fires). The study confirms that FREY's assets, given their geographical location, are only exposed to very limited physical risks.

The challenge at Group level would therefore be more in terms of transition risks. In 2023, FREY will therefore continue to collect maximum consumption data on these assets in order to inform the MSCI Real Estate Climat Value-at-Risk® portal as accurately as possible, and not to base its analysis on the statistical data existing in the tool.

The results of this work will then be incorporated into the definition of the Group's climate strategy in order to improve FREY's resilience by working on both aspects of mitigation and adaptation to the effects of climate change.

3



◀ Shopping Promenade®
Arles Montmajour
Arles (13)

4

RELATED-PARTY TRANSACTIONS

4.1 RELATED-PARTY TRANSACTIONS 216

**4.2 STATUTORY AUDITORS' SPECIAL
REPORT ON RELATED-PARTY
AGREEMENTS 216**

4.1. 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 2022 can be found in this section of the 2022 Universal Registration Document;
- the special report for the financial year ended 31 December 2021 can be found in the "Related-party transactions" 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;

On this matter we also refer you to Section 2.1.5 of Note 5 to the consolidated financial statements as at 31 December 2022, which is included in the section entitled "Consolidated financial statements" of this Universal Registration Document.

4.2. STATUTORY AUDITORS' SPECIAL REPORT ON RELATED-PARTY AGREEMENTS

General Shareholders' Meeting to approve the financial statements for the financial year ended 31 December 2022

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.

AGREEMENTS SUBMITTED FOR APPROVAL BY THE GENERAL SHAREHOLDERS' MEETING

We inform you that we have not received notice of any agreement authorised during the financial year ended that needs to be submitted to the General Meeting for approval 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 BNPPARIBAS 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 concluded for a period of 10 years.

Shareholder agreements entered into by the shareholders of FREY Retail Fund 1 and FREY Retail Fund 2 respectively

Persons concerned:

Predica, 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, 23 March 2023

The Statutory Auditors

Grant Thornton

French member of Grant Thornton International

Amandine Huot-Chailleux

FCN

Pamela Bonnet

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◀ **Algarve Shopping**
Portugal

5

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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 2022.

Reference period

It begins on 1 January 2022 and ends on 31 December 2022.

Key indicators

Gender parity: 54 women and 40 men

98% permanent contracts - 2% work-study contracts

Absenteeism rate: 1.68%

5.1. EMPLOYMENT

TOTAL WORKFORCE AND BREAKDOWN OF EMPLOYEES BY CATEGORY, GENDER AND AGE AS AT 31 DECEMBER 2022

At the end of 2022, FREY had 94 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	2022
Managers	60	61	68	66	63	69
Non-managers	21	24	23	21	21	25
TOTAL	81	85	91	87	84	94

Workforce at year-end	2017	2018	2019	2020	2021	2022
Senior management	8	8	10	10	6	10
Operational staff	40	46	46	38	42	46
Support staff	33	31	35	39	36	38
TOTAL WORKFORCE	81	85	91	87	84	94

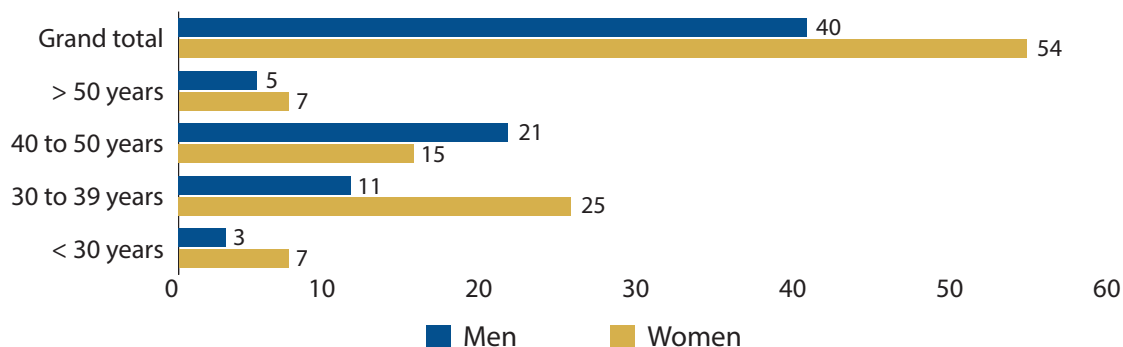
Workforce at year-end	2017	2018	2019	2020	2021	2022
Fixed-term contracts	1	0	0	0	1	0
Permanent contracts	79	84	90	86	82	92
Work-study contracts	1	1	1	1	1	2
TOTAL WORKFORCE	81	85	91	87	84	94

Average age

Sum of ages of total workforce
Total workforce

The average age at 31 December 2022 was 41.

Age pyramid -FREY Group -December 2022



Age category	Female	Male	Total
< 30	7	3	10
30 -39	25	11	36
40 -50	15	21	36
> 50	7	5	12
GRAND TOTAL	54	40	94

RECRUITMENT AND REDUNDANCIES

In 2022, FREY recruited 20 new employees and 10 employees left the Company. Of these 20 hires, 12 were for positions created during 2022, with a turnover rate excluding job creation of 10.84%.

Since 2015, FREY has used professional training or 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	11	8	19
Fixed-term contracts	0	0	0
Work-study contracts	1	0	1
GRAND TOTAL	12	8	20

Departures	Contracts ending	Resignations	Contracts terminated	Trial period terminated	Retirement	Total
Permanent contracts	-	6	2	2	-	10
Fixed-term contracts	-	-	-	-	-	-
Professional training contracts	-	-	-	-	-	-
GRAND TOTAL	0	6	2	2	0	10

5.2. CHANGE IN AVERAGE SALARY

Workforce on a like-for-like basis	This is the number of people employed throughout 2022 on permanent or fixed-term contracts, excluding interns and temporary workers.
Average salary excluding bonuses on a like-for-like basis	Sum of gross salaries for the 2022 workforce 2022 workforce
Change in average salary excluding bonuses on a like-for-like basis	Change in average salary excluding bonuses on a like-for-like basis (2022-2021) Average salary excluding bonuses on a like-for-like basis in 2021

The average salary excluding bonuses on a like-for-like basis changed as follows:

Change in average salary	2017	2018	2019	2020	2021	2022
	4.92%	6.93%	3.44%	6.40%	0.12%	6.88%

5.3. 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.

6% of the workforce, i.e. 6 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	Number of days of absence Theoretical number of days
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Absenteeism includes absences due to illness, whether occupational or not, and any work-or commute-related accidents.

Absenteeism is calculated over full-year 2022.

Absences are counted in business days.

Table of changes in absenteeism

Absenteeism trend	2017	2018	2019	2020	2021	2022
	0.75%	2.13%	1.56%	0.70%	1.33%	1.68%

WORK ACCIDENTS, PARTICULARLY THEIR FREQUENCY AND SEVERITY, AND OCCUPATIONAL ILLNESSES

There were no workplace accidents in 2022.

5.4. 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 & Promotion since 2018 and in FREY since 2019.

It was renewed in 2022 for the companies IF Gestion & Transactions and FREY Aménagement & Promotion.

No collective bargaining agreement or agreement with unions was signed in the 2022 financial year

100% of the workforce is covered by a collective labour agreement, specific to the country in which the employee works.

5.5. 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 2022, 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 are regularly brought into line with contractual and regulatory changes, in particular to comply with regulations governing so-called "responsible" and 100% health contracts.

FREY pays 85% of contributions for non-executives and 65% for executives specifically for Healthcare Cost contracts.

5.6. 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 2022, awareness-raising measures were implemented to encourage the adoption of the correct posture at work and adapted equipment was offered.

The 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.

The 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.

The 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.

5.7. TRAINING

Average number of training hours per employee (a training day is seven hours long)	Number of training hours
	Workforce trained in 2022
Training rate	Number of people trained
	Average 2022 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 2022, 842 hours of training, including coaching, took place. Almost 60% of staff have benefited from training, receiving an average of 16.50 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 0.61% of the Group's total payroll.

In 2022, training hours for employees on work-study contracts (apprenticeships and professional training contracts) came to 889 hours.

5.8. 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 increased in 2022, at 57.4% (compared to 53.5% in 2021).

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

5.9. 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;
- effective abolition of child labour;
- elimination of forced or compulsory 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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◀ **Messigny-et-Vantoux Forest**
and Saussy (21)

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ADDITIONAL INFORMATION

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6.1. INFORMATION ABOUT THE COMPANY

6.1.1. COMPANY INFORMATION

Company name

The Company's name since June 2009 has been: FREY.

Registered office

Parc d'Affaires TGV Reims Bezannes

1 rue Rene Cassin

51430 Bezannes, France

Tel.: 03 51 00 50 50

FREY's LEI code

969500JTN8BU5BW6UW36

Websites

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.

There is a second website specifically for the Mission: <https://FREY-lamission.fr/FREY-qui-sommes-nous/>

Place of registration and registration 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
Explanation of changes to the name of the reporting entity	FREY
Description of the entity's operations and main activities	A developer, investor and manager, FREY is a property investment company specialising in the development and operation of outdoor shopping centres in Europe. FREY is a pioneer in eco-friendly retail parks with its Greencenter® concept, the inventor of a new generation of open-air shopping centres Shopping Promenade® and the leading French operator specialising in urban and retail renewal of city outskirts, FREY is also a state of mind embodied by its projects that are designed to promote social connection and conviviality. FREY, a B Corp™ certified mission company, is therefore committed on a daily basis to a more responsible, environmentally friendly and socially beneficial society for its ecosystem and its stakeholders. As the company knows just how essential retail is to urban diversity, social link, local economic resilience and environmental transition, its mission is restoring retail as a service for the common good. FREY also conducts major urban renewal operations and mixed-purpose projects.
Address of the entity's registered office	Parc d'affaires TGV Reims-Bezannes, 1 rue René Cassin, 51430 Bezannes, France
Country of incorporation	France
Entity address	Parc d'affaires TGV Reims-Bezannes, 1 rue René Cassin, 51430 Bezannes, France
Main establishment	Parc d'affaires TGV Reims-Bezannes, 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

6.1.2. ARTICLES OF ASSOCIATION

1. Corporate object -Purpose -Mission (Article 2)

1.1 Corporate object

The Company's object, in France or abroad, 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 FREY's Mission Statement is to restoring retail as a service for the common good. 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 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 by-laws 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 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.

Access 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 to meetings of holders of non-voting preference shares.

6. Provisions of the Company's Articles of Association, charter or by-laws 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.

6.1.3. 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	20/05/2019	Until complete repayment of sums due	In the event of non-payment	1,427,975
	CIC-EST	18/05/2022			1,075,000
	LCL & CIC-EST	19/04/2017			642,856
	CIC-EST	14/06/2018			783,874
	SG	18/11/2019			235,000
	ARKEA	20/11/2019			300,000
		26/11/2021			750,000
TOTAL					5,214,705

6.1.4. EXCEPTIONAL EVENTS AND LITIGATION

With the exception of the ongoing dispute with the Société d'Aménagement de Montpellier Méditerranée Métropole presented in Section 1.1.1.7 of the URD and in Note 2.2.4 to the consolidated financial statements, at the date hereof, there exists no governmental, legal or arbitration proceedings, nor any proceedings of which the Company is aware, which are pending or with which it is threatened, which are likely to have or have had a significant impact on the financial position during the last twelve months or on the profitability of the Company and/or the Group.

6.2. 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);
- Maxime Wasselin, Partner MRICS (Cushman & Wakefield);
- Christopher Adam, Head of Expertise France MRICS (Jones Lang LaSalle Expertise);
- Jean-Claude Dubois, Chairman of MRICS (BNP Real Estate Valuation).

Patrick Colomer, Maxime Wasselin, 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, Maxime Wasselin, 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, Maxime Wasselin, 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 Khepri 1, FRF2 Apollo, Zone A, IF CORMONTREUIL 01, AI, PAI 02, PI, TI, FREY MURS 02, IF Clos du Chêne, IF Chêne Vert, Massonex, ZCN Investissement, FREY Aménagement & Promotion, Parc Vallès Inversiones, Algarveshopping -Centro Comercial, ALBRP Albuferia Retail Park, Immoconti, Project Guia SA, FREY SA, Wadsford Invest sl and Finestrelles shopping centre sl.

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 latest edition of the Red Book of the Royal Institution of Chartered Surveyors (RICS) effective on 31 January 2022, in particular pursuant to the requirements of Section VPS3 "Valuation technical and performance standards" titled "Valuation reports" and Section VGA1 titled "Valuation for inclusion in financial statements";
- 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:

- that no material that is deleterious, hazardous or that could endanger the property's stability has been used during construction;
- that the property has been constructed in accordance with applicable regulations and legislation;
- 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;
- that no form of pollution affects the property complex and subsoil;
- 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.

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.

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 the 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.

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 (Term & 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 “Term” of the next possible lease expiration

Beyond that, 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

Maxime Wasselin

MRICS

Partner

On behalf of Cushman & Wakefield

Christopher Adams

MRICS

Head of Expertise France

On behalf of Jones Lang LaSalle Expertise

Jean-Claude DUBOIS

Chairman

On behalf of BNP Real Estate Valuation

6.3. RESEARCH AND DEVELOPMENT, PATENTS, TRADEMARKS AND LICENSES

FREY and its subsidiaries do not hold 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:

- thirty French trademarks registered with the French National Industrial Property Institute (INPI);
- two Spanish trademarks registered with the Copyright Office;
- twelve trademarks registered in the European Union with the Office for International Registration.

FREY also holds ninety-four (94) 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 therefore expressly authorised to use the "BREEAM®" logo for its assets that have been certified:

- **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).
- **Finestrelles Shopping Centre** in Barcelona, Spain (BREEAM® Design, Construction and In Use -Excellent).
- **Algarve Shopping** in Albufeira, Portugal (BREEAM® In Use).

Finally, FREY is authorised to use the "HQE™ Aménagement" logo for those of its operations that have been awarded that certification.

FREY is also authorised to use HQE™ Bâtiments Tertiaires logo for its assets that have received certification:

- **Be Green** in Troyes -Saint-Parres-aux-Tertres (10);
- **Clos du Chêne** in Montévrain (77);
- **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.

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6.4. 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.

6.5. PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

Person responsible for the Universal Registration Document

Antoine FREY,

Chairman and Chief Executive Officer

1 rue Rene Cassin

51430 Bezannes, France

6.6. 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, 24 March 2023

Antoine FREY

Chairman and Chief Executive Officer

6.7. STATUTORY AUDITORS

6.7.1. PRINCIPAL STATUTORY AUDITORS

GRANT THORNTON

French member of GRANT THORNTON INTERNATIONAL

Represented by Amandine Huot-Chailleux

29 rue du Pont – 92200 Neuilly-sur-Seine, 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 Pamela Bonnet

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 ending 31 December 2027.

6.7.2. ALTERNATE STATUTORY AUDITORS

The company is exempt from appointing alternate statutory auditors.

6.7.3. STATUTORY AUDITORS' FEES

	FCN		Grant Thornton		EY France		Safir Audit	
	Financial year ended 31 December 2022	Financial year ended 31 December 2021	Financial year ended 31 December 2022	Financial year ended 31 December 2021	Financial year ended 31 December 2022	Financial year ended 31 December 2021	Financial year ended 31 December 2022	Financial year ended 31 December 2021
Audit								
● Audit of financial statements								
<i>Issuer</i>	€134,336	€137,872	€158,286	€139,105	-	-	-	-
<i>Subsidiaries</i>	€61,175	€75,823	€75,823	€94,849	€49,982	€48,421	€4,560	€95
● Ancillary assignments	-	€5,000	€12,766	€44,456	-	€6,338	-	-
SUB-TOTAL	€195,511	€218,695	€273,453	€278,410	€49,982	€54,759	€4,560	€95
Other services								
● Legal, fiscal, labour	-	-	-	-	-	-	-	-
● Information Technology	-	-	-	-	-	-	-	-
● Internal audit	-	-	-	-	-	-	-	-
● Other (if >10% of audit fees)	-	-	-	-	-	-	-	-
SUB-TOTAL	-	-	-	-	-	-	-	-
TOTAL	€195,511	€218,695	€273,453	€278,410	€49,982	€54,759	€4,560	€95

6.8. 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	2022 URD pages
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