

**UNIVERSAL
REGISTRATION
DOCUMENT
2023**

including the annual financial report

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UNIVERSAL REGISTRATION DOCUMENT

2023

including the annual financial report



www.frey.fr



The Universal Registration Document was filed on 22 March 2024 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 Issue

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 as at 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.22-0153 (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 2021 Universal Registration Document (pages 14-32);
- the consolidated financial statements of the Group on 31 December 2022 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 24 March 2023 with the French Financial Markets Authority under reference D.23-0146 (the "2022 Universal Registration Document") on pages 101 and 141;
- the special report prepared by FREY's Statutory Auditors on the related-party agreements and undertakings for the financial year ended 31 December 2022, which are set out in the Chapter entitled "Related-party transaction" (pages 216-217) of the 2022 Universal Registration Document;
- a review of FREY Group's financial position and results for the financial year ended 31 December 2022 taken from the Chapter entitled "Management Report" of the 2022 Universal Registration Document (pages 14-30);
- 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 2021 Registration Document, the 2022 Universal Registration Document and this Universal Registration Document are available free of charge from FREY, 1 rue René Cassin - 51430 Bezannes, and on the company's website (www.frey.fr), as well as on the website of the French Financial Markets Authority (www.amf-france.org).

FREY – a responsible and pioneering approach

The first

French listed company
to be B Corp certified

The first

French property company to adopt
“Société à Mission”
status

A “Société à Mission” since January 2021, FREY reaffirmed its commitment by obtaining B Corp™ certification, one of the most demanding standards in the world

Certified



Corporation

Our mission
statement:
**Restoring
retail
as a service for the
common good**

Message from Antoine FREY

« After a dynamic and challenging year in 2023, FREY remains at the forefront of social and environmental commitment in a constantly changing sector.

Our commitment is both innovative and exemplary, guided by the deep conviction that retail can be much more than just a business transaction. Through our Mission, which aims to “restore retail as a service for the common good”, we reaffirm our commitment to fostering connections between people, breaking down social barriers and boosting the local economy while minimising our environmental footprint.

FREY is redefining shopping centres by transforming them into multi-functional destinations, adapted to the diverse needs of local communities. Its shopping centres are one of a kind; they are collective, vibrant, fun and friendly spaces, attentive to the well-being of all and respectful of the environment.

In 2024, with resilience and innovation, we will continue to be pioneers in this movement to transform retail and play an essential role in building the cities of the future, while proudly bearing our values and our commitment. »

ANTOINE FREY,
Chairman and Chief Executive Officer



FREY, a history of growth and innovation



Key figures

ECONOMIC ASSETS ⁽¹⁾

€2,094.7m / +21.9%

ANNUALISED RENTS ⁽¹⁾

€133.8m / +33.7%

PROFIT FROM RECURRING OPERATIONS

€84.2m / +34.1%

NET PROFIT GROUP SHARE

€18.9m / -85.4%

EPRA NAV NTA PER SHARE

€32.6 / -1.5%

LTV INCLUDING TRANSFER TAX

41.0% / +210 bps

PROPOSED DIVIDEND PER SHARE

€1.80 / +5.9%

(1) O/w €1,999.3 million in value excluding transfer tax 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 2023 and 31 December 2022, prepared in accordance with IFRS and certified by the Statutory Auditors.

CONDENSED BALANCE SHEET AT 31 DECEMBER 2023 AND 31 DECEMBER 2022

ASSETS (in € million)	Consolidated data – IFRS	
	31/12/2023	31/12/2022
Goodwill	5.9	5.9
Investment property	2,054.0	1,739.0
Equity interests in associates	45.5	17.5
Other non-current assets	35.1	35.7
NON-CURRENT ASSETS	2,140.5	1,798.1
Inventories	62.7	51.1
Cash and cash equivalents	73.0	72.1
Other current assets	119.9	127.5
CURRENT ASSETS	255.6	250.7
Assets held for sale	1.0	1.9
TOTAL ASSETS	2,397.1	2,050.7

LIABILITIES (in € million)	Consolidated data – IFRS	
	31/12/2023	31/12/2022
EQUITY	1,116.4	1,053.2
Long-term financial liabilities	1,050.2	826.4
Other non-current liabilities	37.7	44.7
TOTAL NON-CURRENT LIABILITIES	1,087.9	871.0
Short-term financial liabilities	27.4	51.4
Other current liabilities	165.4	75.1
TOTAL CURRENT LIABILITIES	192.8	126.5
Liabilities related to a group of assets held for sale	-	-
TOTAL LIABILITIES	2,397.1	2,050.7

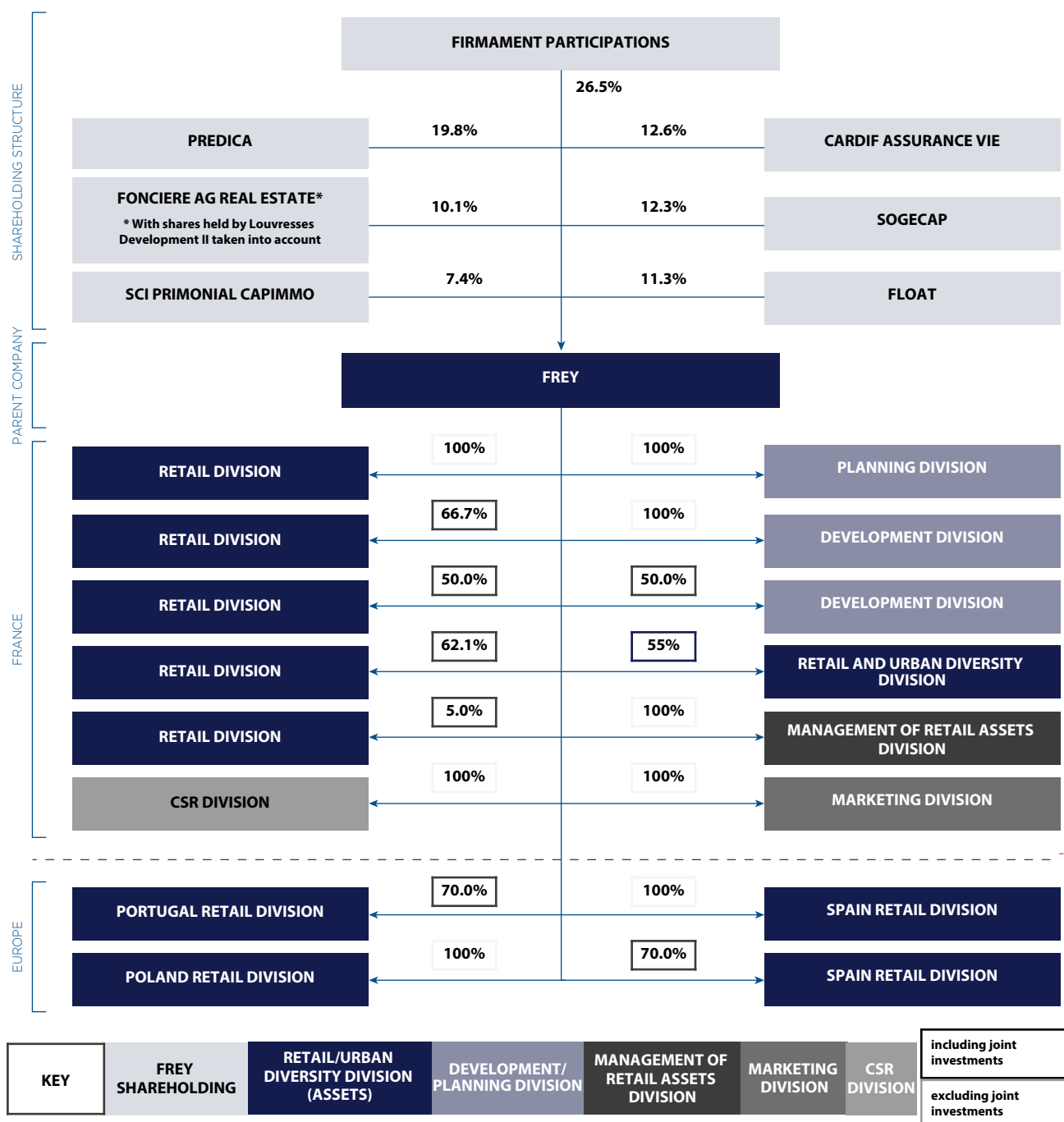
CONDENSED INCOME STATEMENT AT 31 DECEMBER 2023 AND 31 DECEMBER 2022

(in € million)	Consolidated data – IFRS	
	31/12/2023	31/12/2022
Revenue	148.5	124.1
Cost of development invoiced	-1.6	-4.4
Overheads & non-recoverable expenses	-57.0	-52.7
Other income and expenses	0.8	0.3
Taxes and similar payments	-2.5	-1.5
Allocations to and reversals of depreciation, amortisation and provisions	-4.1	-2.9
PROFIT FROM RECURRING OPERATIONS	84.2	62.8
Other operating income and expenses	-3.4	-8.0
Income/expense on disposals of investment properties	-2.1	2.2
Fair value adjustments on investment properties	14.6	38.9
OPERATING PROFIT	93.4	95.9
Share of net profit/(loss) of associates	1.2	3.2
OPERATING PROFIT/(LOSS) AFTER SHARE OF NET PROFIT/(LOSS) OF ASSOCIATES	94.6	99.1
Cost of net financial debt	-23.9	-14.7
Fair value adjustments of financial assets	-40.2	61.0
Income tax	-5.7	-10.1
NET PROFIT/(LOSS)	24.8	135.4
Group Share	18.9	129.4
Net earnings per share (in €) – Group share	0.6	4.6
Diluted earnings per share (in €) – Group share	0.6	4.6

CASH FLOW STATEMENT AT 31 DECEMBER 2023 AND 31 DECEMBER 2022

(in € million)	Consolidated data – IFRS	
	31/12/2023	31/12/2022
Cash flow from operating activities	61.0	58.8
Cash flow from investing activities	-267.1	-209.9
Cash flow from financing activities	206.9	138.9
Effect of currency fluctuations on cash and cash equivalents	0.1	-
CHANGE IN NET CASH AND CASH EQUIVALENTS	0.9	-12.2
Cash and cash equivalents - Opening balance	72.0	84.2
Cash and cash equivalents - Closing balance	73.0	72.0

Group overview as of 31 December 2023



A comprehensive list of the Company's subsidiaries is provided in Appendix 3 of the management report for the financial year ended 31 December 2023, 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 2023, which is included in full in this Universal Registration Document.



◀ Shopping Promenade®
Cœur Alsace
Vendenheim (Bas-Rhin)



MANAGEMENT REPORT

Management report to the Ordinary Annual General Meeting

Financial year ended 31 December 2023

Ladies, Gentlemen, Shareholders,

In accordance with the law and the Articles of Association, we have convened an Ordinary Annual General Meeting to report on the financial position and operations of the Company and Group entities for the financial year ended 31 December 2023 and to submit for your approval the parent company 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 2023 financial year;
- the additional report of the Board of Directors on the capital increase;
- 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.

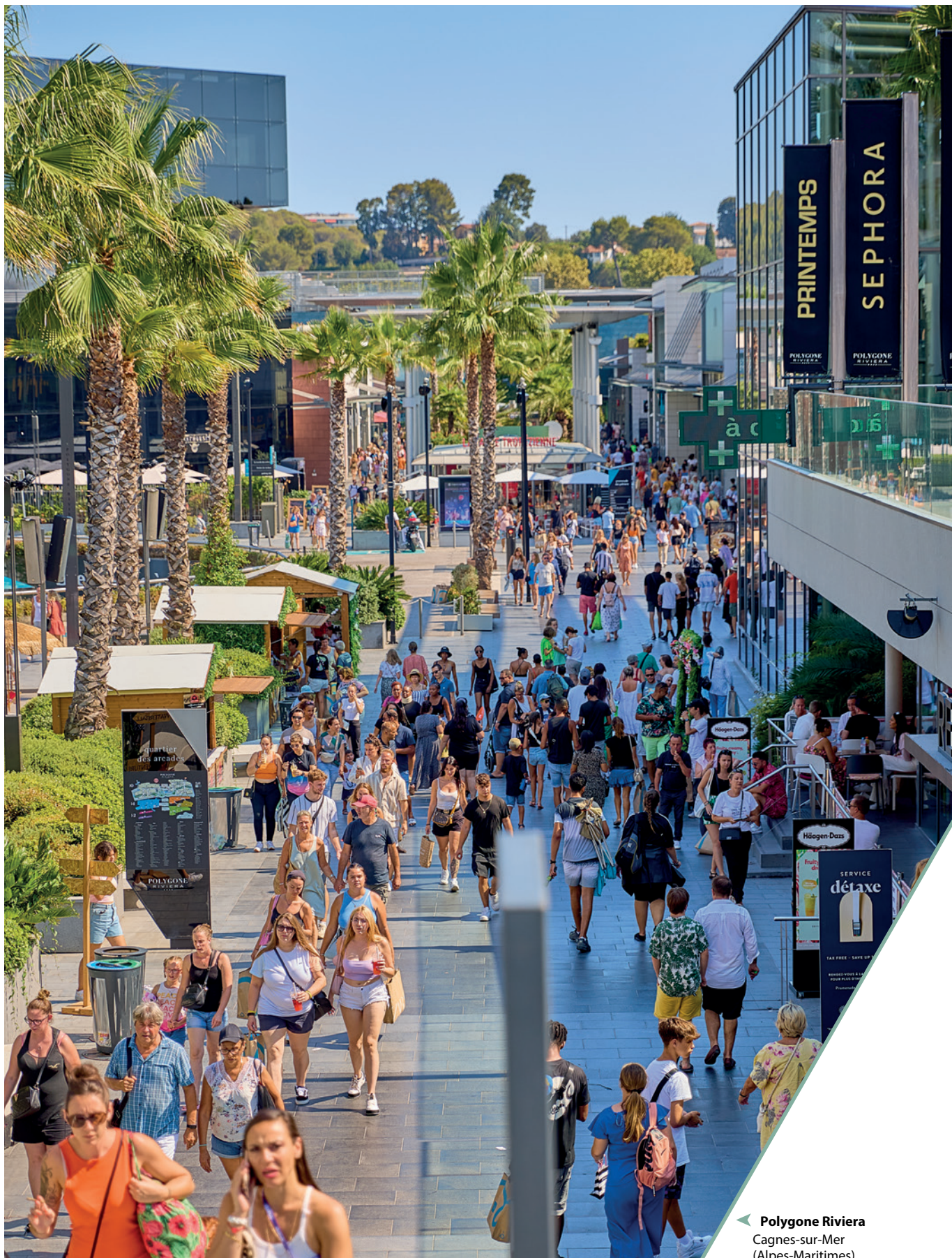
We will provide you with any further details and complementary information in relation to these reports and documents.

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 2023.

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.



◀ **Polygone Riviera**
Cagnes-sur-Mer
(Alpes-Maritimes)

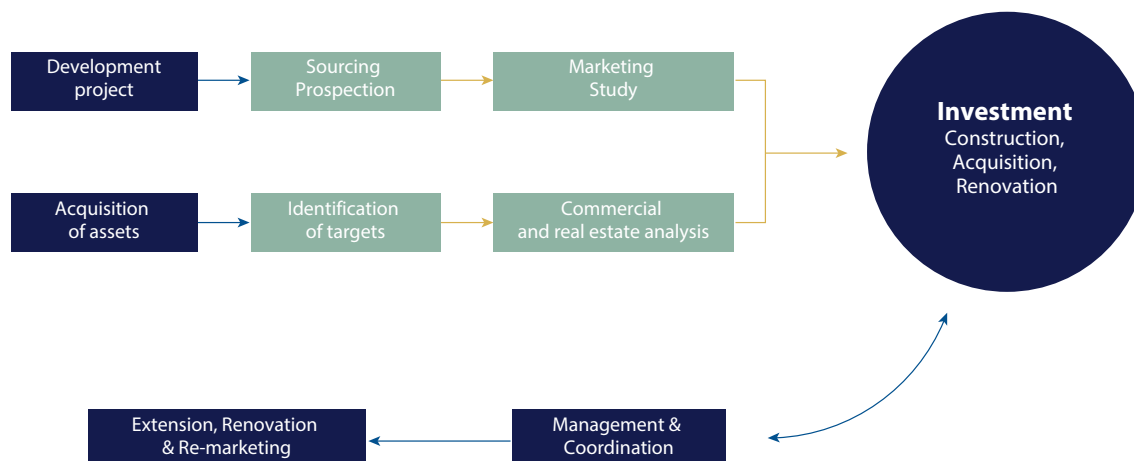
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1.1. COMPANY AND GROUP ACTIVITIES

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. FREY 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

Key events in 2023 included:

- the acquisition of Matarnia, an outdoor shopping centre in Gdansk, Poland (52,300 m²);
- the acquisition of Polygone Riviera, a retail park in Cagnes-sur-Mer (71,000 m²);
- the disposal of 5 assets (22,500 m²).

The leasable area of the Group's consolidated portfolio at 31 December 2023 amounted to 775,990 m², versus 660,550 m² at the end of 2022. Its assets generated €115.0 million in gross rents in 2023 (versus €91.5 million in 2022).

At 31 December 2023, the value of this asset portfolio, excluding transfer tax, was €2,023.2 million in operated assets.

1.1.1.2. Economic assets

The property investment company's economic asset 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 2023, the investments made by the Group (developments, acquisitions and works) on economic assets in operation amounted to €451.1 million.

At 31 December 2023, the Group's economic assets represented a leasable area of 761,087 m² with annualised rental income of €133.8 million (including variable rental income). Total economic assets amounted to €2,094.7 million (including €1,999.3 million in operation).

On a like-for-like basis, annualised rental income across the economic portfolio in operation was up 4.4%.

1.1.1.3. Assets under management

The leasable area of the portfolio managed by the Group at 31 December 2023 amounted to 868,490 m² compared with 739,450 m² at the end of 2022. It represented annualised rental income of €154.7 million compared with €119.7 million at end-2022.

These leasable areas consist of the following items:

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

1.1.1.4. Change in scope

Newly consolidated companies

- FREY RETAIL PARTNERSHIP was created on 4 April 2023. The main purpose of this new investment structure is to manage funds and to invest in real estate assets in Europe.
- On 18 July 2023, the FOREY forestry group, a subsidiary of the FREY Group, signed, as Transferee, a notarised deed for the purchase of all the shares in GF LA CROIX DE POIX (owner of the Corbuon Forest (Seine-Maritime)).
- On 19 July 2023, FREY acquired all the shares in the Spanish company DOMESTREET INVEST SL. This acquisition was carried out for the purpose of incorporating FREY INVEST's stake in EUROFUND PARC LLEIDA SL (70%) on the same date.
- On 28 July 2023, the association LE MUR QUI BOUGE was formed with the aim of promoting urban art in open-air shopping centres by making walls available to selected artists or associations several times a year. The first test site is Clos-du-Chêne (Seine-et-Marne).
- On 11 September 2023, the real estate investment company LES DOCKS DE SAINT-OUEN was formed under a partnership to be entered into between FREY and CAISSE DES DEPOTS ET CONSIGNATIONS to acquire and then operate real estate assets under development or already completed and/or partially leased in the Docks de Saint-Ouen (Seine-Saint-Denis) development, and more specifically, the gastronomic and cultural hall and a lively shopping street located in the Docks development area owned by FREY. On 20 December 2023, CAISSE DES DEPOTS ET CONSIGNATIONS acquired a 45% stake in SCI LES DOCKS DE SAINT-OUEN. In accordance with IFRS 10, this company is consolidated using the equity method.
- On 13 September 2023, the simplified joint stock company FREY RIVIERA was incorporated with the aim of acquiring the five general partnerships that owned the POLYgone RIVIERA centre.

- On 17 and 18 October 2023, FREY RIVIERA acquired all the shares of the following five companies: SAINT JEAN, SAINT JEAN II, LES TERRASSES DE SAINT JEAN, JUIN SAINT HUBERT and JUIN SAINT HUBERT II. These companies were acquired with the aim of acquiring the 77,100 m² asset called Polygone Riviera in Cagnes-sur-Mer (Alpes-Maritimes) under a share deal. This transaction was treated as a separate asset under IAS 40 as the Group took over the management of the asset without taking over a set of activities.

Exits from the consolidation scope

- On 24 February 2023, FREY sold its PATROCLIENNE D'INVESTISSEMENT and TERVILLOISE D'INVESTISSEMENT shares for €6.4 million, including the repayment of current accounts.
- On 28 February 2023, the shares in IF SAINT PARRES held by FREY AMENAGEMENT ET PROMOTION were sold to FREY. On 25 July 2023, FREY, the sole shareholder of IF SAINT PARRES, declared the dissolution without liquidation of said company in its favour.
- On 31 July 2023, the economic interest group FREY SOLIDARITE was dissolved by decision of its members. As a reminder, the EIG was

created in 2020 to provide exceptional support to eligible tenants during the mandatory closure of points of sale in the second quarter of 2020 and during the relaunch of commercial activity after reopening.

- On 25 September 2023, the shares in IF PLEIN OUEST held by FREY AMENAGEMENT ET PROMOTION were sold to FREY. On 25 October 2023, FREY, the sole shareholder of IF PLEIN OUEST, declared the dissolution without liquidation of said company in its favour.
- On 23 November 2023, the simplified merger of PAI 02 into FREY MURS 02 was recorded.
- On 15 December 2023, the five companies holding the assets of Polygone Riviera were dissolved without liquidation by universal transfer of assets to FREY RIVIERA:
 - SAINT JEAN
 - SAINT JEAN II
 - LES TERRASSES DE SAINT JEAN
 - JUIN SAINT HUBERT
 - JUIN SAINT HUBERT II

1.1.1.5. Overview of the Group's assets

The Group's asset portfolio at 31 December 2023 following these transactions is shown in the table below (in € million, excluding transfer tax): Total economic assets amounted to €2,094.7 million (including €1,999.3 million in operation).

Value of the asset portfolio in operation		Annualised rental income of the asset portfolio in operation	
Investment property	2,054.0	Rents recognised	115.0
+ Properties held for sale	1.0	- Rebilling of work and amortisation rent-free periods	-
+ Portfolio properties in operation	21.6	- Rent-free periods and step rents invoiced	3.3
- Extension projects	-	- Impact of disposals/deliveries/acquisitions	18.8
- Projects under development	-	- Other	1.2
- Projects under development measured at cost	-53.4		
= CONSOLIDATED PORTFOLIO IN OPERATION	2,023.2	= CONSOLIDATED ANNUALISED RENTAL INCOME IN OPERATION	138.3
- Assets in operation in partnerships (non-FREY share)	-105.2	- Annualised rental income from assets in operation in partnerships (non-FREY share)	-8.3
+ Assets in operation accounted for under the equity method (FREY share)	81.2	+ Annualised rental income from assets in operation (FREY share)	3.8
= ECONOMIC PORTFOLIO IN OPERATION	1,999.3	= ANNUALISED ECONOMIC RENTAL INCOME IN OPERATION	133.8
+ Assets in operation in partnerships (non-FREY share)	105.2	+ Annualised rental income from assets in operation in partnerships (non-FREY share)	8.3
+ Assets in operation accounted for under the equity method (non-FREY share)	200.0	+ Annualised rental income from assets in operation (non-FREY share)	12.6
= TOTAL PORTFOLIO IN OPERATION	2,304.4	= ANNUALISED RENTAL INCOME IN OPERATION*	154.7

1.1.1.6. Development on behalf of third parties

For the 2023 financial year, real estate development sales amounted to €1.5 million.

- Sale of land in Strasbourg (Bas-Rhin).
- Sale of a plot in Saint-Quentin (Aisne).

1.1.1.7. Development

Deliveries of the Strasbourg O'Centre retail park and La Halle in the Docks de Saint-Ouen complex took place in 2023.

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 €14.4 million.

1.1.1.8. Change in share capital

On 19 December 2023, FREY carried out a capital increase for a gross amount of €97.1 million by issuing 3,883,295 new shares, representing a nominal value of €9,708,237.50 and an issue premium of €87,374,137.50. The share capital was thus increased to €80.6 million, divided into 32,250,098 shares with a par value of €2.50 each.

1.1.1.9. Financing

On 25 May 2023, FREY obtained an agreement to extend the maturity date of its €100.0 million corporate credit line by one year to 15 October 2028.

On 8 June 2023, FREY obtained an agreement to extend the maturity date of its €110.0 million corporate credit line by one year to 27 July 2028.

On 30 June 2023, FREY signed a medium-term credit line with ESG (environmental, social and governance) criteria for a total amount of €80.0 million over five years, with two one-year extension options.

On 24 July 2023, FREY signed a medium-term credit line with ESG criteria for a total amount of €130.0 million over five years, with two one-year extension options.

On 17 October 2023, FREY took out a new mortgage loan for €120 million with a term of seven years at an interest rate based on the 3-month Euribor plus a margin of 1.8%. This facility financed part of the acquisition of Polygone Riviera.

On 25 October 2023, FREY obtained an agreement to extend the maturity date of its €50.0 million corporate credit line by one year to 8 November 2028.

These corporate credit lines financed recent acquisitions and will provide funding for ongoing development projects or any that may come to fruition over the coming months.

They lock in advantageous financial terms, improve FREY's financial flexibility and strengthen the Group's strong relations with its banking partners.

The Group strengthened its interest rate hedging positions with several instruments for a total nominal amount of €1,159 million, including €1,059 million deferred over periods of one to two years.

FREY also terminated a cap spread option of €25 million in the first half of 2023.

1.1.1.10. Dividend distribution

The General Meeting of Shareholders on 9 May 2023 approved the payment of a dividend of €1.70 per share for the 28,366,803 existing shares, representing a total dividend payout of €48.2 million.

Taking into account treasury shares, the dividend paid in cash totalled €47.7 million.

1.1.2. PROGRESS MADE AND DIFFICULTIES ENCOUNTERED DURING THE FINANCIAL YEAR

In 2023, the countries in which FREY Group's assets are located experienced challenging business conditions due to high inflation and the conflict in Ukraine.

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

None.

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 "Société 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 medium-term projects developed by the group represent 208,397 m² and €574 million in investments⁽¹⁾.

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

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

Despite a complicated economic context, FREY is not aware of any factors likely to have a significant impact on its outlook. The Group will continue its development in 2024 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, with debt representing a maximum of 50% of the economic value of its asset portfolio (fair value), or a maximum *loan-to-value* (LTV) ratio, including transfer tax, of 50%.

The Company does not rule out raising further funds on the financial markets if 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 2023, the Group had €378 million in cash and cash equivalents consisting of €73 million in cash and €305 million in unused corporate credit lines. On that same date, the net LTV ratio was 41.0%.

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 €150,000 m² and €460 million in investments in assets intended to be kept in the Group's portfolio, representing potential rental income of €32.9 million. This pipeline notably includes Promenade Lleida in Spain and Open near the Swiss border for a total of 106,000 m², €324 million in investment (€23.0 million in minimum guaranteed rents for the 97,000 m² retained by the company, for a cumulative investment of €315 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 2023 below:

Income statement (in €m)	31/12/2023	31/12/2022	Change
REVENUE	148.5	124.1	19.7%
Profit from recurring operations	84.2	62.8	34.1%
Economic profit from recurring operations (including associates)	86.3	65.6	31.5%
Change in fair value of investment property	14.7	38.9	-62.3%
Change in fair value of investment property of associates	-0.6	1.6	-139.8%
Cost of net debt	-23.9	-14.7	62.0%
Profit before tax	30.5	145.5	-79.0%
Net profit/(loss) attributable to non-controlling interests	-5.9	-6.0	-1.1%
NET PROFIT GROUP SHARE	18.9	129.4	-85.4

Balance sheet (in €m)	31/12/2023	31/12/2022	Change
EQUITY GROUP SHARE	1,046.5	990.1	5.7%
Equity	1,116.4	1,053.2	6.0%
Financial debt	1,004.3	807.7	24.3%
INVESTMENT PROPERTY	2,054.0	1,739.0	18.1%
Development stock	62.7	51.2	22.5%
Cash and marketable securities	73.0	72.1	1.3%

The Group posted profit from recurring operations of €84.2 million at 31 December 2023, up on 2022 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 Company's growth.

The decrease in net income was mainly due to the decrease in the fair value of financial instruments of -€40.2 million compared with €61.1 million at 31 December 2022.

The change in the fair value of investment properties stood at €14.0 million at 31 December 2023 (€14.7 million for fully-consolidated companies and -€0.6 million for associates), compared to €40.5 million at 31 December 2022 (€38.9 million for fully consolidated companies and -€1.6 million for associates). Although interest rates begin to ease, acquisitions generated a positive variation.

The change in fair value generated by the Group on fully-consolidated assets in 2023 breaks down as follows:

- | | |
|-------------------------------|----------------|
| 1. Acquisitions & development | €28.1 million |
| 2. Like-for-like | -€13.4 million |

The valuation of land, operated assets and assets under construction in accordance with IAS 40 is performed by independent experts (Colomer Expertises, Cushman & Wakefield, Savills, BNP Paribas and JLL France), in accordance with the recommendations in the reference documents for property valuations.

The financial instruments held at 31 December 2023 had a value of €36.5 million (excluding accrued interest), compared with €76.7 million at 31 December 2022. The impact of the change in fair value, net of balances and premiums paid, was recognised in the income statement in the amount of -€40.2 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 2023, 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 2023 (in €m)	EPRA NRV	EPRA NTA	EPRA NDV
CONSOLIDATED EQUITY - GROUP SHARE	1,046.5	1,046.5	1,046.5
<i>Including/excluding:</i>			
i) Hybrid instruments	-	-	-
DILUTED NAV	1,046.5	1,046.5	1,046.5
<i>Including:</i>			
i) a) Revaluation of investment properties (if option for IAS 40 at cost)	-	-	-
i) b) Revaluation of properties in progress (if option for IAS 40 at cost)	-	-	-
i) c) Revaluation of other non-current investments	-	-	-
ii) Revaluation of finance leases	-	-	-
iii) Revaluation of commercial properties	-	-	-
DILUTED NAV AT FAIR VALUE	1,046.5	1,046.5	1,046.5
<i>Excluding:</i>			
iv) Deferred tax on the fair value of investment properties	25.2	25.2	
v) Fair value of financial instruments	-36.5	-36.5	
vi) Goodwill arising from deferred tax	-	-	-
vi) a) Goodwill according to the IFRS balance sheet	-	_*	_*
vi) b) Intangible assets according to the IFRS balance sheet	-	-0.9	-0.9
<i>Including:</i>			
vii) Fair value of fixed-rate debt	-	-	-
viii) Revaluation of intangible assets at fair value	-	-	-
ix) Transfer tax	85.1	-0.6	-
NAV	1,120.4	1,033.8	1,045.7
Number of ordinary shares outstanding at year-end	32,250,098	32,250,098	32,250,098
Treasury shares and bonus share plan	586,392	586,392	586,392
Number of shares taken into account after dilutive impact	31,663,706	31,663,706	31,663,706
NAV PER SHARE (in €)	35.4	32.6	33.0

* 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 2022 (in €m)	EPRA NRV	EPRA NTA	EPRA NDV
CONSOLIDATED EQUITY - GROUP SHARE	990.1	990.1	990.1
<i>Including/excluding:</i>			
i) Hybrid instruments	-	-	-
DILUTED NAV	990.1	990.1	990.1
<i>Including:</i>			
i) a) Revaluation of investment properties (if option for IAS 40 at cost)	-	-	-
i) b) Revaluation of properties in progress (if option for IAS 40 at cost)	-	-	-
i) c) Revaluation of other non-current investments	-	-	-
ii) Revaluation of finance leases	-	-	-
iii) Revaluation of commercial properties	-	-	-
DILUTED NAV AT FAIR VALUE	990.1	990.1	990.1
<i>Excluding:</i>			
iv) Deferred tax on the fair value of investment properties	21.3	21.3	
v) Fair value of financial instruments	-76.7	-76.7	
vi) Goodwill arising from deferred tax	-	-	-
vi) a) Goodwill according to the IFRS balance sheet	-	_*	_*
vi) b) Intangible assets according to the IFRS balance sheet	-	-0.9	-0.9
<i>Including:</i>			
vii) Fair value of fixed-rate debt	-	-	-
viii) Revaluation of intangible assets at fair value	-	-	-
ix) Transfer tax	67.5	0.9	-
NAV	1,002.2	934.7	989.2
Number of ordinary shares outstanding at year-end	28,366,803	28,366,803	26,366,803
Treasury shares and bonus share plan	145,510	145,510	145,510
Number of shares taken into account after dilutive impact	28,221,293	28,221,293	28,221,293
NAV PER SHARE (in €)	35.5	33.1	35.0

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)	31/12/2023	31/12/2022
IFRS PROFIT FROM RECURRING OPERATIONS	84.2	62.8
-/+ Developer's profit/(loss)	0.1	-0.5
-/+ Recurring financial expenses	-23.9	-14.7
-/+ Recurring taxes on non-REIT activities	-1.4	-3.2
EPRA net profit/(loss) from associates	1.0	1.6
EPRA NET PROFIT/(LOSS)	60.0	46.0
EPRA NET PROFIT/(LOSS) PER SHARE	€2.11	€1.62

EPRA earnings per share are determined on the basis of the weighted average 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, transfer tax included.

Topped-up net initial yield as defined by EPRA corresponds to the ratio of annualised contractual rental income, excluding step periods granted and after non-recoverable expenses, to the gross market value of the assets, transfer tax 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. assets delivered at least one year ago not being restructured.

(In €m)	31/12/2023	31/12/2022
Value of the economic portfolio in operation (excl. transfer tax)	1,999.3	1,542.8
Value of assets that are not stabilised or being restructured (excl. transfer tax)	-75.8	-1.0
Transfer tax in conveyance for consideration on stabilised assets	83.8	68.2
MARKET VALUE OF PROPERTY, INCL. TRANSFER TAX (A)	2,007.3	1,610.0
Annualised rental income from the economic portfolio	133.8	100.1
Annualised rental income from the asset portfolio that is non-stabilised or being restructured	-3.4	-1.3
Non-recoverable expenses on stabilised assets	-4.1	-3.7
TOPPED-UP ANNUALISED NET RENTAL INCOME (B)	126.3	95.1
Stepped rents granted on stabilised assets	-4.5	-3.2
ANNUALISED NET RENTAL INCOME (C)	121.8	91.9
EPRA TOPPED-UP NET INITIAL YIELD (B/A)	6.3%	5.9%
EPRA NET INITIAL YIELD (C/A)	6.1%	5.7%

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. assets delivered at least one year ago and not being restructured.

(In €m)	31/12/2023	31/12/2022
Market rent of stabilised vacant units	2.8	1.9
Market rent of stabilised economic portfolio	118.6	91.9
EPRA VACANCY RATE	2.3%	2.0%

Table of EPRA CAPEX

	31/12/2023		31/12/2022	
(In €m)	100%	Group share	100%	Group share
Acquisitions including transfer tax	383.0	382.9	211.3	211.3
Work on existing asset portfolio excluding development	11.5	11.2	14.5	10.0
Developments	34.4	33.4	27.3	27.3
TOTAL INVESTMENTS	428.9	427.5	253.1	248.6

(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."

N.B. 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 rebilled are allocated between stabilised assets (delivered over one year ago) and non-stabilised assets (delivered within the past year),
- the indicators monitored for each operating segment are as follows:
 - revenue (rental income, sales and fees),
 - expenses that cannot be rebilled 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 2023

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

ASSETS

At 31 December 2023 (in €m)	Property investment activity		Total property investment	Property development		Total property development	Other		Total other activities	Total
	France	International		France	International		France	International		
Investment property	1,390.1	663.9	2,054.0	-	-	-	-	-	-	2,054.0
Investments in associates	44.7	-	44.7	0.7	-	0.7	-	-	-	45.5
Inventories and work-in-progress	-	-	-	62.7	-	62.7	-	-	-	62.7

LIABILITIES

At 31 December 2023 (in €m)	Property investment activity		Total property investment	Property development		Total property development	Other		Total other activities	Total
	France	International		France	International		France	International		
Investments in associates	-	-	-	-	-	-	-	-	-	-
Non-current financial liabilities	994.4	9.3	1,003.7	0.4	-	0.4	0.2	45.9	46.1	1,050.2
Current financial liabilities	24.5	0.5	25.0	0.3	-	0.3	0.1	1.9	2.0	27.4

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

At 31 December 2023 (in €m)	Property investment activity	Property development	Other	Total	O/w France	O/w International
Rental income from stabilised assets	112.1					
Non-recoverable expenses on stabilised assets	-2.1					
NET RENTAL INCOME FROM STABILISED ASSETS	110.1			110.1	70.6	39.5
Rental income from non-stabilised assets	1.3					
Non-recoverable expenses on non-stabilised assets	-0.1					
NET RENTAL INCOME FROM NON-STABILISED ASSETS	1.2			1.2	1.2	-
Sales		1.5				
Purchase cost of goods sold		-1.5				
DEVELOPER'S MARGIN		-0.1		-0.1	-0.1	-
OTHER REVENUE			2.4	2.4	2.4	-
GROSS PROFIT				113.6	74.1	39.5
External services				-11.8	-9.0	-2.8
Payroll expenses				-11.7	-11.5	-0.2
Other income and expenses				0.8	1.0	-0.2
Taxes and similar payments				-2.5	-1.2	-1.3
Amortisation, depreciation and provisions				-4.1	-3.3	-0.8
PROFIT FROM RECURRING OPERATIONS				84.2	50.1	34.1
Other operating income and expenses				-3.4	-3.4	-
Income/expense on disposals of investment properties				-2.1	-2.1	-
Adjustment of investment property values				14.7	8.2	6.4
OPERATING PROFIT				93.4	52.9	40.6
Share of net profit/(loss) of associates				1.2	1.2	
OPERATING PROFIT/(LOSS) AFTER SHARE OF NET PROFIT/(LOSS) OF ASSOCIATES				94.6	54.0	40.6
Cost of net debt				-23.9	-8.5	-15.4
Value adjustments of financial assets				-40.2	-40.2	
PROFIT BEFORE TAX				30.5	5.3	25.2
Income tax				-5.7	-0.1	-5.6
NET PROFIT				24.8	5.2	19.6
Non-controlling interests				-5.9	-1.1	-4.9
NET PROFIT (GROUP SHARE)				18.9	4.2	14.7

The increase in international rental income was mainly due to the acquisitions of Finestrelles (Spain) and Parque Mediterráneo (Spain) in June 2022 and acquisitions made in 2023, namely Matarnia Park Handlowy in Gdańsk (Poland) in July 2023. For France, the increase in rental income was mainly explained by the acquisition in October 2023 of Polygone Riviera in Cagnes-sur-Mer (Alpes-Maritimes).

At 31 December 2022

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

ASSETS

At 31 December 2022 (in €m)	Property investment activity		Total property investment	Property development		Total property development	Other		Total other activities	Total
	France	International		France	International		France	International		
Investment property	1,197.3	541.7	1,739.0	-	-	-	-	-	-	1,739.0
Investments in associates	17.5	-	17.5	-	-	-	-	-	-	17.5
Inventories and work-in-progress	-	-	-	51.2	-	51.2	-	-	-	51.2

LIABILITIES

At 31 December 2022 (in €m)	Property investment activity		Total property investment	Property development		Total property development	Other		Total other activities	Total
	France	International		France	International		France	International		
Investments in associates	-	-	-	-	-	-	-	-	-	-
Non-current financial liabilities	770.0	7.2	777.2	0.1	-	0.1	0.2	48.9	49.1	826.4
Current financial liabilities	48.9	-	48.9	0.3	-	0.3	1.1	1.0	2.1	51.3

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

At 31 December 2022 (in €m)	Property investment activity	Property development	Other	Total	O/w France	O/w International
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	60.4	26.2
Rental income from non-stabilised assets	0.5					
Non-recoverable expenses on non-stabilised assets	-0.1					
NET RENTAL INCOME FROM NON-STABILISED 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	63.4	26.2
External services				-9.4	-7.4	-2.0
Payroll expenses				-13.2	-13.0	-0.2
Other income and expenses				0.3	1.6	-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				62.8	40.9	21.9
Other operating income and expenses				-8.0	-7.3	-0.7
Income/expense on disposals of investment properties				2.2	2.2	
Adjustment of investment property values				38.9	30.1	8.9
OPERATING PROFIT				95.9	65.8	30.1
Share of net profit/(loss) of associates				3.2	3.2	
OPERATING PROFIT/(LOSS) AFTER SHARE OF NET PROFIT/(LOSS) OF ASSOCIATES				99.1	69.1	30.1
Cost of net debt				-14.7	-7.9	-6.8
Value adjustments of financial assets				61.1	61.1	
PROFIT BEFORE TAX				145.5	122.2	23.3
Income tax				-10.1	-0.1	-10.0
NET PROFIT				135.4	122.1	13.2
Non-controlling interests				-6.0	-5.2	-0.8
NET PROFIT (GROUP SHARE)				129.4	117.0	12.4

1.1.6.1.4. Subsidiaries and equity interests

The table summarising the information regarding all of the Company's subsidiaries at 31 December 2023 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 2023 financial year:

Company	% ownership
SAS FREY RETAIL PARTNERSHIP	100% (direct holding)
SAS FREY RIVIERA	100% (direct holding)
SCI LES DOCKS DE SAINT OUEN	55% (direct holding)
DOMESTREET INVEST SL	100% (direct holding)
ASSOCIATION LE MUR QUI BOUGE	100% (adherence)
GF LA CROIX DE POIX	100% (indirect holding)
JUIN SAINT HUBERT	100% (indirect holding)
JUIN SAINT HUBERT II	100% (indirect holding)
LES TERRASSES SAINT JEAN	100% (indirect holding)
SAINT JEAN	100% (indirect holding)
SAINT JEAN II	100% (indirect 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 2023 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 2023 is summarised in the following tables:

(In €m)	31/12/2023	31/12/2022
Revenue	1.3	1.8
Operating income/(expense)	-3.7	-3.5
Net financial income/(expense), incl. share of subsidiaries' profits/(losses)	-0.8	-1.9
Net non-recurring income/(expense)	0.3	0.5
Net profit/(loss)	-4.5	-4.9
Equity	-7.0	-2.5
Amounts due to banks	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;

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.

- 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 €7.6 million during the 2023 financial year, which consisted exclusively of the fees invoiced for these services.

A net profit of €0.4 million was recorded in the 2023 financial year.

(1) project management work

Activity and results of FREY Murs 02

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

On 23 November 2023, SCI PAI 02 was absorbed by a merger with SASU FREY MURS 02 with retroactive effect for accounting and tax purposes from 1 January 2023.

In 2023, the company acquired the GIFI building at its Salaise sur Sanne site (Isère), with a total surface area of 2,300 m². Following this acquisition, its assets at this site consist of the Greencenter® GREEN 7 with a surface area of 25,400 m².

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

Following the merger of PAI 02, FREY MURS 02 owns Be Green, a Greencenter® with a GLA of 20,750 m², located in Troyes – Saint-Parres-aux-Tertres (Aube).

Revenue for the period amounted to €8.62 million and primarily consisted of rental income.

A €1.4 million profit was recorded in the 2023 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 (Seine-et-Marne).

At 31 December 2023, it therefore held a portfolio of 26,800 m² GLA, entirely located in Marne-la-Vallée-Montévrain (Seine-et-Marne).

Revenue for the period amounted to €3.8 million and primarily consisted of rental income.

A €3.2 million profit was recorded in the 2023 financial year.

Activity and results of SAS IF Clos du Chêne

At 31 December 2023, the company held a portfolio of 28,300 m² GLA, entirely located in Marne-la-Vallée-Montévrain (Seine-et-Marne).

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

Revenue for the period amounted to €3.7 million and consisted exclusively of rental income.

A €1.8 million profit was recorded in the 2023 financial year.

The Clos du Chêne site, including SAS IF Clos du Chêne and SNC IF Chêne Vert, was embellished with a fourth phase of Street Art, including 17 new murals.

Activity and results of BBC Promotion

At 31 December 2023, the company held a portfolio of 34,500 m² GLA, entirely located in Nîmes (Gard).

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

Revenue for the period amounted to €5.3 million and primarily consisted of rental income.

A €4.1 million profit was recorded in the 2023 financial year.

Activity and results of SCI IF ZCN Investissement

At 31 December 2023, the company held a portfolio of 51,000 m² entirely located in Strasbourg-Vendenheim (Bas-Rhin).

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 €9.8 million and consisted exclusively of rental income.

It recorded a €5.4 million profit in the 2023 financial year.

Activity and results of FREY Riviera

SASU FREY RIVIERA was created on 11 September 2023 and is a wholly-owned subsidiary of FREY.

On 17 and 18 October 2023, the company acquired the five companies that owned the 71,000 m² Polygone Riviera shopping centre in Cagnes-sur-Mer (Alpes-Maritimes) via a share deal. On 14 December 2023, these five companies, namely: Les Terrasses Saint Jean, Saint Jean, Saint Jean II, Juin Saint Hubert and Juin Saint Hubert II were absorbed by SASU FREY Riviera via a universal transfer of assets and liabilities.

The company opted for the REIT tax regime, which took effect on the first day of the financial year for which it was exercised, i.e. 11 September 2023.

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 47,700 m² asset in Terrassa in Spain (near Barcelona).

In 2023, Parc Vallès inversiones inmobiliarias slu's revenue amounted to €6.6 million and consisted entirely of rental income.

It recorded a €0.2 million profit in the 2023 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 41,100 m² asset, located in Barcelona, Spain.

In 2023, the company's revenue amounted to €8.2 million and consisted entirely of rental income.

It recorded a €1.7 million loss was recorded in the 2023 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 2023, FREY Mediterráneo's revenue amounted to €6.6 million and consisted entirely of rental income.

It recorded a €0.5 million loss in the 2023 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 2023, the company's revenue amounted to €2.0 million and consisted entirely of rental income.

It recorded a €1.4 million loss in the 2023 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 m² asset in Albufeira, Portugal.

In 2023, the company's revenue amounted to €11.6 million and consisted entirely of rental income.

It recorded a €10.5 million profit in the 2023 financial year.

GIAROLE activity and results (Poland)

GIAROLE, Sp. zoo is a wholly-owned subsidiary of FREY.

In August, the company acquired a 52,300 m² asset located in Gdańsk, Poland.

In 2023, the company's revenue amounted to PLN 14.8 million and consisted entirely of rental income.

It recorded a PLN 1.8 million profit in the 2023 financial year.

1.1.6.1.6. FREY Group's financial position and debt

Information on FREY Group financing

Bank debt

On 25 May 2023, FREY obtained an agreement to extend the maturity date of its €100.0 million corporate credit line by one year to 15 October 2028.

On 8 June 2023, FREY obtained an agreement to extend the maturity date of its €110.0 million corporate credit line by one year to 27 July 2028.

On 30 June 2023, FREY signed a medium-term credit line with ESG (environmental, social and governance) criteria for a total amount of €80.0 million over five years, with two one-year extension options.

On 24 July 2023, FREY signed a medium-term credit line with ESG criteria for a total amount of €130.0 million over five years, with two one-year extension options.

On 17 October 2023, FREY took out a new mortgage loan for €120 million with a term of seven years at an interest rate based on the 3-month Euribor plus a margin of 1.8%. This facility financed part of the acquisition of Polygone Riviera.

On 25 October 2023, FREY obtained an agreement to extend the maturity date of its €50.0 million corporate credit line by one year to 8 November 2028.

These corporate credit lines financed recent acquisitions and will provide funding for ongoing development projects or any that may come to fruition over the coming months.

They lock in advantageous financial terms, improve FREY's financial flexibility and strengthen the Group's strong relations with its banking partners.

The Group strengthened its interest rate hedging positions with several instruments for a total nominal amount of €1,159 million, including €1,059 million deferred over periods of one to two years.

FREY also terminated a cap spread option of €25 million in the first half of 2023.

Following these transactions, the balance of the bank debt drawn down by Group companies (excluding associates) at 31 December 2023 was €989.6 million, including €855.0 million in corporate credit lines.

(In €m)	31/12/2023	31/12/2022
IFRS non-current bank loans (incl. corporate credit lines)	984.4	759.8
IFRS non-current finance lease liabilities (CBI)	5.6	7.6
IFRS current bank loans (incl. corporate credit lines)	5.3	36.0
IFRS current finance lease liabilities (CBI)	2.0	3.0
Less accrued interest	-	-
IFRS adjustment of loan issue costs	-7.7	-4.5
TOTAL BANK DEBT	989.6	801.9

The maturity of the Group's bank was 4.0 years, compared with 3.7 years at end-2022.

At 31 December 2023, 99.8% of Group debt was variable rate (3-month Euribor). However, thanks to interest rate hedges (swaps, caps and collars), 96.5% of the Group's debt is not exposed to interest rate variations.

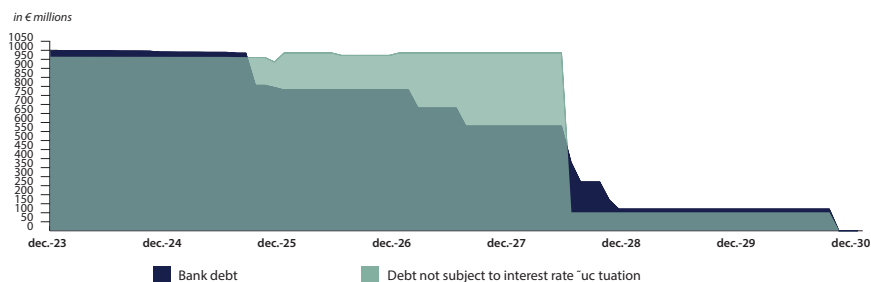
The average spread on the Group's bank debt at 31 December 2023 was 1.60% compared with 1.42% at 31 December 2022.

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 of 3.909% at 31 December 2023, was 2.37%, broken down into an average rate of 4.77% on mortgage loans and 1.98% on the corporate financing lines.

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
Impact	0.4	0.2	-	-0.2	-0.4

The change in debt not subject to interest rate fluctuations 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 2023 had a value of €36.5 million (excluding accrued interest), compared with €76.7 million at 31 December 2022.

The impact of the change in the fair value of financial instruments was recognised in profit or loss for a negative amount of -€40.2 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 2023, 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 THE CONSOLIDATED FINANCIAL STATEMENTS

Consolidated ratios	LTV including transfer tax	ICR	Collateralised debt
Debt concerned	€1,160.0m	€1,160.0m	€1,160.0m
Required ratios	<= 60.0%	>= 2.0	<20.0%
Ratios at 31/12/2023	41.0%	4.0	6.3%

Cash flow

Consolidated data (in €m)	31/12/2023	31/12/2022
Cash flow from operating activities	61.0	58.8
Cash flow from investing activities	-267.1	-209.9
Cash flow from financing activities	206.9	138.9
Effect of currency fluctuations on cash and cash equivalents	-0.1	-
Change in net cash and cash equivalents	0.9	-12.2
Cash and cash equivalents - Opening balance	72.0	84.2
Cash and cash equivalents - Closing balance	73.0	72.0

The Group's consolidated cash position showed an investment and cash balance of €73.0 million at 31 December 2023 compared with €72.0 million at 31 December 2022.

The 2023 cash flows from operating activities include gross cash flows of €88.0 million and a decrease in working capital requirements of -€24.7 million. The resulting cash flow generated by the business activities was €61.0 million.

Cash flow from investing activities in 2023 recorded a net outflow of €267.1 million relating to ongoing projects and the acquisitions made over the period.

Cash flows from financing activities were positive at €206.9 million.

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

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

Anticipated sources of financing

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

The Group also has €305 million in available corporate credit lines, as well as available cash amounting to €73.0 million.

Group financing plan

The projects under construction at 31 December 2023 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 2023 to 31 December 2023.

1.1.6.2.1. Revenue

Revenue for the financial year ended 31 December 2023 amounted to €27.5 million, and broke down as follows:

Revenue (in €m)	31/12/2023	31/12/2022
Rental income	21.9	20.5
Provision of intra-group services	4.4	4.2
Off-plan sales - Construction	0.3	4.3
Entry fees	0.0	0.0
Rental management fees	0.4	0.4
Marketing trustee fees	0.1	0.1
Rebilling of works	0.2	0.2
TOTAL	27.5	29.7

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 parent company financial statements for the financial year ended 31 December 2023 are set out in the following table:

Income statement (in €m)	31/12/2023	31/12/2022
Revenue	27.5	29.7
Operating income/(expense)	-4.8	-6.8
Net financial income/(expense)	7.3	1.7
Pre-tax profit/(loss)	2.5	-5.1
<i>Incl. share of subsidiaries' profits/(losses) and dividends</i>	9.0	8.5
Net non-recurring income	14.3	1.2
Net profit/(loss)	16.8	-3.9

Balance sheet (in €m)	31/12/2023	31/12/2022
Equity	551.5	485.6
Bank debt	861.8	747.9
Current accounts (net receivable)	653.3	597.2
Financial investments (net)	577.1	354.4
Gross land + buildings	273.6	284.8
Cash + marketable securities	34.0	27.7

FREY's asset portfolio amounted to 150,100 m² in GLA at 31 December 2023, with annualised rental income of €23.8 million.

The **negative operating** income of 2023 is in particular due to:

- The increase in charges, taxes and depreciation and amortisation charges related to the operation of the various sites; the completion of additional work at the Claye-Souilly, Arles, Cormontreuil, Cesson and Clos du Chêne sites; and the partial delivery of the Saint-Ouen site, which was sold at the end of the year.
- Costs related to the Group's financing, including the signing of new borrowings and caps to cover the debt;
- Impairments and bad debts from customers;

The **change in financial** income between 2023 and 2022 is mainly explained by the losses of FREY subsidiaries, which were larger in 2023, the distribution of additional dividends and the increase in interest rates.

Non-recurring income was positive and mainly consisted of the disposals of assets in Saint-Ouen and Soissons and the disposal of the shares of PI and TI.

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

FREY generated a profit of €16.8 million in the financial year.

The General Meeting will be asked to pay a dividend amounting to €58,050,176.40 (€1.80 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.

Appropriation of profits (in €)	31/12/2023
2023 earnings	16,781,938.34
Retained earnings of previous financial years	-13,783,880.19
Legal reserve	-839,096.62
BALANCE OF RETAINED EARNINGS AFTER APPROPRIATION OF 2023 EARNINGS	-

Distributable reserves (in €)	31/12/2023
2023 earnings	16,781,938.34
Retained earnings of previous financial years	-13,783,880.19
Allocation to legal reserves	-839,096.92
Issue premiums	463,102,007.71
DISTRIBUTABLE RESERVES	465,260,968.94

Dividend distribution (in €)	31/12/2023
Deduction to be recognised in profit and loss for the financial year	2,158,961.23
Deduction to be made from the issue premium account	55,891,215.17
DIVIDENDS	58,050,176.40

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 the REIT tax regime, 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 2023 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 2023, less retained earnings and legal reserves, was positive, FREY is required to make a dividend payment of €2,158,961.23 in respect of 2023.

The dividend payment will therefore be partially deducted from the accounting profit and 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 2022 dividend	2023 tax income	Tax deduction of the dividends	Balance available following payment of the 2023 dividend
REIT income	50,006,379	26,296,891	-	76,303,270
Other distributable earnings and reserves	-3,391,677	491,655	-	-2,900,022
TOTAL	46,614,702	26,788,546	-	73,403,247

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

Shares in REITs may no longer be registered in French share savings plans (PEAs) 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

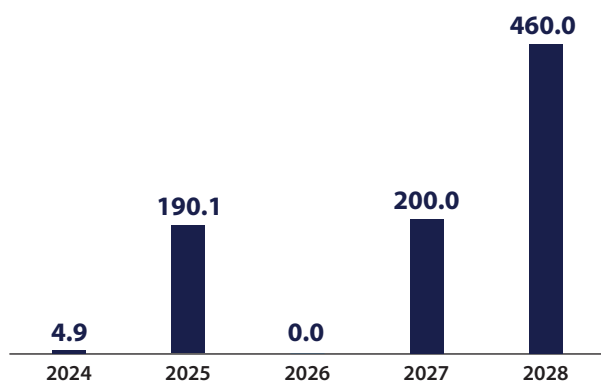
In accordance with the law, we hereby inform you of the amount of the dividends distributed in respect of the last three financial years:

(In €)	Dividends per share	Amount of dividend distributed
Financial year ended 31 December 2020	1.50	36,875,574
Financial year ended 31 December 2021	1.60	45,262,659
Financial year ended 31 December 2022	1.70	47,683,252

1.1.6.2.5. Financial position and debt of SA FREY

At 31 December 2023, the Company's debt amounted to €855.0 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 2023.

Consolidated ratios	LTV including transfer tax	ICR	Collateralised debt
Debt concerned	€1,160.0m	€1,160.0m	€1,160.0m
Required ratios	<= 60.0%	>= 2	<20.0%
Ratios at 31/12/2023	41.0%	4.0	6.3%

1.1.6.2.6. Results over the last five financial years

Pursuant to the provisions of Article R. 225-102 of the French Commercial Code, a table showing the Company's earnings over the last five financial years is appended to this management report (Appendix 1).

1.2. ASSET PORTFOLIO AT 31 DECEMBER 2023

1.2.1. INVESTMENT PROPERTY

The value of the Group's economic investment property, excluding transfer tax at 31 December 2023, as determined by applying the percentage interest in each asset, amounted to €2,026.4 million, €1,977.6 million of which in operation.

Investment properties excluding transfer tax (in €m)	31/12/2023	31/12/2022
Wholly-owned assets		
Operated assets	1,680.5	1,282.3
Assets held for sale	0.5	-
Projects under development measured at fair value	0.0	52.3
Land measured at fair value	0.1	0.2
Projects under development measured at cost	37.7	56.3
INVESTMENT PROPERTY - WHOLLY-OWNED	1,718.7	1,391.1
Partnerships - Percentage interest held		
Operated assets	215.1	223.2
Assets held for sale	0.3	-
Projects under development measured at fair value	0.0	0.8
Projects under development measured at cost	11.0	10.1
INVESTMENT PROPERTY - INTEREST LESS THAN 100%	226.5	234.1
Associates - Percentage interest held		
Assets in operation by FRF	-	-
Assets operated by Other associates	81.2	37.3
Projects under development at fair value by Other associates	-	-
Projects under development at cost FRF + Other associates	0.2	0.2
INVESTMENT PROPERTY OF ASSOCIATES	81.2	37.5
TOTAL ECONOMIC INVESTMENT PROPERTIES^(*)	2,026.4	1,662.7
OF WHICH ECONOMIC INVESTMENT PROPERTY IN OPERATION^(**)	1,977.6	1,542.8

* Economic investment properties consist of the share held in fully-consolidated and equity-accounted IFRS investment property and investment properties reclassified as assets held for sale.

** Of which €63.5 million held via finance leases.

Below is a summary table of the Group's economic portfolio⁽¹⁾ in operation at 31 December 2023 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 Certification	Operating certification	Location	Date opened and/or acquired ownership	% ownership	Surface area in Group share
POLYGONE RIVIERA	BREEAM®	BREEAM®	Cagnes-sur-Mer (Alpes-Maritimes)	2023	100%	71,000 m ²
PARQUE MEDITERRANEO			Cartagena (Spain)	2022	100%	68,200 m ²
CLOS DU CHÊNE	NF HOE®		Chanteloup-En-Brie/ Montévrain (Seine-et-Marne)	2007	100%	55,100 m ²
MATARNIA			Gdańsk (Poland)	2023	100%	52,300 m ²
SHOPPING PROMENADE Cœur Alsace	BREEAM®	BREEAM®	Strasbourg - Vendenheim (Bas-Rhin)	2021	100%	51,000 m ²
PARC VALLES	BREEAM®		Terrassa - Spain	2018	100%	47,700 m ²
SHOPPING PROMENADE Claye-Souilly	BREEAM®	BREEAM®	Claye-Souilly (Seine-et-Marne)	2021	100%	46,500 m ²
FINESTRELLES	BREEAM®	BREEAM®	Barcelona - Spain	2022	100%	41,100 m ²
CARRE SUD			Nîmes (Gard)	2021	100%	34,500 m ²
WOODSHOP			Melun - Senart (Seine-et-Marne)	2016	100%	33,800 m ²
SHOPPING PROMENADE Cœur Picardie	NF HOE®		Amiens (Somme)	2017	100%	37,400 m ²
SHOPPING PROMENADE Arles	BREEAM®		Arles (Bouches-du-Rhône)	2019	100%	18,900 m ²
SUPERGREEN	NF HOE®		Terville - Thionville (Moselle)	2015	100%	23,300 m ²
GREEN7	NF HOE®		Salaise-sur-Sanne (Isère)	2012	100%	25,400 m ²
BE GREEN	NF HOE®		Saint-Parres-aux-Tertres (Aube)	2013	100%	20,750 m ²
CLAYE FRP III			Claye-Souilly (Seine-et-Marne)	2016	100%	5,300 m ²
TIMES SQUARE			Reims - Cormontreuil (Marne)	2016	100%	8,200 m ²
STRASBOURG LOT CENTRE			Strasbourg - Vendenheim (Bas-Rhin)	2023	100%	11,840 m ²
VENDENHEIM			Strasbourg - Vendenheim (Bas-Rhin)	2017	100%	2,000 m ²
TOTAL WHOLLY-OWNED ASSETS						654,290 M²
ALGARVE SHOPPING	BREEAM®		Albufeira - Portugal	2019	70%	40,950 m ²
O'GREEN	NF HOE®		Agen - Boé (Lot-et-Garonne)	2013	50%	10,450 m ²
PARC DU LUC			Douai - Dechy (Nord)	2016	62.08%	18,376 m ²
SAINT-OUEN - COMMUNALE			Saint-Ouen (Seine-Saint-Denis)	2023	55%	13,750 m ²
ZONE A and ZONE DU GOLF			Belfort - Bessancourt (Territoire de Belfort)	2015	62.08%	8,443 m ²
TORCY BAY 3			Torcy (Seine-et-Marne)	2013	62.08%	5,463 m ²
APOLLO VILLIERS SUR MARNE			Villiers-sur-Marne (Val-de-Marne)	2016	62.08%	2,607 m ²
APOLLO TOULON GRAND VAR			Toulon (Var)	2016	62.08%	2,359 m ²
VILLEBON			Villebon-sur-Yvette (Essonne)	2016	5%	2,330 m ²
2 NON-CORE ASSETS			Bar-sur-Aube (Aube), Clermont (Puy-de-Dôme)	-	62.08% to 66.66%	2,069 m ²
TOTAL JOINTLY-OWNED ASSETS (FIGURES AT 100%)						106,797 M²
GRAND TOTAL						761,087 M²

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

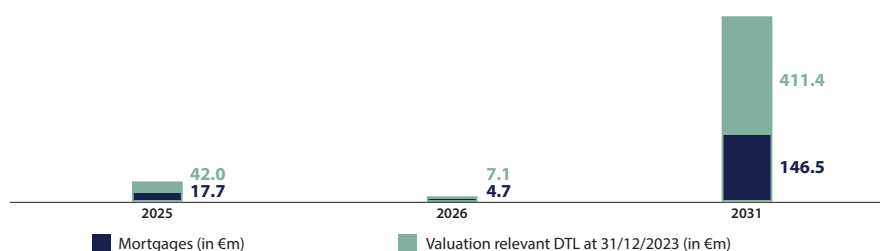
1.2.2. PROPERTY, PLANT AND EQUIPMENT

At 31 December 2023, other property, plant and equipment amounted to €29.9 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 2023, the Group had granted mortgages and pledges totalling €168.9 million on assets with a total value excluding transfer tax of €460.6 million, as part of the financing granted to FREY or its subsidiaries by credit institutions.

The chart below sets out the mortgages and pledges encumbering the Company's and Group's assets at 31 December 2023 according to their maturity date, as well as the valuation of the corresponding properties at 31 December 2023.



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 authorisation from the Departmental Commission for Commercial Development (CDAC) (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, Portugal and Poland.

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 2023

- After a dynamic first half of the year, only €740 million was invested in the French retail property investment market in Q4 2023, bringing the total amount for the full year to €2.8 billion. This volume, down 51% year-on-year, is 43% below the long-term average.
- With 71 transactions, including two for more than €100 million, the retail parks segment came top (39%) with an investment volume of €1.1 billion. In this segment, FREY acquired the Polygone Riviera complex from UNIBAIL-RODAMCO-WESTFIELD for €272 million.

Prime rates of return on ground-floor shops, shopping centres and retail parks continued to rise, reaching 4.25%, 5.50% and 5.75%, respectively.

1.3.2.2. Competitive environment

In France and in its commercial real estate sector, in its roles as "developer-developer" or "developer-investor", FREY faces 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 investors 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 property development 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 sites with potential, FREY entrusts its subsidiary FREY Development & 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 permits, thereby avoiding risk-taking on land);
- preparing application files, filing and obtaining the administrative permits 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 to 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 (involving decontamination, demolition, etc.).

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

FREY develops its assets and retains them in its portfolio, generating value creation (difference between the value of an asset excluding transfer tax 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:

FREY has established a strong and long-term partnership with historic brands such as Boulanger, Decathlon, Kiabi, Intersport and Leroy Merlin.

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 always supported by preliminary studies.

FREY selects high-quality locations to meet the needs of partner brands and ensure the long-term viability of the asset.

Meeting the needs of consumers:

Through a unique customer experience, its original and user-friendly architecture, its customer journey and its events, 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.). Hospitality 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 commercial developers who produced stereotyped commercial areas.

Still today, these amenities too often offer an identical mix of brands, only the most basic personal services, non-existent architecture, anecdotal landscaping and brief and poorly organised maintenance and security, contributing even more to the declining image of these retail areas.

The pleasure of shopping was 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 many years FREY has been working with renowned architects and landscapers in a bid to eliminate these missteps and make open-air shopping an enjoyable experience that embodies environmental responsibility.

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 facilities.

The objective is simple, without sacrificing the principle of free and practical parking spaces, they have abundant green spaces, offering pedestrians with wide, safe 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 brands with the presence of leading retailers in personal and household goods, culture, leisure, hospitality, beauty, services and specialist food stores all help to provide the customer with a comprehensive offering.

Large and medium-sized stores are mixed with shops, which can take advantage of the moderate rents and expenses of outdoor retail, 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® assets 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, lighting using photovoltaic panels, planted roofs, the use of recycled construction materials, a fully landscaped 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 new retail trends, FREY devised and designed Shopping Promenade®, a multi-faceted destination that combines 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 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 experience in an exceptional environment. 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 hospitality. New trendy 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 families.

Friendly and fun places, attentive to the well-being of all and respectful of the environment. Each site applies the following principles:

- Urban codes borrowed from city centres
- Green landscaping
- A multi-faceted design boasting diversity and innovation
- Water as a vector of emotions
- Responsible sites: systematic environmental certification (HQE™ Bâtiments Tertiaires or BREEAM®)

Openings: Shopping Promenade® Amiens (Somme) in October 2017, Shopping Promenade® Arles (Bouches-du-Rhône) in October 2019, Shopping Promenade® Claye-Souilly (Seine-et-Marne) and Shopping Promenade® Cœur Alsace in Strasbourg-Vendenheim (Bas-Rhin) 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 remodelling obsolete property in favour of these pleasant facilities that are in step with their era.

Reclaiming these spaces provides 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 remove 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 developer activities: developing this activity and its development strategy

All major French cities are now facing the same challenges:

- How to restructure their entrances;
- How to redevelop these vast areas of activity and commerce that are now being swallowed by the city;
- How to redevelop the local 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 as 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 local authorities, 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 range of urban functions that make up these areas (major commercial areas, sometimes mixing industrial, trades and logistics areas, old town-centre fabric or housing) does not offer a real continuous connection between them. The functional diversity is also under developed or difficult to identify.

In addition to this juxtaposition of various functions with no real alignment, there are also many mobility problems: saturated access, lack of soft 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 entrances: 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 the Eurometropolis of Strasbourg; 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 vehicles, pedestrians, trucks, mixed transport, etc.) as well as in the private parts of the land (typology, occupancy, addressing, information, etc.).

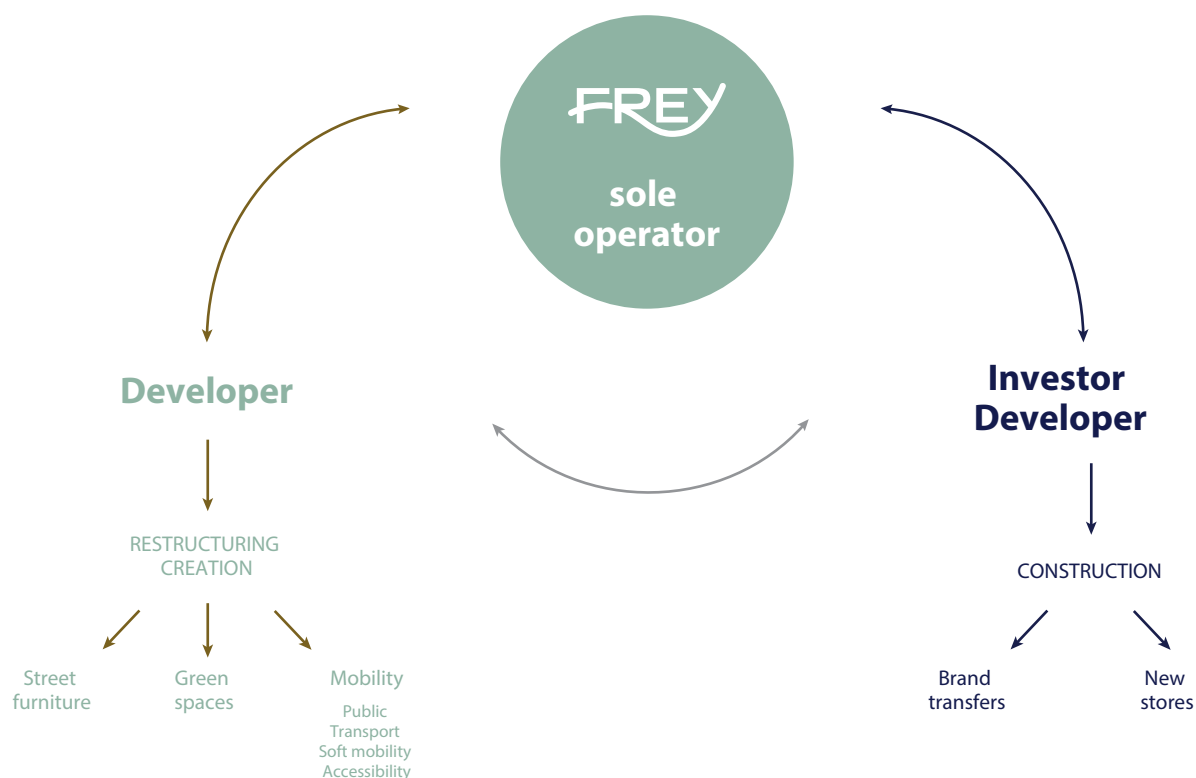
To cover these issues, FREY is committed to rethinking the place of the environment and landscaping, the role of new forms of mobility, and a new network of functions in order to reposition new centres and new public or communal spaces.

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 local authority of a development solution adapted to the problems of city outskirts: a 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 further to the following two operations:

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

Following a call for applications, the Troyes Métropole authority appointed FREY as a developer and investor in the Aire des Moissons joint development area (ZAC) in 2009.

With a 30 ha footprint, the scope of this development area 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 (Bas-Rhin)

After winning the development competition launched by the Eurometropolis of Strasbourg in 2013, FREY carried 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. Spanning four municipalities (Vendenheim, Mundolsheim, Lampertheim and Reichstett), the North Commercial Zone is a typical French city outskirts site, which since 1975 has been growing in phases, without consistency.

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

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

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.

With this in mind and to support the transformation of the regions, FREY, Banque des Territoires and CDC Habitat are setting up a land investment and 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 solution will offer local authorities 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 financing company to carry out these projects to reconvert suburban commercial areas through: land acquisition, demolition, decontamination, re-parcelling, development and resale of renovated land.

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.

1.3.3.5. An environmental approach: Sustainable development

A confirmed environmental approach

In an effort to foster 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 (Aube);
- **The North Commercial Zone** in Strasbourg - Vendenheim (Bas-Rhin).

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 (Aube);
- **Clos du Chêne** in Montévrain (Seine-et-Marne);
- **Green 7** in Salaise-sur-Sanne (Isère);
- **O'Green** at Agen-Boé (Lot-et-Garonne);
- **Shopping Promenade® Cœur Picardie** in Amiens (Somme);
- **SuperGreen** in Thionville - Terville (Moselle).

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 BREEAM® approach

The following FREY assets have received BREEAM® certification:

- **Shopping Promenade® Cœur Alsace** in Strasbourg-Vendenheim (Bas-Rhin);
- **Shopping Promenade® Claye-Souilly** in Claye-Souilly (Seine-et-Marne);
- **Shopping Promenade® Arles Montmajour** in Arles (Bouches-du-Rhône);
- **Polygone Riviera** in Cagnes-sur-Mer (Alpes-Maritimes);
- **AlgarveShopping** in Albufeira (Portugal);
- **Parc Vallès** in Terrassa (Spain);
- **Finestrelles Shopping Centre** in Barcelona (Spain).

1.3.3.6. International

Poland

In 2023, as part of its long-term expansion strategy, FREY rolled out its pan-European platform by opening in new countries such as Poland: in the second half of 2023, **FREY finalised the purchase of the Matarnia Park Handlowy retail park in Gdańsk (Poland)** from Ingka Centres, for a total investment amount of €103 million (including transfer tax). Ideally located in one of Poland's most dynamic cities, Matarnia Park Gdańsk also benefits from the attraction of one of Poland's first IKEA stores. FREY will be able to transform this high-potential asset to bring it up to the standards of its Shopping Promenade® concept and thus extract all its quintessence. This acquisition also marks FREY's first investment in Poland, one of the fastest growing economies in Europe.

Located 10 km south-east of Gdańsk, a port city on the Baltic Sea, **Matarnia Park Handlowy is a 52,300 m² retail park with strong features**: a strategic location with exceptional accessibility; a catchment area of more than 600,000 inhabitants less than 20 minutes away with purchasing power 15% higher than the Polish national average and rising; and an attractive and complementary shopping offer (fashion & home, DIY & electronics), spanning more than 52,300 m² of retail space and secured by leading anchors in their sector (MediaMarkt, OBI, SportsDirect.com, H&M and TK Maxx, etc.).

Spain

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

In 2018, FREY acquired:

- **Parc Vallès** in Terrassa-Barcelona, a 47,700 m² asset. Parc Vallès underwent a major renovation in 2023.

In 2022 FREY acquired two other assets in Spain:

- **Finestrelles Shopping Centre** in Barcelona (41,100 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 (68,200 m²).

FREY is also continuing its development of the **Promenade Lleida project in Catalonia (57,264 m²)** in partnership with Eurofund.

Portugal

In 2019, FREY acquired an outdoor shopping centre in the south of Portugal: **AlgarveShopping**. This property complex consists of an open-air shopping centre and a retail park covering 58,500 m² and is located in Albufeira, Algarve. The site also has buildable land reserves.

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

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.

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 31%⁽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.

(1) Calculated on the basis of 2023 annualised rents.

1.3.4. APPLICABLE REGULATIONS

1.3.4.1. Commercial town planning and construction law

1.3.4.1.1. Commercial operating licence

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 Climate 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 licence is issued by the Departmental Commission for Commercial Development (CDAC), or the National Commercial Development Commission (CNAC), after analysis of the foreseeable effects of the project in terms of land use planning, sustainable development, consumer protection and, since the Climate Law, the impact of the project in terms of land-take within the meaning of paragraph 9 of Article L. 101-2-1 of the French Urban Planning Code; all in accordance with the criteria set out in Article L. 752-6 of the French Commercial Code. The Climate Law enhances the conditions for granting commercial operating licences that generate land-take.

A number of implementing decrees for the French Climate Law 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 licences. It sets out the terms for granting commercial operating licences for projects leading to land-take. The result is a principle of banning the issuing of commercial operating licences for projects built on natural land 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.

The Green Industry law no. 2023-973 of 23 October 2023 allowed economic operators to move existing sales areas (and therefore be exempted from obtaining a new commercial operating licence) within a major urban operation decided as part of a partnership development project contract provided (i) that the operation aims to transform an economic activity zone in order to promote functional diversity, and (ii) that the projects carried out do not result in the creation of additional sales areas or any net land-take. This same law authorised, on an experimental basis, over a period of three years, the transfer commercial space within an economic activity zones not located within a major urban operation, but only if the projects carried out by the economic operators aim to establish an industrial activity; the other eligibility conditions for the scheme remain identical to those provided for urban operations.

Finally, the Green Industry Law extended the trial to include major urban operations for a period of six years, by Article 97 of the 3DS Law no. 2022-217 of 21 February 2022 and by its implementing decree no. 2023-977 of 23 October 2023, which entered into force on 1 January 2024. Under the terms of this law, the competent administrative authority in terms of urban planning authorisations may issue a building permit equivalent to a commercial operating licence without seeking the opinion of the CDAC. Regulations on commercial development are fully integrated into local strategic planning documents (SCoT and PLU) validated in advance by the CNAC.

A circular dated 15 November 2023 formalised the case law reversal by the Council of State on 16 November 2022 (the *Poulbric ruling*) by including store entrances in the calculation of commercial square metres to be recognised in commercial operating licence applications.

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 licence, when the project requires construction or renovation subject to town planning authorisation.

This building permit, constituting a commercial operating licence, aims (i) to simplify the previously separate procedures for applications for permits 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, only for town planning permits including a "commercial operating licence" section.

Since then, both the ELAN Law of 2018 and the Climate 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 Citizens' Climate Convention, to initially reduce the pace of land-take and consumption of natural, agricultural and forestry spaces, ultimately achieving zero net land take by 2050. To this end, it promotes the recovery of wasteland and the reversibility of construction, as well as the "greening" of buildings and car parks, which is reflected, among other things, by more stringent obligations for project owners in terms of energy and environmental performance.

As with commercial development, numerous decrees and implementing decrees relating to the French Climate Law were issued in 2022 and 2023 in terms of urban planning, which were supplemented by the Green Industry Law (referred to above) and by the law on the acceleration of renewable energy production (known as the APER Law) no. 2023-175 of 10 March 2023. These texts intended to specify the procedures for implementing (i) the objective of no net land take, and (ii) the obligation to install plants and/or equip roofs and/or car park shade canopies with renewable energy production devices.

The law on the acceleration of renewable energy production (APER Law) No. 2023-175 of 10 March 2023 extended the aforementioned obligations to outdoor car parks, stepped up the obligations and extended their scope of application. The decrees implementing this law have not yet been issued.

Law no. 2023-630 of 20 July 2023 introduced a system aimed at supporting local elected representatives in the implementation of the zero net land take objective and extended the deadline for adapting town planning documents to incorporate this objective.

The Green Industry Law granted extra time to install solar energy panels on outdoor car parks provided next generation panels are used.

Finally, 2023 also saw an amendment to the definitions and sub-purposes mentioned in urban planning schemes that project owners must indicate in their planning applications (decree no. 2023-195 of 22 March 2023 and order of 22 March 2023, which entered into force on 25 March 2023 or 1 July 2023 for some provisions).

1.3.4.1.3. Environmental Assessment and Environmental Authorisation

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 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 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 (see Table R.122-2 of the Environmental Code) did not make it possible to impose the environmental assessment for all the projects that would require it, Decree No. 2022-422 of 25 March 2022 extended the scope of the environmental assessment 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.

The APER Law cited above and its implementing decree no. 2023-1103 of 27 November 2023 provided details on the litigation regime for environmental authorisation with, in particular, the obligation to notify appeals against environmental authorisations that did not previously exist and the obligation for the administrative judge to settle the environmental authorisation during the proceedings whenever possible in order to avoid its cancellation. These provisions came into force on 1 January 2024.

The Green Industry Act, also referred to above, introduced measures intended to speed up the examination of applications for environmental authorisations; in particular by modifying the sequence of public consultation procedures; these can now be organised during the examination phase of the application by the competent departments and no longer after this examination.

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). Works-Damage, Property Developer, and Comprehensive Work Site insurance policies 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) on growth and the 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 1 October 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).

These facilities are placed under the supervision of the Prefect and the Regional Directorates of Industry, Research and the Environment (DREAL), which are responsible 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 has been applicable since 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 Climate Law).

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 of sale, promise to 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 of sales sell, promise to 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 Climate 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.

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 an 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. (Min. resp. 20346: OJ Senate Q, 9 Sept. 2021, P. 5277).

However, 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 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 at least 95% owned directly or indirectly, together with other REITs or open-ended real estate investment companies (SPICAV), 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 tax regime are as follows:

- SAS FREY Retail Fund 1, a joint subsidiary with SPICAVs, from its creation in December 2011;
- SAS IF Clos du Chêne, a wholly-owned subsidiary of SA FREY, from 1 January 2012;
- SASU FREY MURS 02, a wholly-owned subsidiary of SA FREY, from 1 January 2017;
- SAS BBC Promotion, a wholly-owned subsidiary of SA FREY, from 1 January 2022;
- SNC FREY RIVIERA, a wholly-owned subsidiary of SA FREY, from 11 September 2023 (letter sent 28 September 2023).

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 tax 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 tax 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 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 tax 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 tax 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 tax 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 tax 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 tax regime and consequently of the subsidiaries that have opted for it.

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 material risks specific to 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 as follows:

- Risks related to the Group's environment;
- Risks related to regulations applicable to the Group;
- Risks related to the Group's operating activity.

Within these categories, the Group identified 17 major risks. It assessed how critical these risks were for its business, assets and financial position, image and outlook, and then allocated a score to each one:

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

This rating corresponds to the Group's current perception of the importance of these risk factors, based on the perceived probability of these risks occurring, 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	Change	Impact types
The Group's environment					
● Economic environment	Highly probable	Major	3	↗	 
● Commercial real estate 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 operating activity					
● Non-compliance with a financial covenant	Rare	Critical	3	→	 
● Development of new assets	Probable	Major	2	→	  
● Interest rates	Probable	Significant	2	↗	
● Information processing, data integrity and fraud	Probable	Significant	2	New	   
● 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	→	  
● Dependence on brands	Probable	Limited	1	→	  

 Financial

 Legal

 Operational

 Reputational

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

Probability	Impact	Criticality	Change	Impact types
Highly probable	Major	3		

The Group's real estate assets consist of commercial assets located in retail parks in France, Spain, Portugal and Poland. The Group's activity is sensitive to changes in the economic environment and consumption. In 2023, the Group's four countries of operation suffered the effects of the financial crisis.

The European economy is facing growing difficulties in the current environment, marked by geopolitical tensions, the biggest shock on the energy market since the 1970s and the cost of living crisis 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. 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 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.

To cope with this economic crisis, the Group is maintaining its policy of constant discussion with partner brands, based on the collection of revenue data from the main tenants and the analysis of changes in footfall at 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 and begin re-marketing the units before their actual release.

Risks related to the commercial real estate market

Probability	Impact	Criticality	Change	Impact types
Possible	Major	2		

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

Probability	Impact	Criticality	Change	Impact types
Rare	Major	2		

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, Spain, Portugal and Poland).

In 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 launches the pre-marketing of its sites even before the acquisition of land, offers a differentiating consumer experience, particularly through its concept of Shopping Promenade®, which offers a rewarding environment offering a real open-air shopping destination, free giant play areas, a mix of on-trend brands covering a wide range of products and a powerful and inventive food offering, 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

Probability	Impact	Criticality	Change	Impact types
Probable	Limited	1		

All leases signed by the Group are subject to two public indices (the commercial rent index (ILC) and the construction cost index (ICC)) for rent indexation. These provisions limit the ability of lessors 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 permits

Probability	Impact	Criticality	Change	Impact types
Highly probable	Major	3		

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 licences.

The risks are mainly related to the time taken to process requests for authorisation by the competent administrative departments (from two to five 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 generate 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 permit applications to ensure compliance with the applicable regulations.

In addition, there is a desire to reduce the number of permits granted in certain parts of the country, reflecting a more restrictive commercial planning policy on the outskirts of urban areas. This could have adverse consequences on the Group's development and growth prospects.

The expansion of the Group's scope of activity to include the development and regeneration of existing areas at city entrances allows it to work with the authorities and local decision-makers very early on in projects, which ensures it obtains administrative approval.

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

Probability	Impact	Criticality	Change	Impact types
Possible	Major	2		

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 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.

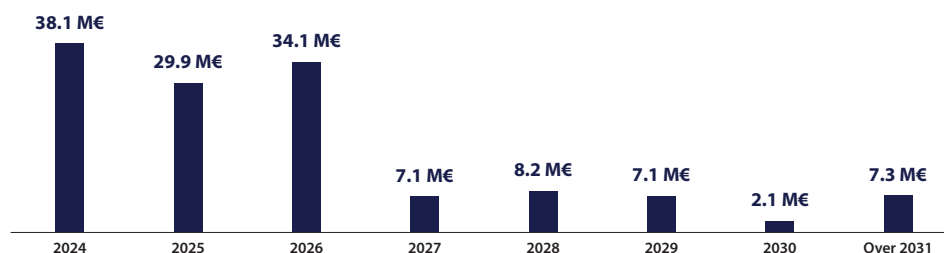
Upon expiry of the lease, if the lessor decides not to renew it, the lessee is entitled to eviction compensation. This is based on the value of the lessee's business, and could therefore have a material adverse impact on the Group's financial position.

Furthermore, 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, Portugal and Poland.

At 31 December 2023, 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 (REITs), loss of benefit from this status or a possible change in the terms of this status

Probability	Impact	Criticality	Change	Impact types
Rare	Major	2		

The benefit of the REIT tax 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 (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 tax 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

1.4.2.3. Risks related to the Group's operating activity

Risks of non-compliance with a financial covenant

Probability	Impact	Criticality	Change	Impact types
Rare	Critical	3		

FREY Group's financing contracts, and in particular the corporate credit lines representing 86% of the Group's total debt at 31 December 2023, provide minimum ICR (Interest Coverage 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** is the ratio of rental income to interest.
- The **LTV ratio** measures the ratio between the loan outstanding and the value of the asset, including transfer tax.
- The **Secured Debt** ratio measures the ratio between the outstanding secured debt and the value of the asset including transfer tax.

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

Consolidated ratios	LTV including transfer tax	ICR	Collateralised debt
Debt concerned	€1,160.0m	€1,160.0m	€1,160.0m
Required ratios	≤ 60.0%	≥ 2.0	< 20.0%
Ratios at 31/12/2023	41.0%	4.0	6.3%

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 2023, all of the undertakings and covenants entered into with financial partners by the FREY Group were complied with.

meaning of Article L. 233-10 of the French Commercial Code (other than companies themselves subject to the REIT tax 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 tax regime would therefore be likely to significantly affect the Group's financial and asset position.

Moreover, the loss of the REIT tax 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 laws applicable to REITs could also affect the Group's business and financial position.

The Company carries out tax 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.

The following table shows the impact on the LTV of a 25-basis-point and 50-basis-point variation in the capitalisation rate (up or down):

Capitalisation rate	-50 pts	-25 pts	31/12/2023	+25 pts	+50 pts
LTV ratio incl. transfer tax	38.0%	39.5%	41.0%	42.4%	43.9%

Risks related to the development of new assets

Probability	Impact	Criticality	Change	Impact types
Probable	Major	2		

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 permits 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 Group 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.

The expansion of the Group's scope of activity to include the development and regeneration of existing areas at city entrances allows it to work with the authorities and local decision-makers very early on in projects, which ensures it can purchase the land in question and obtain the necessary administrative approval.

Interest rate risks

Probability	Impact	Criticality	Change	Impact types
Probable	Significant	2		

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

At 31 December 2023, the Group's financial debt to credit institutions amounted to €997.4 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, caps and collars, 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 96.5% at 31 December 2023.

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:

(In €m)	-100 pts	-50 pts	E3M	+50 pts	+100 pts
Impact	0.4	0.2	-	-0.2	-0.4

A significant increase in interest rates could also have an adverse impact on the valuation of the Group's assets and therefore on its portfolio value, 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.

Risks related to information processing, data integrity and fraud

Probability	Impact	Criticality	Change	Impact types
Probable	Significant	2	New	

Risks related to information processing and data integrity are characterised by a failure in the protection of the information system affecting the integrity of the Group's data, including personal data (loss/modification/dissemination), particularly in the event of a cyber attack. The risk of fraud is characterised by the misappropriation of funds or data by one or more Group employees or by a third party.

In this respect, in 2022, the Group was the subject of fraudulent use of its name and identity by third parties to offer investment solutions and various savings products, in particular through the use of false emails, false presentation leaflets and subscription forms. The Group worked with the competent authorities in order to put an end to these fraudulent actions.

All data held and processed by the Group are held and processed through its information system. Depending on their scope, the loss, modification or dissemination of data from information systems could lead to IT hardware damage, a risk to the Group's image and reputation, and significant financial consequences (in particular the repair of information systems and/or financial penalties in the event of non-compliance with regulations). The hacking of IT systems could also affect the integrity of the Group's data and/or result in the payment of a significant ransom.

In the event of fraud, the Group may be exposed to possible administrative or judicial sanctions (particularly if the Group is blamed for the weakness of its risk prevention system) as well as to a deterioration of its image and reputation.

In order to limit the risk of such events occurring, the Group has put in place data backup and retention procedures and regularly updates its IT security tools. The Group also conducts an annual audit of the security of its information system in order to continuously improve its policy and tools for detecting vulnerabilities and IT security. Group staff are regularly made aware of IT security issues. With regard to fraud risks, validation procedures and signing authorities are used as well as regular training for all employees to raise their awareness and alert them.

N.B. This risk was not previously presented in the Group's financial communication but, given the increase in this risk in 2023, it has been decided to include it in this document.

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

Probability	Impact	Criticality	Change	Impact types
Possible	Significant	2		

Implementing the Group's growth strategy means investing substantial amounts in developing or acquiring 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

Probability	Impact	Criticality	Change	Impact types
Possible	Significant	2		  

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

However, a hidden defect not identified 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.

In 2023, these procedures and guarantees were effectively put in place for the acquisition of the Matarnia Park Handlowy retail park in Poland and the shares of the companies that own the Polygone Riviera shopping centre in Cagnes-sur-Mer. As a result, no change is required in the probability, impact and criticality factors for the 2023 financial year.

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

Probability	Impact	Criticality	Change	Impact types
Highly probable	Limited	2		  

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 2023, the top ten customers accounted for 17.8% of the Group's economic assets, and none of these customers accounted for more than 4.0% 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.

More than 94% of the impairments recognised at 31 December 2023 relate to trade receivables past due by more than 90 days.

Risks related to dependence on brands

Probability	Impact	Criticality	Change	Impact types
Probable	Limited	1		  

The Group's assets are mainly leased to national or international brands. 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 2023 represents 3.0% 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 (analysis 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.

1.5. CAPITAL INFORMATION

1.5.1. AMOUNT OF SHARE CAPITAL

At 31 December 2023, the share capital amounted to €80,625,245. It is divided into 32,250,098 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

December 2023 capital increase

On 27 November 2023, the Chairman and Chief Executive Officer, using the powers granted to him by the Board of Directors on 7 November 2023 and in accordance with the authorisation granted by the Combined General Meeting of Shareholders of 18 May 2022, decided to carry out a capital increase by a maximum total amount of €101,310,000 (a par value of €10,131,000 and an issue premium of €91,179,000) by issuing a maximum of 4,052,400 new shares at a price of €25.00 per share (a par value of €2.50 and an issue premium of €22.50).

The subscription of the new shares was reserved in preference for the holders of existing shares and the transferees of preferential subscription rights who could subscribe on an irrevocable basis at the rate of one new share for seven existing shares held and on a revocable basis for a number of new shares greater than that which they could subscribe on an irrevocable basis, in proportion to the subscription rights they had and within the limit of their request.

The capital increase was the subject of a prospectus approved by no. 23-0489 on 27 November 2023, consisting of the company's Universal Registration Document filed with the French Financial Markets Authority (Autorité des marchés financiers, AMF) on 24 March 2023 under number D.23-0146, the amendment to the Universal Registration Document filed with

the AMF on 27 November 2023 under number D.23-0146-A01, the securities note and the summary of the prospectus.

During the subscription period from 4 to 12 December 2023 (inclusive), 3,761,681 shares were subscribed on an irrevocable basis, i.e. 92.83% of the amount of the capital increase and 121,614 shares were subscribed on a revocable basis, i.e. 3% of the amount of the capital increase, corresponding to a total subscription, on an irrevocable and revocable basis, of 3,883,295 shares, i.e. 95.83% of the amount of the capital increase.

According to the minutes of the decisions dated 19 December 2023, the Chairman and Chief Executive Officer noted that the 3,883,295 new shares had been fully subscribed, that they had been fully paid up in accordance with the terms of the capital increase, which was therefore fully completed.

The company's share capital was thus increased from €70,917,007.50 to €80,625,245, represented by 32,250,098 ordinary shares with a par value of €2.50 each.

Date	Transaction	Capital increase / reduction	Par value per share	Issue, contribution or merger premium	Number of shares created / cancelled	Number of shares	Capital after the transaction
19/12/2023	Capital increase	9,708,237.5	2.5	87,374,137.5	3,883,295	32,250,098	80,625,245
15/12/2021	Capital increase	8,510,040	2.5	93,610,440	3,404,016	28,366,803	70,917,007.5
04/06/2021	Dividend in shares	898,810	2.5	N/A	359,524	24,962,787	62,406,967.5
12/06/2020	Dividend in shares	945,665	2.5	N/A	378,266	24,603,263	61,508,157.5

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 2023, namely:

Date	Number of shares comprising the share capital	Number of voting rights
31/12/2023	32,250,098	Theoretical: 32,250,098 Exercisable*: 31,723,963

* 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	31/12/2023			31/12/2022			31/12/2021		
	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⁾	8,539,279	26.48%	26.92%	7,530,096	26.55%	26.65%	7,529,046	26.54%	26.61%
PREDICA	6,387,944	19.81%	20.14%	5,589,451	19.70%	19.78%	5,589,451	19.70%	19.76%
FONCIÈRE AG REAL ESTATE ⁽³⁾	3,241,995	10.05%	10.22%	3,170,995	11.18%	11.22%	3,170,995	11.18%	11.20%
EFFI INVEST II	1,130,460	3.51%	3.56%	1,130,460	3.99%	4.00%	1,130,460	3.99%	4.00%
CARDIF ASSURANCE VIE	4,069,420	12.62%	12.83%	3,560,743	12.55%	12.60%	3,560,743	12.55%	12.59%
SOGECAP	3,960,743	12.28%	12.49%	3,560,743	12.55%	12.60%	3,560,743	12.55%	12.59%
SCI PRIMONIAL CAPIMMO	2,389,352	7.41%	7.53%	2,389,352	8.42%	8.46%	2,389,352	8.42%	8.44%
IDPE ⁽⁴⁾	103,356	0.32%	0.33%	103,356	0.36%	0.37%	103,356	0.36%	0.37%
CARUSO ⁽⁵⁾	17,808	0.06%	0.06%	17,808	0.06%	0.06%	17,808	0.06%	0.06%
Corporate officers ^{(6) (7)}	14,527	0.05%	0.05%	65,498	0.23%	0.23%	42,861	0.15%	0.15%
Treasury shares	526,135	1.63%	N/A	112,768	0.40%	N/A	73,605	0.26%	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	1,135,064	3.52%	3.58%	1,064,184	3.75%	3.77%	1,147,147	4.04%	4.05%
● registered shares	734,015	2.28%	2.31%	71,349	0.25%	0.25%	51,236	0.18%	0.18%
TOTAL	32,250,098	100.00%	100.00%	28,366,803	100.00%	100.00%	28,366,803	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, which are deprived of voting rights pursuant to the provisions of Article L. 225-210 of the French Commercial Code.

(2) Firmament Participations is approximately 58.14% owned by Antoine FREY and his wife Aude FREY and 41.86% by Crédit Mutuel Equity. 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 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) IDPE (Import and Distribution of Exotic Products) is controlled by the Lemarchand family.

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

(6) The sub-total for corporate officers for 2023 includes the shares held by the Deputy Chief Executive Officer, Sébastien Eymard for 2023.

(7) The sub-total for corporate officers for 2021 and 2022 includes the shares held by the Deputy Chief Executive Officer, Sébastien Eymard and the former Deputy Chief Executive Officers, François-Xavier Anglade, Pascal Barboni and François Vuillet-Petite.

1.5.4. CROSSINGS OF THRESHOLDS

Crossings of legal thresholds prior to 1 January 2023 are listed on the website of the French Financial Markets Authority.

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 2023 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 cancelled and replaced, 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 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.

By amendment no. 2 dated 26 January 2024, the signatories of the Agreement agreed to extend the term of the Agreement a second time and simplify the rules governing free transfers.

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 has 10 members, including:

- five Directors appointed from among the candidates proposed by Firmament Participations (including 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 Middenlex Code (the "Independent directors").

The Board of Directors may also include up to five observers, including one appointed from among the candidates proposed by Foncière AG Real Estate and one appointed from among the candidates proposed by Predica. Observers will be subject to the provisions of the Rules of Procedure 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 Antoine FREY as Chairman and Chief Executive Officer of the Company. In the event of the incapacity of Antoine FREY as Chairman and Chief Executive Officer for a maximum of six months, 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 to ensure 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 Middledent 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 Middledent Code.

Transfer of shares

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

- to any Affiliate (i.e. any Entity that Controls that Party, is Controlled by that Party or is Controlled by an entity Controlling that Party);
- to any third party up to a maximum of 5% of the Company's share capital over a period of 12 consecutive months (i.e. 5% of the Company's share capital plus the shares acquired by the relevant party over the rolling 12-month reference period); or
- to any third party whose purchase offer covers a number of shares representing at least 10% of the Company's share capital,

subject, except in the case referred to in (ii) above, on the one hand, to having previously informed the other Parties by registered letter with acknowledgement of receipt sent eight Business Days before the transfer, and, on the other hand, to proving the irrevocable and unreserved acceptance of the Affiliate or, where applicable, the third-party assignee, under the terms of a written instrument (the "Deed of Acceptance"), to the terms of the Agreement that will therefore be fully applicable to it (the "Free Transfers"). In this case, the provisions of Article 4.2 shall not apply. Under the terms of this Deed of Acceptance, the assignee (Third Party or Affiliate) shall benefit from and be bound in due proportion by the rights and obligations of the assigning Party under this 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 sixty (60) 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 purchase of the shares on offer referred to in the binding offer shall be done within ten (10) business days of notification to the transferor.

Call options in case of a change of control: To avoid any circumvention of the right of first refusal referred to in Article 4.2 above, in the event that: (i) either Firmament is in the form of a partnership limited by shares and: a) Antoine FREY (and/or, where applicable, his wife, his heirs and assigns) no longer directly or indirectly holds at least 33.33% of the capital and voting rights of Firmament, or b) Antoine FREY (and/or, where applicable, his wife, his heirs and assigns) no longer directly or indirectly holds at least 50.01% of the capital and voting rights of Firmament Gestion, a simplified joint-stock company with share capital of €5,000, having its registered office at 14 rue Cluquot Blevache, 51100 Reims, registered in the Reims trade and companies register under number 800 554 982 (hereafter "Firmament Gestion"), or c) Firmament Gestion loses its status as manager and general partner of Firmament, (ii) or Firmament is in the form of a simplified joint-stock company and Antoine FREY (and/or, where applicable, his wife, his heirs and assigns) no longer directly or indirectly holds at least 50.01% of the capital and voting rights of Firmament (hereafter a "Change of Control"), Firmament grants *pari passu*, to Predica, Foncière AG RE and Louvresses Développement II, a Call Option for all the Shares held by Firmament, up to a total number of Shares equal (for each of them) to the difference between a number of Shares representing 29.5% of the capital of the Company and the number of Shares held respectively by each of Predica, Foncière AG RE and Louvresses Développement II.

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 31 December 2028. 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

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 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 2023, based on the information set out in Section 1.5.3 "Major shareholders" above (i.e. share capital consisting of 32,250,098 shares and 31,723,963 exercisable voting rights), Antoine FREY holds, either directly or indirectly via Firmament Participations, 26.48% of the Company's share capital and 26.92% 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 2023, the Company had 526,135 treasury shares valued at €13,679,510.

1.5.9.1. Share buybacks

The General Meeting of Shareholders of 9 May 2023 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.

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, 18 May 2022 and 9 May 2023 to allow the Board of Directors as much flexibility as possible to call

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 9 May 2023, i.e. until 9 November 2024.

At 31 December 2023, the Company held 526,135 treasury shares, or 1.63% of its share capital at that date, divided between the following two contracts:

- 16,251 shares held under the liquidity agreement signed on 3 March 2017 for market-making purposes;
- 509,884 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 2023, the following were held in the liquidity account:

- 16,251 shares representing €422,526 in shares;
- €277,598.35 in cash.

In financial year 2023, 14,674 shares were purchased and 7,255 shares sold under the liquidity (market-making) agreement.

1.5.9.1.2. Other buybacks

In 2023, the Company bought back 405,948 shares for the reasons set out in paragraph 1.5.9.1.

on the financial markets or raise funds through a public offering or private placement within shorter time frames, thus providing the Company, as and when the Board sees fit, with the financial resources needed to develop its business.

At the date of this document, the Board of Directors made use of the delegation granted by the 23rd resolution of the Combined General Meeting of 11 May 2021 to set up a new free share allocation plan, the characteristics of which are given in more detail in Section 1.5.11.2 "Options and free shares granted to employees" of this management report. The Board of Directors also made use of the 16th resolution of the Combined General Meeting of 18 May 2022 as part of the capital increase described in paragraph 1.5.2 above.

1.5.11. EMPLOYEE SHAREHOLDING

1.5.11.1. Incentive contract

During the financial year ended 31 December 2023 and under the free share allocation plans, the Company allocated 29,994 shares to employees corresponding to plan No. 15.

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 2007, was renewed in May 2021 for a further period of three years.

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

1.5.11.2. Options and free shares granted to employees

1.5.11.2.1. Free shares granted to employees

Fifteen 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 2023	0	1,675	1,486	0	0
Number of shares acquired at 31 December 2023	9,625	4,330	0	3,348	2,635
Number of shares awarded at 31 December 2023	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 2023	0	833	5,544	252	19,249
Number of shares acquired at 31 December 2023	4,101	30,187	36,282	1,049	16,253
Number of shares awarded at 31 December 2023	0	0	0	0	0

Plan No.	Plan No. 11	Plan No. 12	Plan No. 13	Plan No. 14	Plan No. 15
Date of Board meeting	10/07/2019	02/04/2020	31/03/2021	24/02/2022	23/02/2023
Number of shares allocated	4,567	36,197	47,015	32,742	29,994
Of which awarded to corporate officers	0	17,392	26,089	18,902	5,361
Date shares vested	10/07/2021	02/04/2022	11/05/2022	24/02/2024	23/02/2025
Retention period ends	10/07/2023	02/04/2024	11/05/2023	24/02/2026	23/02/2027
Number of shares cancelled or lapsed at 31 December 2023	1,000	21,555	3,304	2,479	0
Number of shares acquired at 31 December 2023	3,567	14,642	43,711	0	0
Number of shares awarded at 31 December 2023	0	0	0	30,263	29,994

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 0.31% 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 €26.00 at 31 December 2023, the Company's market capitalisation was €838.5 million.

From 1 February 2023 to 31 January 2024, 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 2023 to 31 December 2023 is as follows:

Position at 31 December 2023

Percentage of share capital directly or indirectly held as treasury shares	1.63%
Number of shares cancelled over the past 24 months	Nil
Number of treasury shares ⁽¹⁾	526,135
Carrying amount of the portfolio at 31 December 2023 (in €)	14,029,332
Market value of the portfolio at 31 December 2023 ⁽²⁾ (in €)	13,679,510

(1) Of which 16,251 shares were allocated to the liquidity (market-making) agreement and 509,884 shares purchased under the buyback programme.

(2) On the basis of the closing price of €26.00 at 31 December 2023.

Aggregate gross flows at 31 December 2023	Purchases	Sales	Transfers
Number of shares	420,622	7,255	-
Average transaction price (in €)	29.03	32.37	-
Amounts (in €)	12,210,549.96	234,849.28	-

1.6. CORPORATE GOVERNANCE

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

1.6.1. CORPORATE GOVERNANCE STATEMENTS

FREY adopted the December 2009 Middlesex 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 Middlesex website (www.middlesex.com).

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

As of the date of publication of this document, progress in the Board's work on recommendations 5 and 8 does not enable us to confirm compliance with the recommendations and to include them in the corporate governance report.

The Company's application of the recommendations of the Middlesex 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 <i>The Board took note of this recommendation. The implementation of a training plan will be examined in 2024.</i>
R6: Holding of Board and Committee Meetings	YES
R7: Establishment of committees	NO <i>The Investment Committee is chaired by a non-independent director who holds 12.62% of the Company's capital due to his experience in the real estate sector as well as in finance, accounting and economics.</i>
R8: Establishment of a specialised Corporate Social Responsibility (CSR) Committee	NO <i>The Company has set up a Mission Committee to reflect its commitment to CSR. The Board of Directors did not consider it necessary to set up an ESG Committee so as not to duplicate the Mission Committee and decided to deal with these topics directly at Board of Directors' meetings in CSR sessions.</i>
R9: Establishment of Board Rules of Procedure	YES
R10: Selection of each director	YES
R11: Length of terms of office of Board members	NO <i>This recommendation is applied, with the exception of staggering terms of office. To date, the Company has not deemed it useful to propose an amendment to the Articles of Association intended to allow for a staggered renewal of the terms of office of directors given the size and composition of the Board of Directors.</i>
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 <i>To date, there is no decision-making process for drawing up a succession plan for the Chairman and Chief Executive Officer. However, the Company's Articles of Association stipulate that, in the event of the Chief Executive Officer being unavailable, the Deputy Chief Executive Officer shall remain in office until a new Chief Executive Officer is appointed.</i>
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 <i>The performance conditions of the bonus share plans are assessed over a period of two years (and not a minimum of three years as recommended by the Middlesex Code) because they are aligned with the Company's objectives.</i>
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

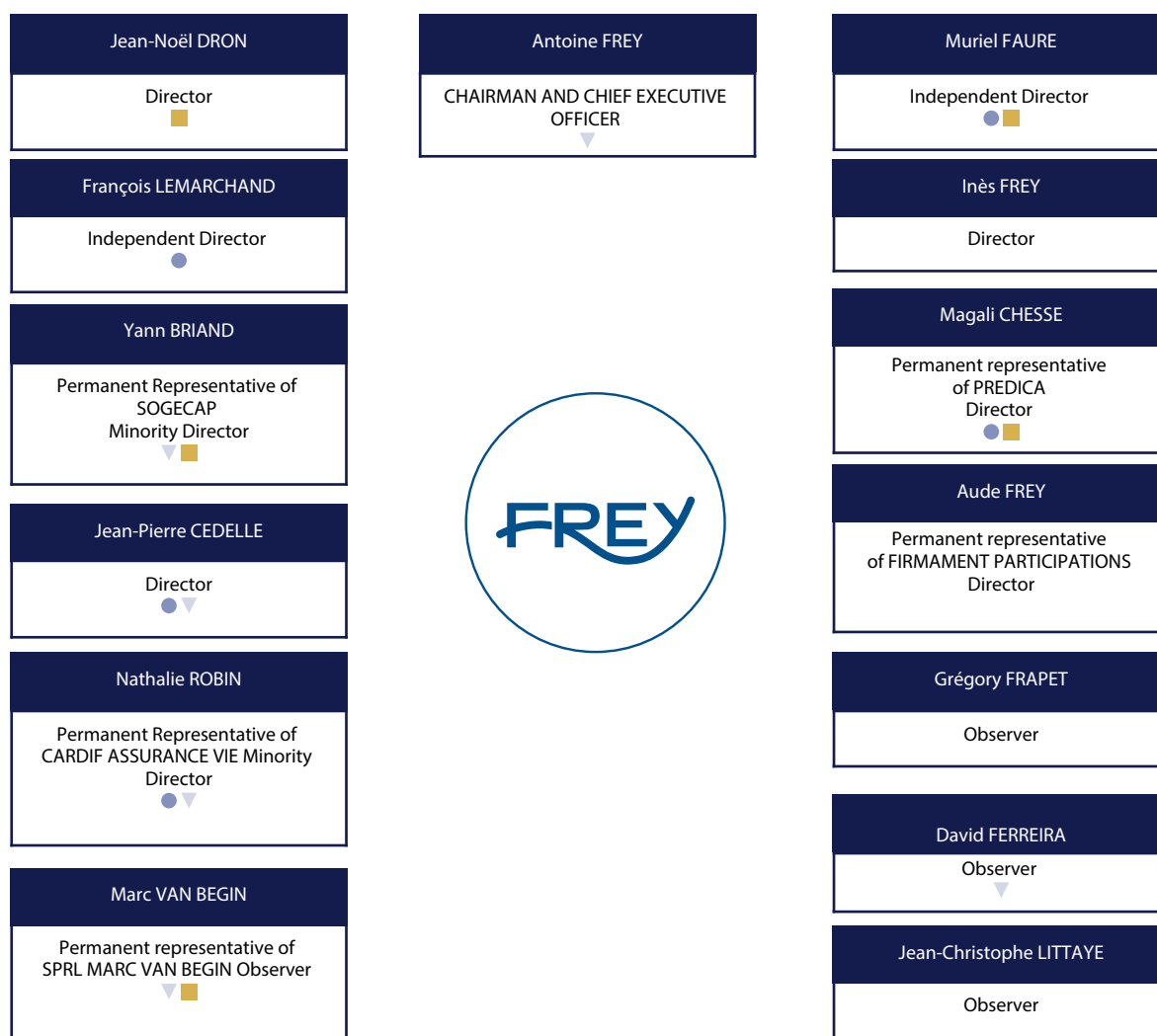
The main qualities expected of a member of the Board of Directors are experience of the Company, personal commitment to the Board's work, an understanding of the economic and financial world, the ability to work as part of a team while respecting others' opinions, freedom to express what may be minority 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 fourteen (14) members: ten (10) directors and four (4) observers.

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

Recommendation R11 of the Middennext 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.



● Audit Committee ▼ Investment Committee ■ Appointments and Remuneration Committee

In its reports on corporate governance dated 1 December 2022 and 14 December 2023, the French Financial Markets Authority 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 28 February 2024, 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.

A table summarising the percentage of directors concerned for each skill and the experience of each director are presented below:

Skill concerned		% of directors concerned by skill
	Property sector	70%
	Risk management	90%
	Climate and sustainable development	30%
	Innovation	40%
	Finance, accounting and economy	100%
	Governance	70%
	International	70%

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

/ ANTOINE FREY

CHAIRMAN OF THE BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

DIRECTOR'S SKILLS:



PERSONAL DETAILS:

French national, born in Reims in 1974

DATE FIRST APPOINTED:

24 June 2013

CURRENT TERM OF OFFICE EXPIRES:

Ordinary Annual General Meeting to approve the financial statements for the financial year ending 31 December 2025

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 31/12/2023 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 of Firmament Gestion)

Manager:

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

/ AUDE FREY

REPRESENTATIVE OF FIRMAMENT PARTICIPATIONS

DIRECTOR'S SKILLS:



PERSONAL DETAILS:

French national, born in Reims in 1975

Aude FREY is a Doctor of Pharmacy.

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

OFFICES AND MAIN POSITIONS HELD AS AT 31 DECEMBER 2023 OR ON THE DATE OF RESIGNATION, IF APPLICABLE

Manager:

- SELARL Pharmacie Saint Maurice

Member of the Supervisory Board:

- SCA Firmament Participations

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

Nil

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

DATE FIRST APPOINTED:

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

CURRENT TERM OF OFFICE EXPIRES:

Ordinary Annual General Meeting to approve the Financial statements for the financial year ending 31 December 2025

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 DECEMBER 2023 OR ON THE DATE OF RESIGNATION, IF APPLICABLE

Nil

OFFICES OUTSIDE THE GROUP THAT ENDED OVER THE LAST FIVE YEARS

Nil

INES FREY

DIRECTOR

DIRECTOR'S SKILLS:



PERSONAL DETAILS:

French national, 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:

Ordinary Annual General Meeting to approve the financial statements for the financial year ending 31 December 2025

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

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 DECEMBER 2023 OR ON THE DATE OF RESIGNATION, IF APPLICABLE

Member of the Supervisory Board:

- SCA Firmament Participations

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

Nil

JEAN-PIERRE CEDELLE

DIRECTOR

DIRECTOR'S SKILLS:



PERSONAL DETAILS:

French national, born in 1953 in Soissons

DATE FIRST APPOINTED:

24 June 2013

CURRENT TERM OF OFFICE EXPIRES:

Ordinary Annual General Meeting to approve the financial statements for the financial year ended 31 December 2025

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 DECEMBER 2023 OR ON THE DATE OF RESIGNATION, IF APPLICABLE

Chairman:

- SASU F. EVENTS
- SASU JPC CONSULTING
- SASU Firmament Gestion

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

Member of the Board of Directors:

- Stade de Reims
- Aviron Bayonnais

JEAN-NOËL DRON

DIRECTOR

DIRECTOR'S SKILLS:



PERSONAL DETAILS:

French national, born in 1972 in Laxou

DATE FIRST APPOINTED:

24 June 2013

CURRENT TERM OF OFFICE EXPIRES:

Ordinary Annual General Meeting to approve the financial statements for the financial year ending 31 December 2025

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 DECEMBER 2023 OR ON THE DATE OF RESIGNATION, IF APPLICABLE

Chairman of the Management Board:

- SAS SORERES

Chairman:

- SAS SESM
- SA BROGLIE
- SAS Trasco HP
- SAS Société d'exploitation de débit de vins au Clou
- SAS 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
- SAS Café MAX

MURIEL FAURE

INDEPENDENT DIRECTOR

DIRECTOR'S SKILLS:



PERSONAL DETAILS:

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:

Ordinary Annual General Meeting to approve the financial statements for the financial year ended 31 December 2025

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 French Financial Markets Authority.

OFFICES AND MAIN POSITIONS HELD AS AT 31 DECEMBER 2023 OR ON THE DATE OF RESIGNATION, IF APPLICABLE

Chairwoman:

- Lumhio

Director:

- Groupama Asset Management
- Iznes
- French Financial Markets Authority, 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

DIRECTOR'S SKILLS:



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:

Ordinary Annual General Meeting to approve the financial statements for the financial year ending 31 December 2025

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, François 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 DECEMBER 2023 OR ON THE DATE OF RESIGNATION, IF APPLICABLE

Chairman of the Board of Directors:

- Mercator SA
- Importation et Distribution de Produits Exotiques SA

Director:

- Société Anonyme Immobilière de Villemiland-Wissous

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

Nil



DIRECTOR WHOSE PERMANENT REPRESENTATIVE IS YANN BRIAND

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

DATE FIRST APPOINTED:

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

CURRENT TERM OF OFFICE EXPIRES:

Ordinary Annual General Meeting to approve the financial statements for the financial year ending 31 December 2025

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 DECEMBER 2023 OR ON THE DATE OF RESIGNATION, IF APPLICABLE**French companies****Director:**

- SA Selectirente
- SA Carmila
- SA FREY
- SAS Oteli France
- SA Covivio Hôtels
- OPCI Raise Immobilier Impact
- OPCI Raise Immobilier
- SA Praemia Healthcare
- OPPCI PWH
- OPPCI POWERHOUSE HABITAT
- OPPCI Icade Healthcare Europe
- SA Fonds Stratégique de Participations

Chairman:

- SAS SGI Holding SIS
- SAS Orientex Holdings

Manager:

- Sogevimmo
- Pierre Patrimoine
- Sogepierre
- SGI Immo 1
- SGI Healthcare
- SGI Immo 3
- SGA 48-56 Desmoulins
- SGA Immo 5
- SGI Kosmo
- SGI 1-5 Astorg
- SGI 10-16 Ville l'Évêque
- SGI Caen
- SGI Villette
- SGI Visitation
- SCI 89 Grande Armée
- 83-85 Grande Armée
- Massy 30 avenue Carnot
- SGA Infrastructures

Foreign companies**Director:**

- SA BG1 (Luxembourg)
- SA Sogelife (Luxembourg)
- SA La Marocaine Vie (Morocco)

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

- UIB Assurances

French company**Director:**

- Carmila SAS
- SA Oradéa Vie

Manager:

- Château Mazeyres Pomerol

YANN BRIAND

REPRESENTATIVE OF SOGECAP

DIRECTOR'S SKILLS:



PERSONAL DETAILS:

French national, born in Carhaix
Plouguer in 1974

Head of Real Estate - Sogecap

**OFFICES AND MAIN POSITIONS HELD AS AT
31 DECEMBER 2023 OR ON THE DATE OF
RESIGNATION, IF APPLICABLE**
French companies

Director (as permanent representative of Sogecap):

- SA FREY
- SA CARMILA
- SA COVIVIO HOTELS
- SA Praemia Healthcare
- OPPCI Icade Healthcare Europe
- SAS PREIM Healthcare
- OPPCI PWH
- OPPCI POWERHOUSE HABITAT
- SAS OTELI France
- OPCI Raise Immobilier Impact
- OPCI Raise Immobilier
- KOMBON

Other appointments held (in his own name): Chairman and Chief
Executive Officer

- 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

DATE FIRST APPOINTED:

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

CURRENT TERM OF OFFICE EXPIRES:

Ordinary Annual General Meeting to approve the financial statements for the financial year ending 31 December 2025

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

OFFICES AND MAIN POSITIONS HELD AS AT 31 DECEMBER 2023 OR ON THE DATE OF RESIGNATION, IF APPLICABLE

French companies

Director:

- SA PRAEMIA HEALTHCARE (formerly ICADE Santé)
- SA Assu-Vie Société Française d'Assurances sur la Vie
- SPPICAV SA Health Property Fund 1
- SPPICAV SAS IHE HEALTHCARE EUROPE (formerly ICADE HEALTHCARE EUROPE)

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 Odysée
- SCI Pantin Les Moulins
- SCI Paris Batignolles
- SCI Cardif Logements
- SCI Paris Cours de Vincennes
- SCI Saint-Denis Jade
- SCI rue Moussorgski
- SCI Rueil Ariane
- SCI Rueil-Caudron
- SNC Les Résidences
- SCI Saint-Denis Landy
- SCI Saint-Denis Mitterrand
- SCI Valeur Pierre Épargne
- SCI Villeurbanne Stalingrad
- SCI Paris Turenne
- SCI Bouleragny
- SCI Vendôme Athènes
- SCI Paris Grande Armée
- Société Civile pour l'Étude et l'Aménagement du Centre d'Affaires Régional de Rungis (SECAR)
- SCI Bordeaux Armagnac
- SAS FDI Poncelet

Chairman:

- SAS FDI Poncelet

Foreign company

Director:

- SPA 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

DIRECTOR'S SKILLS:



PERSONAL DETAILS:

French national,
born in Paris in 1962

Head of Real Estate at Cardif Assurance Vie

**OFFICES AND MAIN POSITIONS HELD AS AT
31 DECEMBER 2023 OR ON THE DATE OF
RESIGNATION, IF APPLICABLE**

French companies

Director:

- SPPICAV SAS AEW Immo commercial
- SA Carmila
- SPPICAV SA BNP PARIBAS Diversipierre
- SAS Powerhouse Habitat

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
- SA Dauchez
- SA CFH
- SCPI Placement Ciloger 3
- SCI FLI
- SCI Clariane & Partenaires Immobilier 1 (formerly SCI Korian & Partenaires Immobilier 1)
- SAS Clariane & Partenaires Immobilier 2 (formerly SAS Korian & Partenaires Immobilier 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
- SPPICAV SAS IHE HEALTHCARE EUROPE (formerly ICADE HEALTHCARE EUROPE)

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

DATE FIRST APPOINTED:

24 June 2013

CURRENT TERM OF OFFICE EXPIRES:

Ordinary Annual General Meeting to approve the financial statements for the financial year ended 31 December 2025

Limited company registered in the Paris Trade and Companies Register under number 334 028 123.

OFFICES AND MAIN POSITIONS HELD AS AT 31 DECEMBER 2023 OR ON THE DATE OF RESIGNATION, IF APPLICABLE

French companies

Member of the Supervisory Board (within CAA Group):

- CA GRANDS CRUS
- PREIM HEALTHCARE
- SOPRESA

Director (within CAA Group):

- PREVESEO OBSÈQUES
- LESICA
- PREDICA BUREAUX

Member of the Supervisory Board (outside CAA Group):

- EFFI-INVEST II
- EFFI Invest III
- COVIVIO HÔTELS (formerly Foncière des Murs listed company)
- INTERFIMMO
- ALTAREA (listed company)
- OFELIA
- PATRIMOINE ET COMMERCE (listed company)
- WILLOW
- UNIPIERRE ASSURANCES

Director (outside CAA Group):

- KORIAN (listed company)
- Fonds Nouvel Investissement 1
- Fonds Nouvel Investissement 2
- Fonds Stratégique de Participations
- FONDS IMMOBILIER ADRIAN LUXEMBOURG
- COVIVIO (formerly Foncière des Régions listed company)
- AÉROPORTS DE PARIS (listed company)
- ARGAN (listed company)
- ARGAN
- CAA Commerces 2
- GECINA (listed company)
- OPCI Messidor
- OPCI LOGISTIS
- CARMILA (listed company)
- SEMMARIS
- AEW IMMOCOMMERCIAL
- FRANCAISE DES JEUX (listed company)
- CLARIANE (listed company)
- DEFENSE CB 3

Observer (outside CAA Group):

- SIPAREX Associés

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)
- LOUVRESSES DEVELOPMENT I
- URBIS PARK
- CA LIFE GREECE
- RAMSAY GENERALE DE SANTÉ (listed company)
- La Médicale de France
- CAAM Mone Cash
- RIVER OUEST
- TIVANA FRANCE HOLDING

Chairman:

- CITADEL
- CITADEL HOLDING

MAGALI CHESSE

REPRESENTATIVE OF PREDICA

DIRECTOR'S SKILLS:



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 DECEMBER 2023 OR ON THE DATE OF RESIGNATION, IF APPLICABLE

French companies

Permanent Representative of PREDICA - Director - Audit Committee -
Appointments and Remuneration Committee:

- FREY SA (listed company)

Permanent Representative of PREDICA - Observer:

- SIPAREX Associés SAS

Permanent Representative of PREDICA - Director:

- SEMMARIS SA

Director in her own name - Chair of the Audit Committee

- CASSINI SAS

Director in her own name - Member of the Supervisory Board:

- INDIGO GROUP SA
- INFRA FOCH TOPCO SAS
- ARCAPARK SAS

Permanent Representative of CAA - Director - Chair of the Audit
Committee - Risk Committee:

- RAMSAY SANTÉ SA (listed company)

Foreign company

Director in her own name:

- 2i AEROPORTI SPA (Cavour Aero - Italy)
- EDISON RENEWABLES SRL (Vaugirard Italia - Italy)
- MOVHERA SA (Portugal)

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

French companies

Permanent representative of PREDICA on the Supervisory Board:

- EFFI-INVEST II SCA

Director in her own name - Member of the Supervisory Board:

- ELIS SA (listed company)

Director in her own name:

- Impulse - Daphne 3 SARL (Luxembourg)
- Tunnels de Barcelona i Cadi SA (Spain)

Business address of the directors: 1 rue René Cassin - 51430 Bezannes, France.

Composition of the Board of Directors and Board Committees:

Surname, first name, title	Independent Board Members	Year of first appointment	Expiry of term of office	Audit Committee	Investment Committee	Appointments and Remuneration Committee
Corporate officers						
Antoine FREY		2013	2026		✓	
Directors						
Jean-Pierre Cedelle		2013	2026	✓	✓	
FIRMAMENT PARTICIPATIONS (represented by Aude FREY)		2017	2026			
Inès FREY		2020	2026			
Jean-Noël Dron		2013	2026			✓
Muriel Faure	✓	2019	2026	✓		✓
François Lemarchand	✓	2019	2026	✓		
PREDICA (represented by Magali Chesse)		2013	2026	✓		✓
SOGECAP (represented by Yann BRIAND)		2017	2026		✓	✓
CARDIF ASSURANCE VIE (represented by Nathalie Robin)		2017	2026	✓	✓	
Observers						
Jean-Christophe Littaye		2017	2026			
David Ferreira		2019	2026		✓	
Grégory Frapet		2019	2026			
SPRL Marc VAN BEGIN (represented by Marc VAN BEGIN)		2019	2026		✓	✓

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 2023.

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 2023, 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 Middledot 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.

The percentage of women in the Company was relatively stable in 2023, at 56% (57% in 2022).

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 the committees of the Board of Directors.

At 31 December 2023, 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.

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).

The office of Sébastien Eymard was renewed at the meeting of the Board of Directors on 9 May 2023. His office will end at the end the Annual General Meeting approving the financial statements for the year ended 31 December 2025.

List of positions held by Deputy Chief Executive Officer in the financial year 2023 or until the end of the term of office:

1

/ **SÉBASTIEN EYMARD**

DEPUTY CHIEF EXECUTIVE OFFICER, FINANCE AND INTERNATIONAL

PERSONAL DETAILS:

French national, born in Nîmes in 1978

DATE FIRST APPOINTED:

21 September 2017

CURRENT TERM OF OFFICE EXPIRES:

Three years, i.e. until the end of the Annual General Meeting approving the financial statements for the year ended 31 December 2025

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 31/12/2023**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
- Domestreet Invest, 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

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

Deputy Chief Executive Officer:

- has not 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 not been involved in a bankruptcy, receivership or liquidation as a senior executive or corporate officer;
- has not 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;
- the appointment or dismissal of the Chairman and Chief Executive Officer and Deputy Chief Executive Officers.

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.

Deposits, securities and guarantees to be given by FREY on behalf of third parties other than subsidiaries of the Company must also be authorised by the Board where these have not been approved under points (1), (2), (3) and (4) above or authorised under point (6) above.

It is furthermore provided that decisions covered by point (7) above shall be validly adopted by the Board by majority vote of its members, provided that half of all members are in attendance, with the Chairman of the Board not having a casting vote in the event of a tie, and that decisions covered by points (1) to (6) inclusive above shall be validly adopted by two-thirds (2/3) majority vote by members in attendance or represented, provided that half of all members are in attendance.

Committees within the Board of Directors

The Board of Directors has formed a number of committees tasked with assisting it in its work, namely:

- an Investment Committee;
- an Appointments and Remuneration Committee; and
- an Audit Committee.

The members of these committees are chosen from among the members of the Board (director or observer). The role of these committees is to study and prepare for certain Board deliberations and to submit opinions, proposals and recommendations. These committees have an advisory role only.

In fulfilling their remit, these committees may, after informing the Chairman of the Board, undertake or arrange to have undertaken, at the Company's expense, studies likely to inform the Board's deliberations and hold hearings of the Statutory Auditors. They report on 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 Committee has an advisory role and does not make decisions. In particular, it discusses FREY's commitments, investments and divestments, whether made directly or via a subsidiary, (i) where these have not been approved by the Board of Directors either specifically or as part of an overall package, and (ii) where:

- total pre-development costs (charges, costs, expenses and fees of any kind including binding financial commitments consequential to controlling the land or asset) linked to a planned investment that will be borne by the Company, regardless of the outcome of the project, exceed €5 million per planned investment;
- the investment to be made on assets already owned by the Company, directly or via a subsidiary, excluding assets to be redeployed, exceeds €15 million;
- disposals of assets (excluding development projects) or equity holdings concern assets, including their underlyings, whose value exceeds €15 million per asset.

The Investment Committee may be convened by the Chairman and Chief Executive Officer for advice on any investment project, disposal or plans to take on more debt.

The Chairman of the Board keeps the Investment Committee informed of the various planned investments and/or disposals under consideration by the Company and its subsidiaries and of the commitments made in this regard where (i) their overall value excluding taxes is less than €15 million per project, (ii) said Investment Committee has not already given advice on them under this Article and (iii) they have not been approved by the Board of Directors.

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;

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 proposed for appointment by the General Meeting. 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;

Opinions of the Investment Committee are adopted by two-thirds (2/3) majority vote by members in attendance or represented.

During the 2023 financial year, the Investment Committee met twice, on 4 and 25 July 2023.

- 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 Middlednext Code.

During the 2023 financial year, the Appointments and Remuneration Committee met twice on 21 February and 26 April 2023.

- regularly report to the Board of Directors on the performance of their work. It also reports on the outcome of the statutory auditing, on the manner in which the work improved the integrity of the financial information and the role it played in this process. It gives immediate notification of any difficulties.

Opinions of the Audit Committee are adopted by simple majority vote by members in attendance or represented.

The Audit Committee reports to the Board on its work, expresses opinions and suggestions as it sees fit and notifies the Board of any points requiring a decision by the Board.

Meetings of the Audit Committee are chaired by Muriel Faure, an independent director, in accordance with the recommendations of the Middlednext Code.

During the 2023 financial year, the Audit Committee met three times on 17 February, 25 July and 21 November 2023. The Board of Directors followed all the recommendations issued by the Audit Committee in the 2023 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 twelve times over the 2023 financial year, on 23 February, 5 April, 9 May, 15 June, 6 July, 27 July, 21 September, 9 October, 19 October, 7 November, 8 December and 21 December 2023, with an average attendance rate of 85% (not including observers).

The meeting of the Board of Directors of 5 April 2023, which addressed the FREY Group's mission and its carbon footprint, was held as a CSR session. Given the cross-disciplinary knowledge and experience of the Board members, it was decided that the Board should be responsible for structuring the FREY Group's CSR action and commitments. The Board of Directors thus decided to deal with CSR issues directly without creating a specialised committee so that each Board member can be involved and contribute to the development of the CSR strategy alongside the Mission Committee. In addition, the Board of Directors is regular informed of the progress of the Group's CSR strategy, notably through a dedicated annual meeting. Depending on the matters at hand, one-off progress reports are also carried out during the year.

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 2022;
- Review and approval of the parent company financial statements for the year ended 31 December 2022;
- Proposed allocation of earnings;
- Update on the liquidity agreement - Annual review;
- Related-party agreements and commitments referred to in Articles L. 225-38 et seq. of the French Commercial Code;
- Review of the achievement of the performance criteria and approval of the remuneration paid or awarded to all corporate officers during the financial year ended for their term of office in the Company and the other information referred to under Article L. 22-10-9 of the French Commercial Code;
- Review and adoption of the remuneration policy applicable to corporate officers for the 2023 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 2022;
- 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 Annual General 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;
- Annual update on the Company's policy on equal pay and employment;
- Annual assessment of the functioning and preparation of the Board's work in accordance with recommendation no. 13 of the Middenex Code;
- Annual review of the points of vigilance in accordance with recommendation no. 22 of the Middenex 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 mission and update on FREY Group's carbon footprint;
- Renewal of the terms of office of Antoine FREY as Chairman of the Board of Directors and Chief Executive Officer;

- Renewal of the term of office of Sébastien Eymard as Deputy Chief Executive Officer;
- Renewal of the mandates of observers;
- Adoption of amendments to the Board of Directors' Rules Of Procedure;
- Appointment of the members of the Mission Committee;
- Review by Board members of the shareholders' vote at the Combined General Meeting of 9 May 2023;
- Implementation of the new share buyback programme under the authorisation granted by the Combined General Meeting of 9 May 2023 in its 23rd resolution;
- Presentation and approval of the half-yearly activity report of the Company and its subsidiaries;
- Approval of the interim consolidated financial statements at 30 June 2023 and the interim financial report;
- Review and approval of the FREY Group's five-year business plan (2024-2028);
- Preparation of the additional report on the final terms and conditions of the Company's capital increase under the authorisation granted by the Extraordinary General Meeting of shareholders of 18 May 2022 in its 16th resolution;
- 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.

Attendance at Board meetings by video-conference

Directors attending meetings of the Board of Directors by video-conference or other forms of telecommunication are included for the purposes of calculating quorums and majorities, except with respect to decisions concerning the preparation of the annual parent company 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.

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 Officer 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 28 February 2024, having been invited to give an opinion on these points, the members of the Board put forward no particular observations and suggested no potential improvements.

Given FREY's size, the Board's mode of operation is considered satisfactory and Management feels there is no need to provide for an ad hoc system for evaluating the work of the Board or its committees.

1.6.2.2.5. Procedure applicable to non-related-party agreements concerning transactions occurring in the normal course of business and entered into on arm's-length terms

At its meeting on 6 March 2020, the Board of Directors approved an internal procedure in accordance with AMF Recommendation No. 2012-05 of 2 July 2012, as amended on 5 October 2018, and specifically its Proposal No. 4.1, as well as the procedure for the review of agreements concerning transactions occurring in the normal course of business and entered into on arm's-length terms, introduced by Law no. 2019-486 of 22 May 2019 on growth and the transformation of companies (the "PACTE" Law).

The purpose of this charter is to clarify the rules applied within the Company relating to the review and assessment of non-related-party agreements concerning transactions occurring in the normal course of business and entered into on arm's-length terms.

As part of this procedure, the Finance Department and the Legal Department conduct a review to assess, on a case-by-case basis, whether a draft agreement comes under the related-party agreements procedure, whether it is an agreement entered into with a wholly-owned subsidiary, or whether it meets the criteria for agreements entered into on arm's-length terms in the light of the criteria described in the charter. Following this

review, the Finance Department and the Legal Department may seek the opinion of the Board of Auditors in case of doubt over the classification of a draft agreement.

Each year, prior to the adoption of the financial statements for the previous financial year, the Finance Department sends the Audit Committee the list of agreements entered into on arm's-length terms and any observations it may have. If, during the annual review, the Audit Committee considers that an agreement previously considered as being in the normal course of business and entered into on arm's-length terms no longer meets the aforementioned criteria, it will refer the matter to the Board of Directors. Where appropriate, the Board will reclassify the agreement as a related-party agreement, approve it and submit it to the next General Meeting for ratification, accompanied by a special report by the Statutory Auditors, in accordance with the provisions of Article L. 225-42 of the French Commercial Code. Note that pursuant to paragraph 2 of Article L. 225-39 of the French Commercial Code, persons with a direct or indirect interest in the agreement will not be involved in its assessment.

1.6.2.2.6. Financial delegations

The summary table of delegations of authority and financial authorisations granted to the Board of Directors can be found in Appendix 2 to this management report.

1.6.2.3. Presentation of the management team

At 31 December 2023, the Board of Directors, the Chief Executive Officer, and the Deputy Chief Executive Officer were assisted by the Executive Committee:

François-Xavier Anglade, Deputy Chief Executive Officer, Asset Management

François-Xavier Anglade joined FREY in 2012 as Head of Asset Management & Acquisitions, becoming Deputy Chief Executive Officer, Asset Management and Acquisitions in July 2022.

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.

Pascal Barboni, Deputy Chief Executive Officer, Development

Pascal Barboni joined FREY in 2016 as Director of Operations, before becoming Deputy Chief Executive Officer, Development in July 2022.

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).

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 eight 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.

Carine Stoeffler, Director of ESG Engagement & 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 then Director of ESG Engagement & Risk Manager in 2023.

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).

François Vuillet-Petite, Deputy Chief Executive Officer

François Vuillet-Petite has been with FREY for more than 25 years. He was Sales Director and then Programme Director. He has been Deputy Chief Executive Officer since July 2022.

François Vuillet-Petite is a business school graduate.

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;
- 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, the Deputy Chief Executive Officer, 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.

Related-party agreements authorised in 2023

During the 2023 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 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 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:

- 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
- 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 Regulation (EU) 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 €34.00	17/03/2023	2023DD889874
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 50 shares at a unit price of €34.00	20/03/2023	2023DD890100
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 50 shares at a unit price of €34.00	22/03/2023	2023DD890652
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 50 shares at a unit price of €34.00	24/03/2023	2023DD891220
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 50 shares at a unit price of €34.00	30/03/2023	2023DD892106
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 50 shares at a unit price of €33.80	31/03/2023	2023DD892261
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 50 shares at a unit price of €34.00	05/04/2023	2023DD893068
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 50 shares at a unit price of €34.00	05/04/2023	2023DD893197
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 50 shares at a unit price of €34.00	07/04/2023	2023DD893648
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 50 shares at a unit price of €34.00	13/04/2023	2023DD894209
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 50 shares at a unit price of €34.00	14/04/2023	2023DD894530
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 50 shares at a unit price of €34.00	17/04/2023	2023DD894683
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 50 shares at a unit price of €34.00	19/04/2023	2023DD895116
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 50 shares at a unit price of €33.00	21/04/2023	2023DD895632
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 50 shares at a unit price of €32.80	24/04/2023	2023DD896024
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 50 shares at a unit price of €33.00	27/04/2023	2023DD896906
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 50 shares at a unit price of €33.00	30/04/2023	2023DD897706
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 50 shares at a unit price of €32.80	05/05/2023	2023DD898649
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 50 shares at a unit price of €33.00	09/05/2023	2023DD898983
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 50 shares at a unit price of €33.00	12/05/2023	2023DD899860
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 50 shares at a unit price of €33.20	15/05/2023	2023DD900118
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 50 shares at a unit price of €33.40	17/05/2023	2023DD900625
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 50 shares at a unit price of €32.20	22/05/2023	2023DD911027
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 50 shares at a unit price of €32.40	24/05/2023	2023DD911512
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 50 shares at a unit price of €32.80	27/05/2023	2023DD912222
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 40 shares at a unit price of €32.80	05/06/2023	2023DD913308
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 22 shares at a unit price of €33.00	07/06/2023	2023DD913770

Person declaring	Nature of the transaction	Financial instruments	Description of the transaction	Notification date	Declaration number
			Acquisition of 50 shares at a unit price of €32.80		
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 50 shares at a unit price of €32.80	09/06/2023	2023DD914303
			Acquisition of 50 shares at a unit price of €32.60		
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 50 shares at a unit price of €32.60	12/06/2023	2023DD914524
			Acquisition of 50 shares at a unit price of €33.00		
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 50 shares at a unit price of €32.80	14/06/2023	2023DD914918
			Acquisition of 50 shares at a unit price of €32.80		
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 50 shares at a unit price of €32.80	16/06/2023	2023DD915332
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 50 shares at a unit price of €32.80	19/06/2023	2023DD915533
			Acquisition of 50 shares at a unit price of €32.80		
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 50 shares at a unit price of €32.80	21/06/2023	2023DD915951
			Acquisition of 50 shares at a unit price of €32.80		
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 50 shares at a unit price of €32.80	23/06/2023	2023DD916331
			Acquisition of 50 shares at a unit price of €33.00		
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 50 shares at a unit price of €33.00	26/06/2023	2023DD916544
			Acquisition of 50 shares at a unit price of €33.00		
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 50 shares at a unit price of €33.00	28/06/2023	2023DD916913
			Acquisition of 50 shares at a unit price of €32.80		
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 50 shares at a unit price of €32.80	30/06/2023	2023DD917270
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 50 shares at a unit price of €32.80	01/08/2023	2023DD922391
			Acquisition of 50 shares at a unit price of €32.80		
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 50 shares at a unit price of €32.80	04/08/2023	2023DD923175
			Acquisition of 50 shares at a unit price of €32.80		
			Acquisition of 50 shares at a unit price of €32.60		
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 50 shares at a unit price of €32.60	08/08/2023	2023DD923603
			Acquisition of 50 shares at a unit price of €32.60		
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 50 shares at a unit price of €32.60	14/08/2023	2023DD924701
			Acquisition of 50 shares at a unit price of €32.60		
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 50 shares at a unit price of €33.00	15/08/2023	2023DD924205
			Acquisition of 50 shares at a unit price of €32.80		
			Acquisition of 50 shares at a unit price of €33.20		
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 3 shares at a unit price of €33.20	21/08/2023	2023DD924601
			Acquisition of 50 shares at a unit price of €33.40		
			Acquisition of 50 shares at a unit price of €33.40		
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 50 shares at a unit price of €33.20	23/08/2023	2023DD924906
			Acquisition of 50 shares at a unit price of €33.40		
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 29 shares at a unit price of €32.80	25/08/2023	2023DD925161
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 50 shares at a unit price of €32.60	05/09/2023	2023DD926148
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 50 shares at a unit price of €32.80	06/09/2023	2023DD926545
			Acquisition of 50 shares at a unit price of €32.80		
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 50 shares at a unit price of €32.80	08/09/2023	2023DD926998
			Acquisition of 50 shares at a unit price of €32.80		
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 50 shares at a unit price of €32.60	13/09/2023	2023DD927633
			Acquisition of 50 shares at a unit price of €32.60		
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 50 shares at a unit price of €31.00	15/09/2023	2023DD928032
			Acquisition of 50 shares at a unit price of €31.00		
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 50 shares at a unit price of €31.00	18/09/2023	2023DD928165
			Acquisition of 50 shares at a unit price of €30.80		
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 50 shares at a unit price of €31.00	20/09/2023	2023DD928605
			Acquisition of 50 shares at a unit price of €31.00		
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 50 shares at a unit price of €31.00	22/09/2023	2023DD929038
			Acquisition of 50 shares at a unit price of €31.00		
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 50 shares at a unit price of €31.00	25/09/2023	2023DD929253
			Acquisition of 50 shares at a unit price of €31.00		
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 50 shares at a unit price of €31.00	27/09/2023	2023DD929760
			Acquisition of 50 shares at a unit price of €31.00		
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 50 shares at a unit price of €30.80	29/09/2023	2023DD930265
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 50 shares at a unit price of €31.00	03/10/2023	2023DD930664
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 50 shares at a unit price of €29.60	19/10/2023	2023DD933711

Person declaring	Nature of the transaction	Financial instruments	Description of the transaction	Notification date	Declaration number
			Acquisition of 50 shares at a unit price of €29.60		
			Acquisition of 50 shares at a unit price of €29.60		
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 50 shares at a unit price of €29.60	20/10/2023	2023DD933952
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 50 shares at a unit price of €29.80	23/10/2023	2023DD934186
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 50 shares at a unit price of €29.60	25/10/2023	2023DD934686
			Acquisition of 50 shares at a unit price of €29.40		
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 50 shares at a unit price of €29.60	30/10/2023	2023DD935434
			Acquisition of 50 shares at a unit price of €29.00		
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 50 shares at a unit price of €28.80	30/10/2023	2023DD935430
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 50 shares at a unit price of €28.80	01/11/2023	2023DD935970
			Acquisition of 50 shares at a unit price of €29.00		
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 50 shares at a unit price of €29.20	06/11/2023	2023DD936514
			Acquisition of 50 shares at a unit price of €29.40		
			Acquisition of 50 shares at a unit price of €29.60		
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 50 shares at a unit price of €29.60	08/11/2023	2023DD937257
			Acquisition of 50 shares at a unit price of €29.60		
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 50 shares at a unit price of €29.60	10/11/2023	2023DD937642
			Acquisition of 50 shares at a unit price of €29.60		
Carine Stoeffler (Director of ESG Engagement and Risk Manager)	Transfer of free shares outside the trading venue	Shares	Transfer of 20 shares free of charge	10/11/2023	2023DD937656
Carine Stoeffler (Director of ESG Engagement and Risk Manager)	Transfer of free shares outside the trading venue	Shares	Transfer of 14 shares free of charge	10/11/2023	2023DD937645
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 50 shares at a unit price of €29.60	14/11/2023	2023DD937916
CARDIF ASSURANCE VIE SA	Subscription on Euronext	Shares	Subscription of 508,677 shares at a unit price of €25.00	20/12/2023	2023DD943390
SOGECAP SA	Subscription on Euronext	Shares	Subscription of 400,000 shares at a unit price of €25.00	21/12/2023	2023DD943588
PREDICA SA	Acquisition on Euronext	Shares	Acquisition of 798,493 shares at a unit price of €25.00	22/12/2023	2023DD943629
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 50 shares at a unit price of €25.80	22/12/2023	2023DD943588
Firmament Participations	Subscription on Euronext	Shares	Subscription of 1,076,528 shares at a unit price of €25.00	22/12/2023	2023DD943750
Firmament Participations	Off-market sale (preferential subscription rights)	Preferential subscription rights	Sale of 21 preferential subscription rights at a unit price of €0.01	22/12/2023	2023DD943751
Firmament Participations	Acquisition on Euronext	Shares	Acquisition of 50 shares at a unit price of €25.80	25/12/2023	2023DD943843
			Transfer of 73,371 shares free of charge		
Firmament Participations	Off-market and off-exchange sales	Shares	Transfer of 177,855 shares free of charge	26/01/2024	2024DD947942
			Acquisition of 177,855 shares at a unit price of €25.00		

These notices can be found on the AMF website: www.amf-france.org.

1.6.2.6. Participation of shareholders in General Meetings

The terms and conditions of participation of shareholders in General Meetings are described in Articles 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 almost unanimously approved by 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 2023/2024 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 the provisions of 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 2023.

As such, the General Meeting of 9 May 2023 approved all of the information communicated to it in respect of the financial year 2022 in accordance with Article L. 22-10-9 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	440,000	440,000 ⁽⁴⁾	N/A	11,000	29,254	N/A	Nil	Nil
Jean-Pierre CEDELLE	78,334 ⁽¹⁾	6,525 ⁽⁵⁾	Nil	15,000	Nil	Nil	Nil	Nil
Jean-Noël DRON	Nil	Nil	Nil	6,000	Nil	Nil	Nil	Nil
FIRMAMENT PARTICIPATIONS	Nil	Nil	Nil	9,000	Nil	Nil	Nil	Nil
Inès FREY	Nil	Nil	Nil	4,000	Nil	Nil	Nil	Nil
François LEMARCHAND	Nil	Nil	Nil	3,000	Nil	Nil	Nil	Nil
SPRL Marc VAN BEGIN ⁽²⁾	Nil	Nil	Nil	4,750	Nil	Nil	Nil	Nil
Sogecap	Nil	Nil	Nil	10,250	Nil	Nil	Nil	Nil
Cardif Assurance Vie	Nil	Nil	Nil	11,000	Nil	Nil	Nil	Nil
Predica	Nil	Nil	Nil	11,250	Nil	Nil	Nil	Nil
Jean-Christophe LITTAYE ⁽²⁾	Nil	Nil	Nil	4,500	Nil	Nil	Nil	Nil
Muriel FAURE	Nil	Nil	Nil	24,250	Nil	Nil	Nil	Nil
Grégory FRAPET ⁽²⁾	Nil	Nil	Nil	3,500	Nil	Nil	Nil	Nil
David FERREIRA ⁽²⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Franck MATHE ⁽²⁾⁽⁶⁾	Nil	Nil	Nil	1,500	Nil	Nil	Nil	Nil
Sébastien EYMARD ⁽³⁾	275,000	311,200 ⁽⁴⁾	Nil	Nil	4,133	5,361 shares	Nil	Nil

(1) Remuneration under his permanent employment contract with FREY, entered into on 1 July 1986. Jean-Pierre Cedelle currently holds the position of Advisor to the Chairman.

(2) As observer.

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

(4) Variable remuneration in respect of 2023.

(5) In respect of profit-sharing

(6) Term of office not renewed at the Board of Directors' meeting of 9 May 2023

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 2023 financial year were made in strict accordance with the remuneration policy approved by the General Meeting of shareholders of the Company on 9 May 2023 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 9 May 2023 approving the planned remuneration policy for the 2023 financial year, the General Meeting called to approve the financial statements for the financial year ended 31 December 2023 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 2023 to Antoine FREY, in consideration for his position as Chairman and Chief Executive Officer, and to Sébastien Eymard in consideration for his position as Deputy Chief Executive Officer, as set out in more detail below.

It is specified that, with the exception of the variable remuneration paid to Antoine FREY and Sébastien Eymard, as well as the remuneration paid to Antoine FREY in respect of his duties as Chairman of the Board of Directors, all the remuneration indicated above was paid during 2023.

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		Sébastien Eymard Deputy Chief Executive Officer, Finance and International	
	2023	2022	2023	2022
Remuneration due for the financial year ⁽¹⁾	922,254	1,307,584	590,333	514,782
Value of multi-year variable remuneration granted during the financial year	293,000	266,667	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	139,386	194,290
Valuation of other long-term remuneration plans	N/A	N/A	N/A	N/A
TOTAL	1,215,254	1,574,251	729,719	709,072

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

(2) Value of bonus shares allocated pro rata on 31 December 2023. Section 1.5.11.2.1 above gives the breakdown of free shares granted.

(3) Valuation at closing price in 2022 (€34.20) and 2023 (€26.00).

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

(In €)	Antoine FREY Chairman and Chief Executive Officer				Sébastien Eymard Deputy Chief Executive Officer, Finance and International			
	FY 2023		FY 2022		FY 2023		FY 2022	
	Amount due	Amount paid	Amount due	Amount paid	Amount due	Amount paid	Amount due	Amount paid
Fixed remuneration	440,000	440,000	433,333	433,333	275,000	275,000	267,500	267,500
Annual variable remuneration	440,000 ⁽¹⁾	433,333 ⁽²⁾	433,333	400,000	311,200 ⁽¹⁾	243,346 ⁽²⁾	243,346	211,033
Multi-year variable remuneration	N/A	383,334 ⁽⁸⁾	383,334	210,000 ⁽⁷⁾	N/A	N/A	N/A	N/A
Exceptional remuneration	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Remuneration allocated to the office of director	13,000 ⁽³⁾	11,000 ⁽⁴⁾	11,000	11,500	N/A	N/A	N/A	N/A
Benefits in kind	29,254 ⁽⁵⁾	29,254 ⁽⁵⁾	46,584	46,584	4,133 ⁽⁶⁾	4,133 ⁽⁶⁾	3,936	3,936
TOTAL	922,254	1,296,921	1,307,584	1,101,417	590,333	522,479	514,782	482,469

(1) Variable remuneration (including profit-sharing) to be paid in 2024 in respect of FY 2023 (see section on variable remuneration below).

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

(3) Remuneration allocated in respect of the term of office of director to be paid in 2024 for FY 2023 (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 2023 for FY 2022 (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 2020 and paid in 2022.

(8) Bonuses earned in 2021 (€116,667) and 2022 (€266,667), paid in 2023, governed by the conditions of the free share allocation plans No. 10 and No. 13.

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

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

The Board of Directors' meeting of 23 February 2023, acting on the recommendation of the Remuneration Committee of 21 February 2023, decided to modify the "short-term" variable remuneration arrangements for the Chairman and Chief Executive Officer for the 2023 financial year by 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 2023 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 NAV NTA ps (restated for the distribution of dividends and the dilutive effect of equity/quasi-equity issuance transactions); criterion fully met in 2023.
2. growth in profit from recurring operations (restated for provisions and allowances for depreciation and amortisation); criterion fully met in 2023.
3. obtaining the discharge of the Mission Committee. Criterion fully met in 2023.

At a meeting of 28 February 2024, 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 €440,000.

Thus, his variable remuneration and fixed remuneration account for 64% and 34%, respectively, of his total remuneration.

It should be noted that the payment of this annual variable remuneration for the 2023 financial year is subject to approval by the General Meeting called to approve the financial statements for the financial year ended 31 December 2023.

Variable remuneration of Deputy Chief Executive Officer

At its meeting of 23 February 2023, on the advice of the Remuneration Committee meeting of 21 February 2023 the Board of Directors retained the annual variable bonus for Sébastien Eymard, Deputy Chief Executive Officer, under his employment contract.

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; criterion fully met in 2023.
- 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; criterion fully met in 2023.
- the individual and collective targets make it possible to determine an annual variable bonus. If 100% of the individual and collective objectives are achieved, Sébastien Eymard's annual variable bonus will amount to eleven (11) months of gross fixed remuneration. Criterion fully met in 2023.

For the 2023 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 NAV NTA ps (restated for the distribution of dividends and the dilutive effect of equity/quasi-equity issuance transactions); criterion fully met in 2023.
2. growth in profit from recurring operations (restated for provisions and allowances for depreciation and amortisation); criterion fully met in 2023.
3. obtaining the discharge of the Mission Committee. Criterion fully met in 2023.

At a meeting of 28 February 2024, on the advice of the Appointments and Remuneration Committee, the Company's Board of Directors noted that these collective criteria had been 100% met, as had the individual targets of Sébastien Eymard, and that he was entitled to an additional 30% due to the outperformance on certain objectives, taking his variable remuneration (including profit-sharing) to €311,200.

The proportions of Sébastien Eymard's variable and fixed remuneration relative to his total remuneration are 52% and 47%, respectively.

It should be noted that the payment of this annual variable remuneration for the 2023 financial year is subject to approval by the General Meeting called to approve the financial statements for the financial year ended 31 December 2023.

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

On 23 February 2023, 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 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 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 two-thirds of meetings of the Boards and Committees of which he or she is a member and that the amount will be calculated pro rata 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 23 February 2023 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.

At a meeting of 9 May 2023, the Board of Directors decided to stop paying remuneration to observers if said remuneration paid in consideration of the observers' participation in a Board of Directors or committee meeting.

The General Meeting of 9 May 2023 voted to set €200,000 as the maximum payable in directors' fees to the members of the Board of Directors in respect of the 2023 financial year.

	FY 2023		FY 2022	
	Remuneration due in respect of a directorship ⁽⁴⁾ (in €)	Other remuneration due (in €)	Remuneration due in respect of a directorship ⁽⁴⁾ (in €)	Other remuneration due (in €)
Directors				
Antoine FREY	13,000	922,254 ⁽³⁾	11,000	1,296,584 ⁽³⁾
Jean-Pierre CEDELLE	15,000	78,334 ⁽¹⁾	15,000	115,472 ⁽¹⁾
Jean-Noël DRON	8,250	Nil	6,000	Nil
Firmament Participations	11,000	Nil	9,000	Nil
Inès FREY	10,000	Nil	4,000	Nil
François LEMARCHAND	Nil	Nil	3,000	Nil
SPRL Marc VAN BEGIN ⁽²⁾	1,250	Nil	4,750	Nil
Sogecap	11,000	Nil	10,250	Nil
Cardif Assurance Vie	15,000	Nil	11,000	Nil
Predica	11,500	Nil	11,250	Nil
Jean Christophe LITTAYE ⁽²⁾	1,500	Nil	4,500	Nil
Muriel FAURE	24,500	Nil	24,250	Nil
Grégory FRAPET ⁽²⁾	500	Nil	3,500	Nil
David FERREIRA ⁽²⁾	Nil	Nil	Nil	Nil
Franck Mathe ^{(2) (6)}	500	Nil	1,500	Nil
TOTAL	€123,000	1,000,588	€119,000	1,412,056

(1) Remuneration under a permanent employment contract with FREY entered into on 1 July 1986. Jean-Pierre 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 2023, paid in 2024.

(5) Remuneration allocated in respect of 2022, paid in 2023.

(6) Term of office not renewed at the Board of Directors' meeting of 9 May 2023.

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
Sébastien Eymard				
Deputy Chief Executive Officer, Finance and International	YES	NO	NO	NO

Remuneration and benefits in kind received by Sébastien Eymard in respect of his salaried employment with 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. 8 and Plan No. 9), 7 March 2019 (Plan No. 10), 2 April 2020 (Plan No. 12), 11 May 2021 (Plan No. 13), 24 February 2022 (Plan No. 14) and 23 February 2023 (Plan No. 15) 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.

Sébastien Eymard is the only corporate officer to receive 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
Sébastien EYMARD (Senior Executive)	15 23/02/2023	5,361	€139,386	23/02/2025	23/02/2027	1. 50% of shares subject to growth in the EPRA NAV NTA ps (restated for the distribution of dividends and the dilutive effect of equity/quasi-equity issuance transactions) of +12% between 31/12/2022 and 31/12/2024 ⁽¹⁾ . 2. 50% of shares subject to growth in profit from recurring operations restated for provisions and allowances for depreciation and amortisation of +30% between 31/12/2022 and 31/12/2024 ⁽¹⁾ .
TOTAL		5,361	€139,386			

(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 2023 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> ⁽²⁾	788 ⁽¹⁾	0	4,101 ⁽¹⁾	0
<i>Pascal Barboni</i> ⁽²⁾	0	2,635	0	4,101
<i>Sébastien EYMARD</i>	0	0	0	6,792
<i>François-Xavier Anglade</i> ⁽²⁾	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 December 2023	3,348	2,635	4,101	30,187
Number of shares cancelled or lapsed at 31 December 2023	0	0	0	833
Number of outstanding shares allocated at 31/12/2023	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> ⁽²⁾	4,672 ⁽¹⁾	146	4,348 ⁽¹⁾	0
<i>Pascal Barboni</i> ⁽²⁾	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> ⁽²⁾	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 December 2023	36,282	1,049	16,253	3,567
Number of shares cancelled or lapsed at 31 December 2023	5,544	252	19,249	1,000
Number of outstanding shares allocated at 31/12/2023	0	0	0	0

Plan No.	Plan No. 12	Plan No. 13	Plan No. 14	Plan No. 15
Date of Board meeting	02/04/2020	31/03/2021	24/02/2022	23/02/2023
Number of free shares allocated	36,197	47,015	32,742	29,994
Number of shares allocated to corporate officers	17,392	26,089	18,902	5,361
<i>François Vuillet-Petite</i> ⁽²⁾	4,348 ⁽¹⁾	6,522 ⁽¹⁾	3,925 ⁽¹⁾	0
<i>Pascal Barboni</i> ⁽²⁾	4,831 ⁽¹⁾	7,247 ⁽¹⁾	5,371 ⁽¹⁾	0
<i>Sébastien EYMARD</i>	4,831 ⁽¹⁾	7,247 ⁽¹⁾	5,681 ⁽¹⁾	5,361
<i>François-Xavier Anglade</i> ⁽²⁾	3,382 ⁽¹⁾	5,073 ⁽¹⁾	3,925 ⁽¹⁾	0
Date shares vested	02/04/2022	11/05/2022	24/02/2024	23/02/2025
Retention period ends	02/04/2024	11/05/2023	24/02/2026	23/02/2027
Number of shares definitively allocated at 31 December 2023	14,642	43,711	0	0
Number of shares cancelled or lapsed at 31 December 2023	21,555	3,304	2,479	0
Number of outstanding shares allocated at 31/12/2023	0	0	30,263	29,994

(1) Shares granted subject to performance conditions linked to NAV and profit from recurring operations.

(2) Corporate officer until 25 July 2022, the end date of their term of office.

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
Sébastien EYMARD	No. 13	11/05/2021	7,247	7,247

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 - since 24 June 2013:

x times	2023 ⁽¹⁾	2022	2021	2020	2019
Mean ratio	14.27	15.69	13.84	10.55	10.48
Median ratio	21.01	19.54	18.72	12.96	13.81
SMIC ratio	58.40	60.32	59.88	44.56	46.81
Change in NAV NDV ⁽²⁾	5.7%	9.1%	18.1%	-1.3%	29.2%
Change in total remuneration of the Chairman and Chief Executive Officer	2%	6%	36%	-4%	5%
Change in average employee remuneration ⁽³⁾	12%	-7%	4%	-4%	-2%

For Sébastien Eymard, Deputy Chief Executive Officer - since 21 September 2017:

x times	2023 ⁽¹⁾	2022	2021	2020	2019
Mean ratio	8.57	9.34	8.41	7.19	6.66
Median ratio	12.61	11.63	11.38	8.83	8.78
SMIC ratio	35.06	35.91	36.39	30.36	29.75
Change in NAV NDV ⁽²⁾	5.7%	9.1%	18.1%	-1.3%	29.2%
Change in total remuneration of the Deputy Chief Executive Officer	3%	4%	22%	3%	13%
Change in average employee remuneration ⁽³⁾	12%	-7%	4%	-4%	-2%

For François Vuillet-Petite, Deputy Chief Executive Officer - from 24 June 2013 to 25 July 2022:

x times	2023 ⁽¹⁾	2022 ⁽¹⁾	2021	2020	2019
Mean ratio	N/A	5.86	6.33	5.12	5.51
Median ratio	N/A	7.30	8.56	6.29	7.26
SMIC ratio	N/A	22.53	27.39	21.63	24.60
Change in NAV NDV ⁽²⁾	N/A	9.1%	18.1%	-1.3%	29.2%
Change in total remuneration of the Deputy Chief Executive Officer	N/A	-13%	29%	-11%	4%
Change in average employee remuneration ⁽³⁾	N/A	-7%	4%	-4%	-2%

For Pascal Barboni, Deputy Chief Executive Officer – from 21 September 2017 to 25 July 2022:

x times	2023 ⁽¹⁾	2022 ⁽¹⁾	2021	2020	2019
Mean ratio	N/A	8.91	8.43	7.21	6.62
Median ratio	N/A	11.10	11.40	8.85	8.72
SMIC ratio	N/A	34.26	36.46	30.43	29.58
Change in NAV NDV ⁽²⁾	N/A	9.1%	18.1%	-1.3%	29.2%
Change in total remuneration of the Deputy Chief Executive Officer	N/A	-1%	22%	4%	12%
Change in average employee remuneration ⁽³⁾	N/A	-7%	4%	-4%	-2%

For François-Xavier Anglade, Deputy Chief Executive Officer - from 20 May 2020 to 25 July 2022:

x times	2023 ⁽¹⁾	2022 ⁽¹⁾	2021	2020	2019
Mean ratio	N/A	5.87	5.06	4.31	N/A
Median ratio	N/A	7.30	6.85	5.29	N/A
SMIC ratio	N/A	22.55	21.90	18.19	N/A
Change in NAV NDV ⁽²⁾	N/A	9.1%	18.1%	-1.3%	N/A
Change in total remuneration of the Deputy Chief Executive Officer	N/A	8%	22%	4%	N/A
Change in average employee remuneration ⁽³⁾	N/A	-7%	4%	-4%	N/A

(1) In 2022, the Deputy CEOs who resigned were treated as corporate officers for the entire financial year to allow comparability over time. In 2023, the Deputy Chief Executive Officers who resigned in 2022, now being employees, were included in the calculation of the change in the average remuneration of employees.

(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).

1.6.3.2. Remuneration policy for corporate officers for the 2024 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 28 February 2024, and acting on the recommendation of the Appointments and Remuneration Committee, meeting on 26 February 2024, adopted the remuneration policy for all corporate officers of the Company for the 2024 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 2023 will be asked to vote on the remuneration policy for executive corporate officers as approved by the Board of Directors for the 2024 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 2024 financial year remains broadly unchanged from 2023. As a reminder, the Company's Combined General Meeting of shareholders of 9 May 2023 approved 100% of the remuneration policy applicable to the corporate officers for 2023. 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, pursuant to article L. 22-10-8 of the French Commercial Code, 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 would thus be able to grant a component of remuneration not provided for in the remuneration policy previously approved by the General Meeting but made necessary in light of these exceptional circumstances.

The Board of Directors may also, at its discretion, adapt the policy if unforeseeable or exceptional circumstances justify it. Thus, for example, the recruitment of a new corporate officer under unforeseen conditions may require certain elements of the remuneration policy to be temporarily adapted. The Board of Directors would take into account the experience, as well as the previous remuneration of the executive in question, in order to offer exceptional remuneration that may not exceed the amount of benefits that were waived when joining the Company. It may also be necessary to modify, up to the limits provided for in the remuneration policy below, the performance conditions governing the acquisition of all or part of the remuneration in the event of exceptional circumstances due in particular to a significant change in the Group's scope or to a major event affecting the Company's market and competitors.

The Board of Directors, acting on the recommendation of the Appointments and Remuneration Committee, ascertains the fulfilment and/or level of attainment of the performance criteria adopted for the previous financial year for the variable and/or share-based remuneration allocated to executive corporate officers of the Company. The evaluation methods applied vary according to the type of criteria adopted by the Board. For quantitative criteria, the verification is based on the consolidated financial statements or other internal financial reporting documents. For qualitative criteria, the verification is carried out empirically, on the basis of contracts signed, administrative permits issued, milestones validated, etc.

Remuneration policy principles and criteria

More broadly, the remuneration policy put in place by the Board of Directors within FREY Group is designed to help:

- achieve the operational and financial development strategy;
- safeguard the interests of all stakeholders in the development strategy (shareholders, officers and employees); and
- ensure the long-term survival of the Group.

As regards the core principles underpinning the remuneration of executive corporate officers, FREY Group has put in place a system built around:

- FREY's DNA and entrepreneurial values;
- unwavering and demanding rules regarding the expected results (correlation between performance and short-, medium-and long-term remuneration);
- overall performance appraisal, both from an operational perspective (e.g.: improvement in an indicator or a financial ratio), while ensuring Group practices comply with all applicable regulatory constraints;

- part of the variable portion of executive remuneration, taking into account the attainment of collective targets applicable to all Group employees;
- incentives that align the Group's interests and those of its shareholders, ensuring a remuneration package that is competitive in the various markets in which the Group operates, while avoiding potential conflicts of interests that could give rise to reckless risk-taking for short-term gain.

In short, the main goals of this remuneration policy for executive corporate officers are to:

- attract, develop and incentivise scarce expertise and top talent;
- encourage performance;
- align remuneration levels with the Company's results.

1.6.3.2.2. Provisions specific to each corporate officer

Remuneration policy applicable to directors

Criteria for the distribution of the annual fixed sum allocated by the General Meeting to the directors

At its meeting of 28 February 2024, acting on the recommendation of the Appointments and Remuneration Committee meeting of 26 February 2024, 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 9 May 2023;
- (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 9 May 2023 and by the Board of Directors at its meeting of 9 May 2023 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 2025. 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 28 February 2024, acting on the recommendation of the Appointments and Remuneration Committee meeting of 26 February 2024, 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 2023 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.

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 pro rata to 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 54% of his total remuneration, more directly aligning his remuneration with the Group's operational strategy and shareholder interests.

Annual fixed remuneration

The amount of the fixed component of the annual remuneration was determined on the basis of the level of responsibility, experience of the Chairman and Chief Executive Officer and market practices.

At its meeting of 28 February 2024, acting on the recommendation of the Appointments and Remuneration Committee meeting of 26 February 2024, the Board of Directors set the annual fixed remuneration of the Chairman and Chief Executive Officer at €475,000 gross, or €469,167 gross with an increase in March 2024.

Short-term variable remuneration

At its meeting of 28 February 2024, acting on the recommendation of the Appointments and Remuneration Committee meeting of 26 February 2024, the Board of Directors approved the principles and criteria applicable to the annual variable remuneration of the Chairman and Chief Executive Officer for the 2024 financial year.

By way of example, for the financial year ended 31 December 2023, the short-term annual variable component of the remuneration of the Chairman and Chief Executive Officer was €440,000.

For 2024, 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 separate categories with no offsetting between the criteria;
- 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 2024, 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 NAV NTA ps (restated for the distribution of dividends and the dilutive effect of equity/quasi-equity issuance transactions); Criterion weighted 40%.
- Growth in profit from recurring operations restated for provisions and allowances for depreciation and amortisation; Criterion weighted 40%.
- Discharge of the Mission Committee. Criterion weighted 20%.

The specific terms and conditions of each of the financial objectives have been determined by the Board of Directors but are not included in this report for reasons of confidentiality.

The performance calculation methods for each of the above criteria are as follows:

- if the result is less than 50%, the target will be considered as not achieved;
- if the result is greater than 50%, the target will be achieved, with linear growth between 50% and 100% (capped at 100%).

The total short-term variable bonus of the Chairman and Chief Executive Officer may total an amount equivalent to 12 months of his fixed remuneration if the targets are 100% achieved.

It should be noted that the payment of items of annual variable remuneration to the Chairman and Chief Executive Officer is subject to the approval of the Company's Annual Ordinary General Meeting.

Long-term variable remuneration

In order to align the long-term variable remuneration of the Chairman and Chief Executive Officer with that of the Deputy Chief Executive Officer 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 28 February 2024, acting on the recommendation of the Appointments and Remuneration Committee meeting of 26 February 2024, reapplied the principles and criteria suspended in the 2024 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, without compensation, of two performance criteria (growth of EPRA NAV NTA for 50% and of profit from recurring operations restated for provisions and allowances for depreciation and amortisation 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 2023 fixed remuneration if the performance criteria are 100% achieved.

For example, the long-term variable bonus determined in 2024 will be subject to a vesting period running to 2026 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 2025 compared with the consolidated financial statements for the financial year ended 31 December 2023, will be paid in 2028.

Exceptional 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 Officer, 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 number of flight hours being deducted from the number of hours that may be used in the following year or included in the new benefit in kind calculated for the year.

For the financial year ended 31 December 2023, it should be noted that the amount of benefits in kind awarded to the Chairman and Chief Executive Officer totalled €29,254.

At its meeting of 28 February 2024, acting on the recommendation of the Appointments and Remuneration Committee meeting of 26 February 2024, the Board of Directors decided to propose the renewal of these benefits in kind for the 2024 financial year for an amount of €45,010 including the use of the company car and the annual flying time entitlement (10 hours).

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 2024 financial year.

For reference, it should be noted that the Chairman and Chief Executive Officer was awarded €13,000 in directors' fees for the 2023 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 remuneration are paid to him, as applicable and the benefits in kind to which he is entitled are granted.

Sébastien Eymard was reappointed by the Company's Board of Directors on 9 May 2023 for a term of three years terminating at the end of the Ordinary General Meeting convened to approve the financial statements for the fiscal year ending 31 December 2025. Under Article 14.4 of the Company's Articles of Association, the Deputy Chief Executive Officer may be dismissed at any time by decision of the Board of Directors.

At a meeting held on 28 February 2024, acting on the recommendation of the Appointments and Remuneration Committee meeting of 26 February 2024, the Board of Directors approved the items of remuneration for the Deputy Chief Executive Officer.

For fiscal year 2024, this remuneration policy remained broadly unchanged compared to the 2023 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 remuneration paid to Sébastien Eymard under his employment contract for the year ended 31 December 2023 amounted to €275,000 gross.

At its meeting of 28 February 2024, acting on the recommendation of the Appointments and Remuneration Committee meeting of 26 February 2024, the Board of Directors resolved to set the annual fixed remuneration of Sébastien Eymard at €345,000 gross, or €333,333 with an increase in March 2024.

Variable remuneration

At its meeting of 28 February 2024, acting on the recommendation of the Appointments and Remuneration Committee meeting of 26 February 2024, the Board of Directors approved the principles and criteria applicable to the annual variable remuneration of the Deputy Chief Executive Officer for the 2024 financial year.

For reference, for the financial year ended 31 December 2023, the variable portion of remuneration for Sébastien Eymard came to €311,200, including profit-sharing, under his employment contract.

For 2024, the Deputy Chief Executive Officer is eligible for a portion of variable remuneration determined taking into account the achievement of collective objectives applicable to all Group employees, which are identical to those applied to the Chairman and Chief Executive Officer (Section 1.6.3.2.2 above).

Sébastien Eymard's total variable bonus may reach an amount equivalent to 11 months of his fixed remuneration if the targets are fully met.

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 Ordinary Annual General Meeting.

Exceptional remuneration

The Board of Directors has decided to include in the components of the remuneration that may be awarded to the Deputy Chief Executive Officer, 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 Officer to compensate or reward an exceptional event.

The exceptional remuneration of the Deputy Chief Executive Officer 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 2023, the benefits in kind awarded to Sébastien Eymard under his employment contract totalled €4,133.

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 28 February 2024, and on the opinion of the Appointments and Remuneration Committee meeting on 26 February 2024, the Board of Directors decided for fiscal year 2024 to renew the allocation of this benefit in kind for Sébastien Eymard at €6,300.

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 28 February 2024, and on the opinion of the Appointments and Remuneration Committee meeting on 26 February 2024, the Board of Directors decided on the principle of setting up a sixteenth 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: 6,569 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) 50% on the EPRA NAV NTA ps (restated for the distribution of dividends and the dilutive effect of *equity/quasi-equity* issues) for the year 2023 and (ii) 50% subject to profit from recurring operations restated for provisions and allowances for depreciation and amortisation for the year 2023;
- 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 office as Deputy Chief Executive Officer during the 2023 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 Officer is 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 Entreprises Immobilières (Federation of Real Estate Companies) (FEI) in 2010, and thus signed up to its Code of Ethics;
- in 2011, signed up to the Middlednext 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 Group's internal rules, values and standards;

- to verify that the accounting, financial and management information reported to FREY's governing bodies fairly reflects the operations and position of the Company.

Internal control strives to provide reasonable assurance regarding the achievement of these goals, but obviously cannot provide an absolute guarantee that the identified risks will not come to fruition.

Any control and management system has limits that may result from a number of factors, uncertainties, dysfunctions and failures that may not be attributable to FREY, the Group and/ or its employees.

1.7.1.2. Internal Control scope

The internal control system covers all the activities of FREY and its subsidiaries. FREY applies its internal control system to companies included in the consolidation scope of its financial statements, from the moment they are created or acquired.

1.7.1.3. Internal Control players

Internal control is exercised under the responsibility of FREY's Executive Committee. This committee initiates the procedures and makes them mandatory, while also assuming a role in control, advice and expertise.

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



Together, they organise and coordinate the risk management policy so that it is suitable and effective in facilitating the achievement of the Group's goals.

1.7.1.3.1. The Board of Directors

The Board of Directors ensures that the Company takes appropriate risks on the basis of a thorough and effective assessment of those risks.

Reference is made in this regard to all the information contained in Section 1.6 "Corporate governance" in this document.

1.7.1.3.3. 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 "Société à Mission", a growing group that is increasingly committed and ready to meet the many challenges facing it.

The Executive Committee currently has nine members:

Chairman and Chief Executive Officer	Antoine FREY
Deputy Chief Executive Officer, Asset Management	François-Xavier ANGLADE
Deputy Chief Executive Officer, 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
Director of ESG Engagement & Risk Manager	Carine STOEFFLER
Deputy Chief Executive Officer	François VUILLET-PETITE

As for the Management Committee before it, the Executive Committee'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 1.6.2.3 "Presentation of the management team" of this management report.

1.7.1.3.4. The Risk Manager

The Risk Manager defines the structure of the risk management system, mainly using the risk map, and ensures that the methodology is sound. The Risk Manager ensures the overall coherence of the policies put in place.

He or she periodically audits the system and decides on the actions to be taken in conjunction with the operational managers.

The Risk Manager reports to the Management Committee and the Audit Committee on the handling of major risks and changes to the risk management system.

The Risk Manager creates added value by recommending improvements and sharing insights derived from a risk-based approach.

He or she is involved in training and raising awareness of staff on topics relating to internal control.

In order to carry out his or her duties as effectively as possible, the Risk Manager reports directly to the Chairman and Chief Executive Officer of the Group.

1.7.1.3.5. FREY employees

Group employees are regularly reminded of the importance of complying with the internal control system.

They are involved in identifying and assessing risks within their area of expertise. They also suggest and implement internal control processes linked to their assigned goals, together with suitable action plans to facilitate the attainment of those goals.

1.7.1.3.2. 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, Legal Affairs, IT), 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 13 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 concerned;
- the payments issued are made reliable by the establishment, in almost all cases, of electronic transfers with secure validation;
- bank reconciliations and all standard accounting controls are carried out systematically;

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 2023/2024".

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;

- 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 parent company 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 parent company 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.

1.7.2.2. Rules of Procedure, committees

The Board of Directors has set up several committees, namely:

- an Investment Committee;
- an Appointments and Remuneration Committee;
- 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) 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. RELATED-PARTY 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 2023.

After taking note of the special report of the Statutory Auditors, the Ordinary Annual 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 2023.

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 €78,397, representing a potential additional tax charge of €3,717 on taxable income and a potential additional distribution obligation of €60,353 on non-taxable income.

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

(In €)	31/12/2023	31/12/2022	31/12/2021	31/12/2020	31/12/2019
Financial position at year-end					
Share capital	80,625,245	70,917,008	70,917,008	61,508,158	60,562,493
Number of shares issued	32,250,098	28,366,803	28,366,803	24,603,263	24,224,997
Number of convertible bonds			-	-	-
Comprehensive income from actual operations					
Revenue excl. tax	27,478,662	29,713,899	22,221,299	17,015,612	13,565,588
Earnings before tax, depreciation, amortisation and provisions	35,198,967	17,238,942	6,063,726	21,916,463	-3,819,596
Income tax	-	-	-	-	-
Earnings after tax, depreciation, amortisation and provisions	16,781,938	-3,920,169	-9,863,711	21,866,472	-10,000,742
Earnings distributed	-	-	-	6,273,663	-
Operating earnings per share					
Earnings after tax, depreciation, amortisation and provisions	1.09	0.61	0.21	0.89	-0.16
Earnings after tax, depreciation, amortisation and provisions	0.52	-0.14	-0.35	0.89	-0.41
Dividend paid on each share	1.80	1.70	1.60	1.50	1.50
Workforce					
Average workforce for the financial year	35	34	30	30	28
Total payroll for the financial year	4,039,498	3,743,837	2,786,256	2,869,879	2,737,528
Amount of benefits paid (social security, charitable works, etc.).	2,639,993	3,693,840	2,651,731	2,250,032	2,251,326

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 16th resolution	26 months from 18/05/ 2022 to 18/07/2024	Board of Directors meeting of 7 November 2023 (Maximum nominal capital increase of €10,131,000)	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 17th 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 18th 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 19th 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 20th 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 21st 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

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
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 09/05/2023 24th resolution	18 months from 09/05/ 2023 to 09/11/2023		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 23rd resolution	38 months from 12/05/ 2021 to 12/07/2024	Board of Directors meetings of 31 March 2021, 24 February 2022 and 23 February 2023	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 09/05/2023 25th resolution	26 months from 09/05/ 2023 to 09/07/2024		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 24th 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 25th 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 26th 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	N/A

(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 operating 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 23rd resolution of the General Meeting of 9 May 2023 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.

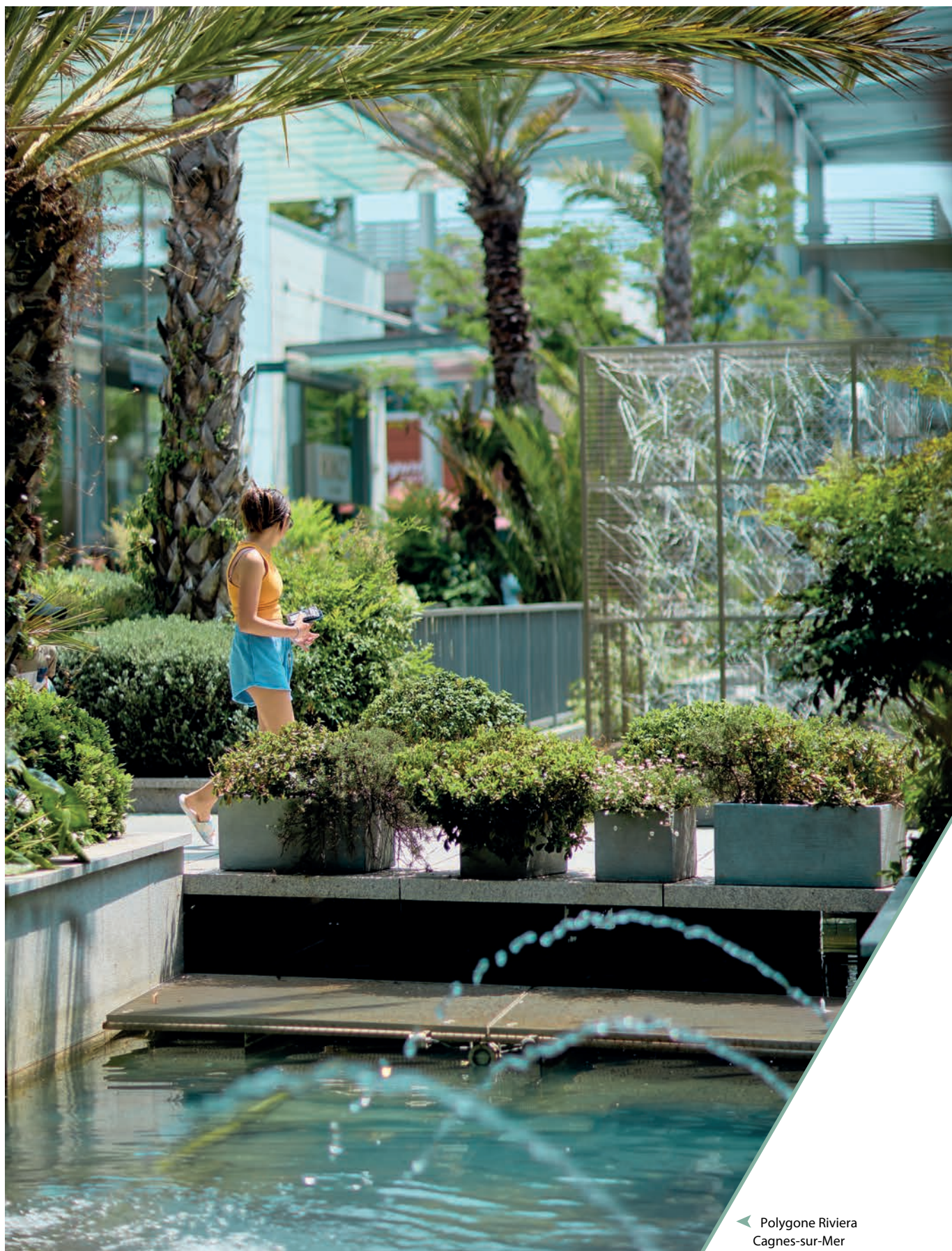
APPENDIX 3 - SUMMARY TABLE OF LEGAL INFORMATION ON FREY SA SUBSIDIARIES

Position at 31 December 2023

Company	SIRET No.	Registered office	Last reporting date	% of share capital held by FREY	Consolidation method	NAV of shares (by % ownership)	Revenue excl. tax (100%)	Equity (100%)	Share capital (100%)	Reserves & retained earnings (100%)	Income for the last financial year (100%)	Dividends received
SASU F.Events	800 496 374 00011	Bezannes	31/12/2023	100%	FC	€150,000	€1,013,445	-€1,602,835	€150,000	-€1,395,722	-€357,113	-
Groupeement Forestier Forey	882 005 598 00017	Bezannes	31/12/2023	100%	FC	€9,990	€217,184	€12,548	€10,000	-	-€2,548	-
SASU FREY Aménagement et Promotion	500 202 049 00028	Bezannes	31/12/2023	100%	FC	-	€1,343,383	-€7,007,093	€3,757,500	-€6,238,672	-€4,525,921	€40,671
SASU FREY Murs 02	813 822 640 00013	Bezannes	31/12/2023	100%	FC	€6,922,692	€8,620,006	-€3,296,239	€10,000	€1,098,420	€1,369,376	-
SCI IF Allondon	790 403 372 00010	Bezannes	31/12/2023	100%	FC	€9,990	-	-€11,316	€10,000	-	-€21,316	-
SNC IF Bezannes	512 278 334 00028	Bezannes	31/12/2023	100%	FC	€9,900	€442,527	€234,594	€10,000	-	€224,594	-
SNC IF Chêne Vert	502 925 084 00043	Bezannes	31/12/2023	100%	FC	€40,105	€3,763,131	€3,224,997	€10,000	-	€3,214,997	-
SAS IF Clos du Chêne	533 187 316 00013	Bezannes	31/12/2023	100%	FC	€16,252,450	€3,746,349	€9,132,429	€10,000,000	-5,191,033	€1,823,462	€1,606,446
SCI IF Ecopole	807 934 997 00014	Bezannes	31/12/2023	100%	FC	€495,000	-	€460,535	€500,000	-	-€39,465	-
SNC IF Gestion & Transactions	494 334 477 00028	Bezannes	31/12/2023	100%	FC	€9,900	€7,621,781	€416,090	€10,000	-	€406,090	-
GF LA CROIX DE POIX	879 575 652 00026	Bezannes	31/12/2023	100%	FC	€2,816,658	-	€1,299,847	€1,285,000	€21,631	-€6,784	-
SCI IF Valentine	790 402 242 00016	Bezannes	31/12/2023	100%	FC	€9,990	-	€15,624	€10,000	-	€5,624	-
SCI IF ZCN Investissement	810 418 889 00012	Bezannes	31/12/2023	100%	FC	€9,900	€9,808,490	€5,388,583	€10,000	-	€5,378,583	-
SCI Massonex	508 376 787 00018	Bezannes	31/12/2023	100%	FC	€267,195	€12,650	-€67,303	€1,000	-€68,539	€235	-
Association Social Market	893 871 541 00015	Bezannes	31/12/2023	100%	FC	-	€50,853	-	N/A	N/A	-	N/A
Association Le Mur Qui Bouge	-	Bezannes	31/12/2023	100%	FC	-	-	-	N/A	N/A	€9,966	N/A
SAS FREY Retail Partnership	950 880 344 00011	Bezannes	31/12/2023	100%	FC	€1,000	-	-€6,702	€1,000	-	-€16,702	-
SNC Retail Prodev	820 821 908 00010	Bezannes	31/12/2023	100%	FC	€10,000	€493,106	€75,263	€10,000	-	€65,263	-
SAS ZCN Aménagement	800 827 842 00017	Bezannes	31/12/2023	100%	FC	€50,000	€4,417,321	-€1,693,543	€50,000	-€1,435,848	-€307,696	-
SAS BBC PROMOTION	444 115 992 00042	Bezannes	31/12/2023	100%	FC	€61,396,341	€5,341,119	-€1,054,976	€420,000	-€5,593,888	€4,118,912	-
SAS BBC SOLAR	523 470 912 00123	Bezannes	31/12/2023	100%	FC	-	€56,363	-€26,308	€100,000	-€126,308	€17,324	-
SASU FREY RIVIERA	979 434 321 00019	Bezannes	31/12/2024	100%	FC	€1,069,800	N/A	N/A	N/A	N/A	N/A	N/A
Domestreet Invest, SLU	Company under Spanish law	Barcelona	31/12/2023	100%	FC	€6,087,485	-	€5,928,423	€3,000	-€673	-€155,389	-
FREY Invest SLU	Company under Spanish law	Barcelona	31/12/2023	100%	FC	€157,132,801	€608,000	€149,887,366	€100,000	-€9,091,694	-€1,726,260	-
Parc Vallès Inversiones Inmobiliarias SLU	Company under Spanish law	Barcelona	31/12/2023	100%	FC	€25,967,602	€6,586,424	€12,356,534	€503,048	€8,207,131	€239,756	-
Sociedad Gestora Santa Margarida SLU	Company under Spanish law	Barcelona	31/12/2023	100%	FC	€20,341	€1,603,776	€13,974	€5,246	-€9,272	-	-
Eurofund Parc Lleida SL	Company under Spanish law	Barcelona	31/12/2023	100%	FC	€3,625,884	-	€2,798,933	€3,000	-€1,276,105	-€442,835	-
FREY Mediterraneo SL	Company under Spanish law	Barcelona	31/12/2023	100%	FC	€20,003,000	€6,645,295	€19,724,415	€3,000	€199,955	-€478,540	-
Finestrelles shopping centre, SLU	Company under Spanish law	Barcelona	31/12/2023	100%	FC	€33,994,720	€8,192,515	€10,966,064	€3,010	-€20,681,239	-€1,707,689	-
Gemmano, Sp. z.o.o	Company under Polish law	Warsaw	31/12/2023	100%	FC	€1,649	-	-PLN 68,506	PLN 5,000	PLN 11,223	-PLN 62,283	-
Giarole, Sp. z.o.o	Company under Polish law	Warsaw	31/12/2023	100%	FC	€1,649	PLN 14,788,064	PLN 1,779,181	PLN 5,000	PLN 11,223	PLN 1,785,404	-
Albufeira Retail Park LDA	Company under Portuguese law	Lisbon	31/12/2023	70%	FC	€13,348,870	€1,976,059	€18,738,729	€12,500	€3,190,275	€1,395,260	-
Algarve Shopping Centro Commercial SA	Company under Portuguese law	Lisbon	31/12/2023	70%	FC	€75,895,490	€11,579,165	€106,367,704	€50,000	€95,806,586	€10,511,118	-
FREYprop SA	Company under Portuguese law	Lisbon	31/12/2023	70%	FC	€8,400,000	-	€17,939,435	€2,000,000	-€1,985,114	€7,924,549	-
Imoconti SA	Company under Portuguese law	Lisbon	31/12/2023	70%	FC	€1,268,768	€1,461,890	€1,751,400	€50,000	€1,485,289	€216,111	-
Project Guia SA	Company under Portuguese law	Lisbon	31/12/2023	70%	FC	€607,188	€107,868	€875,739	€50,000	-€121,534	-€47,727	-
SAS FRF 1	538 460 650 00012	Bezannes	31/12/2023	67%	FC	€1,583,961	€150,998	€1,912,526	€1,736,904	€117,787	€57,835	€8,248
SCI FRF 2	538 486 143 00018	Bezannes	31/12/2023	62%	FC	€60,936,145	-	€105,058,553	€80,127,244	€13,691,466	€7,930,756	€7,408,166
SCI FRF 2 – Torcy	539 682 930 00018	Bezannes	31/12/2023	62%	FC	€3,725	€1,804,361	€1,427,282	€6,000	-	€1,421,282	-
SCI FRF 2 - Torcy II	513 302 703 00022	Bezannes	31/12/2023	62%	FC	€1,456,397	€138,271	€72,697	€10,000	-	€62,697	-
SC FRF2 Apollo	812 955 680 00010	Bezannes	31/12/2023	62%	FC	€3,725	€5,502,664	€501,942	€6,000	-	€495,942	-
SCI FRF2 Khepri 1	800 283 236 00019	Bezannes	31/12/2023	62%	FC	€3,725	€681,797	€2,602,573	€6,000	-	€2,608,573	-
SCI IF Cormontreuil 01	508 928 314 00022	Bezannes	31/12/2023	62%	FC	€4,878,724	€167,560	€2,129,226	€10,000	-	€2,119,226	-
SCI Zone A	488 512 286 00029	Bezannes	31/12/2023	62%	FC	€2,487,703	€1,737,450	€814,689	€100,000	-	€714,689	-
SCI Les Docks de Saint Ouen	979 343 316 00019	Bezannes	31/12/2023	55%	EA	€32,099,100	€26,656	€58,148,709	€5,836,199	-	-€213,290	-
SCCV Porte de Loire Invest	898 725 387 00010	Bezannes	31/12/2023	50%	EA	€5,000	€19,537	-€533,059	€10,000	-	-€543,059	-
SCI L'Agenaise d'Investissement	750 095 143 00012	Bezannes	31/12/2023	50%	EA	€3,000	€3,094,225	-€6,841,953	€6,000	-€6,310,418	-€537,535	-
La Lune des Docks	911 974 673 00012	Paris	31/12/2023	39%	EA	€39,000	€6,113	-€136,376	€100,000	-€73,042	-€163,334	-
SC FREY Retail Villebon	817 676 240 00010	Bezannes	31/12/2023	5%	EA	€1,846,005	€9,456,458	€39,834,218	€6,161,684	-	€2,914,113	-

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 category												
Number of invoices involved	11					17	-					166
Total amount of invoices in question	€159,464	€0	€4,343	€122	€119,372	€123,837	€0	€174,345	€156,632	€894,270	€1,467,986	€2,693,233
Percentage of total purchases for the financial year incl. tax*	0.32%	0.00%	0.01%	0.00%	0.24%	0.25%						
Percentage of revenue for the financial year incl. VAT							0.00%	0.53%	0.48%	2.71%	4.45%	8.17%
(B) Invoices excluded from (A) relating to disputed or unrecognised payables and receivables												
Number of invoices excluded							0	0	0	0	50	50
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	€3,853,907	€3,853,907
(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					



◀ Polygone Riviera
Cagnes-sur-Mer
(Alpes-Maritimes)

2

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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 2023

In €K	Note	31/12/2023 12 months	% revenue	31/12/2022 12 months	% revenue
REVENUE	5.1.1	148,520	100%	124,096	100%
PURCHASES CONSUMED	5.1.3	-46,794	-32%	-44,017	-35%
Payroll expenses	5.1.4	-11,747		-13,166	
Other income	5.1.5	1,328		835	
Other expenses	5.1.5	-497		-559	
Taxes and similar payments	5.1.6	-2,525		-1,464	
Allocations to and write-backs of depreciation, amortisation and impairment	5.1.7	-4,062		-2,918	
PROFIT FROM RECURRING OPERATIONS		84,223	57%	62,807	51%
Other operating income	5.1.8	5,006		2,845	
Other operating expenses	5.1.8	-8,376		-10,851	
Income/expense on disposals of investment properties	5.1.9	-2,091		2,165	
Adjustment of investment property values	5.2.3	14,664		38,936	
OPERATING PROFIT		93,426	63%	95,902	77%
Share of net profit/(loss) of associates	5.2.4	1,166		3,246	
OPERATING PROFIT/(LOSS) AFTER SHARE OF NET PROFIT/(LOSS) OF ASSOCIATES		94,592	64%	99,148	80%
Cost of net debt	5.1.10	-23,873		-14,734	
of which financial income		24,742		1,789	
of which financial expenses		-48,615		-16,523	
Other financial income and expenses	5.1.10	-40,195		61,086	
PROFIT BEFORE TAX		30,524	21%	145,500	117%
Income tax	5.1.11	-5,734		-10,125	
NET PROFIT		24,790	17%	135,375	109%
NET PROFIT/(LOSS) ATTRIBUTABLE TO NON-CONTROLLING INTERESTS		-5,931		-5,997	
NET PROFIT (GROUP SHARE)		18,859	13%	129,378	104%
Earnings per share	5.1.12	0.67		4.57	
Diluted earnings per share	5.1.12	0.67		4.58	

2.1.1.2. Consolidated statement of comprehensive income at 31 December 2023

In €K	Note	31/12/2023 12 months	31/12/2022 12 months
NET PROFIT		24,790	135,375
Gains and losses recognised directly in equity:			
Change in fair value of hedging instruments		-	-
Income/expense on the translation of the financial statements of foreign subsidiaries and net investments		1,718	-
Impact of deferred tax on hedge instruments		-	-
Sub-total of comprehensive income recyclable through profit or loss		1,718	-
Actuarial gains and losses on pension commitments net of tax		15	225
Sub-total of comprehensive income not recyclable through profit or loss		15	225
TOTAL GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY:	1.1.5	1,733	225
COMPREHENSIVE INCOME		26,523	135,600
Comprehensive income attributable to owners of the Company		20,592	129,603
Comprehensive income attributable to non-controlling interests		5,931	5,997

2.1.1.3. Consolidated balance sheet at 31 December 2023

Assets

In €K	Note	31/12/2023	31/12/2022
Goodwill	1.3.4	5,912	5,912
Intangible assets	5.2.1	871	953
Property, plant and equipment	5.2.2	29,852	25,118
Investment property	5.2.3	2,054,019	1,739,010
Investments in associates	5.2.4	45,469	17,536
Other non-current assets	5.2.5	3,173	8,350
Deferred tax assets	5.2.13	1,178	1,213
TOTAL NON-CURRENT ASSETS		2,140,474	1,798,092
Inventories and work-in-progress	5.2.6	62,684	51,169
Trade receivables	5.2.8	25,287	13,923
Other current assets	5.2.9	46,843	36,836
Current financial assets	1.3.13	47,815	76,690
Cash and cash equivalents	5.2.10	72,985	72,063
TOTAL CURRENT ASSETS		255,614	250,681
Assets held for sale	1.3.12	1,000	1,896
TOTAL ASSETS		2,397,088	2,050,669

Liabilities

In €K	Note	31/12/2023	31/12/2022
Share capital		80,625	70,917
Consolidated reserves and premiums	1.2.1	947,095	789,789
Translation reserves		-49	-
Income		18,859	129,378
EQUITY (GROUP SHARE)	1.1.5	1,046,530	990,084
Non-controlling interests	1.1.5	69,908	63,111
TOTAL EQUITY	1.1.5	1,116,438	1,053,195
Provisions for liabilities and charges	5.2.13	864	679
Non-current financial derivative liabilities	1.3.13	-	-
Non-current financial liabilities	5.2.11	1,050,187	826,401
Deferred tax liabilities	5.2.13	27,483	22,994
Other non-current liabilities		9,310	20,957
TOTAL NON-CURRENT LIABILITIES		1,087,844	871,031
Trade payables		15,331	10,235
Other current liabilities	5.2.15	138,793	64,848
Current financial derivative liabilities	1.3.13	11,319	-
Current financial liabilities	5.2.16	27,363	51,360
TOTAL CURRENT LIABILITIES		192,806	126,443
Liabilities related to a group of assets held for sale	1.3.12	-	-
TOTAL LIABILITIES		2,397,088	2,050,669

2.1.1.4. Cash flow statement by cash flow analysis

In €K	Note	31/12/2023 12 months	31/12/2022 12 months
<i>Cash flow from operating activities</i>			
Net profit of consolidated companies		24,790	135,375
<i>Derecognition of income and expenses with no impact on cash or not from operations</i>			
• Amortisation, depreciation & provisions		2,953	1,718
• Cost of financial debt	5.1.10	26,589	15,567
• Other financial income and expenses	5.1.10	-	-
• Change in taxes	5.1.10	5,734	10,125
• Change in fair value of investment property	5.2.3	-14,664	-38,936
• Change in fair value of financial instruments	5.1.10	40,195	-70,441
• Capital gains and losses on disposals		1,729	-1,800
• Share of net profit from associates	5.2.4	-1,166	-3,246
• Acquisition costs on equity securities		1,848	649
• Other non-cash income and expenses		-	-
CASH FLOW OF CONSOLIDATED COMPANIES		88,008	49,011
Dividends received from associates		-	-
Tax paid		-2,223	-3,878
Change in working capital requirement related to operating activities	5.3.2	-24,749	13,635
CASH FLOW GENERATED FROM OPERATING ACTIVITIES (1)		61,036	58,768
<i>Cash flows from investment activities</i>			
Investment property valuation	5.3.3	-147,322	-135,501
Acquisition of fixed assets	5.3.3	-3,503	-5,122
Changes in loans, advances and other financial assets		259	982
Disposal of fixed assets	5.2.1-3	128,610	59,560
Impact of changes in consolidation scope	5.3.4	-245,124	-129,782
CASH FLOW FROM INVESTMENT ACTIVITIES (2)		-267,080	-209,863
<i>Cash flow from financing activities</i>			
Dividends paid to shareholders of the parent company	2.1.1	-47,683	-45,360
Dividends paid to minority shareholders of consolidated entities		-	-
Increases and decreases in share capital	1.5 / 2.1.2	96,151	-
Net sale (acquisition) of treasury shares		-11,694	-1,393
Amounts paid on a change in holdings without loss of control		-	-
Increase in borrowings	5.2.11-16	618,046	475,393
Loan repayments (including finance leases)	5.2.11-16	-423,987	-274,890
Repayment of lease liabilities	5.2.11-16	-997	-952
Interest paid (including on lease obligations)		-22,984	-13,885
Change in other financing		-	-
CASH FLOW FROM FINANCING ACTIVITIES (3)		206,852	138,913
Effect of currency fluctuations on cash and cash equivalents		129	-
CHANGE IN CASH FLOWS (1+2+3)		937	-12,182
<i>Cash and cash equivalents – opening balance</i>	5.3.1	72,048	84,230
<i>Cash and cash equivalents – closing balance</i>	5.3.1	72,985	72,048
CHANGE IN CASH		937	-12,182

2.1.1.5. Change in shareholders' equity

In €K	Share capital	Premiums	Consolidated reserves and results	Translation reserves	Equity Group share	Non-controlling interests	Total equity
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 - share-based payments	-	-	-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
Net profit/(loss) for the period	-	-	18,859	-	18,859	5,931	24,790
Dividends paid	-	-47,683	-	-	-47,683	-2,134	-49,817
Capital increase	9,708	86,442	-	-	96,150	3,000	99,150
Treasury shares - share-based payments	-	-	-10,792	-	-10,792	-	-10,792
Other	-	-	-39	-49	-88	-	-88
TOTAL AS AT 31 DECEMBER 2023	80,625	463,130	502,824	-49	1,046,530	69,908	1,116,438

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 9 May 2023 approved the payment of a dividend of €1.70 per share for the 28,366,803 existing shares, representing a total dividend payout of €48.2 million.

Taking into account treasury shares, the amount paid is €47.7 million.

2.1.2.1.2. Capital increase

On 19 December 2023, FREY carried out a capital increase for a gross amount of €97.1 million by issuing 3,883,295 new shares. The share capital was thus increased to €80.6 million, divided into 32,250,098 shares with a par value of €2.50 each.

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

The General Meeting of Shareholders of 9 May 2023 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 9 May 2023, i.e. until 9 November 2024.

At 31 December 2023, the Company held 526,135 treasury shares, or 1.63% of its share capital at that date, divided between the following two contracts:

- 16,251 shares held under the liquidity agreement signed on 3 March 2017 for market-making purposes;
- 509,884 shares held under the buyback agreement to achieve the other objectives authorised by the Board of Directors.

2.1.2.2. Financing

On 25 May 2023, FREY obtained an agreement to extend the maturity date of its €100.0 million corporate credit line by one year to 15 October 2028.

On 8 June 2023, FREY obtained an agreement to extend the maturity date of its €110.0 million corporate credit line by one year to 27 July 2028.

On 30 June 2023, FREY signed a medium-term credit line with ESG (environmental, social and governance) criteria for a total amount of €80.0 million over five years, with two one-year extension options.

On 24 July 2023, FREY signed a medium-term credit line with ESG criteria for a total amount of €130.0 million over five years, with two one-year extension options.

On 17 October 2023, FREY took out a new mortgage loan for €120 million with a term of seven years at an interest rate based on the 3-month Euribor plus a margin of 1.8%. This facility financed part of the acquisition of Polygone Riviera.

On 25 October 2023, FREY obtained an agreement to extend the maturity date of its €50.0 million corporate credit line by one year to 8 November 2028.

These corporate credit lines financed recent acquisitions and will provide funding for ongoing development projects or any that may come to fruition over the coming months.

They lock in advantageous financial terms, improve FREY's financial flexibility and strengthen the Group's strong relations with its banking partners.

The Group strengthened its interest rate hedging positions with several instruments for a total nominal amount of €1,159 million, including €1,059 million deferred over periods of one to two years.

FREY also terminated a cap spread option of €25 million in the first half of 2023.

2.1.2.3. Changes in consolidation scope

Changes in the consolidation scope at 31 December 2023 are described below.

Newly consolidated companies

- FREY RETAIL PARTNERSHIP was created on 4 April 2023. The main purpose of this new investment structure is to manage funds and to invest in real estate assets in Europe.
- On 18 July 2023, the FOREY forestry group, a subsidiary of the FREY Group, signed, as Transferee, a notarised deed for the purchase of all the shares in GF LA CROIX DE POIX (owner of the Corbuon Forest (Seine-Maritime)).
- On 19 July 2023, FREY acquired all the shares in the Spanish company DOMESTREET INVEST SL. This vehicle was acquired for the purpose of purchasing FREY INVEST's entire stake in EUROFUND PARC LLEIDA SL (70%) on the same date.
- On 28 July 2023, the association LE MUR QUI BOUGE was formed with the aim of promoting urban art in open-air shopping centres by making walls available to selected artists or associations several times a year. The first test site is Clos-du-Chêne (Seine-et-Marne).
- On 11 September 2023, the real estate investment company LES DOCKS DE SAINT-OUEN was formed under a partnership to be entered into between FREY and CAISSE DES DEPOTS ET CONSIGNATIONS to acquire and then operate real estate assets under development or already completed and/or partially leased in the Docks de Saint-Ouen (Seine-Saint-Denis) development, and more specifically, the gastronomic and cultural hall and a lively shopping street located in the Docks development area owned by FREY. On 20 December 2023, CAISSE DES DEPOTS ET CONSIGNATIONS acquired a 45% stake in SCI LES DOCKS DE SAINT-OUEN. In accordance with IFRS 10, this company is consolidated using the equity method.

- On 13 September 2023, the simplified joint stock company FREY RIVIERA was incorporated with the aim of acquiring the five general partnerships that owned the POLYgone RIVIERA centre.
- On 17 and 18 October 2023, FREY RIVIERA acquired all the shares of the following five companies: SAINT JEAN, SAINT JEAN II, LES TERRASSES DE SAINT JEAN, JUIN SAINT HUBERT and JUIN SAINT HUBERT II. These companies were acquired with the aim of acquiring the 77,100 m² asset called Polygone Riviera in Cagnes-sur-Mer (Alpes-Maritimes) under a share deal. This transaction was treated as a separate asset under IAS 40 as the Group took over the management of the asset without taking over a set of activities.

Exits from the consolidation scope

- On 24 February 2023, FREY sold its PATROCLIENNE D'INVESTISSEMENT and TERVILLOISE D'INVESTISSEMENT shares for €6.4 million, including the repayment of current accounts.
- On 28 February 2023, the shares in IF SAINT PARRES held by FREY AMENAGEMENT ET PROMOTION were sold to FREY. On 25 July 2023, the sole shareholder of IF SAINT PARRES declared the dissolution without liquidation of said company in favour of FREY.
- On 31 July 2023, the economic interest group FREY SOLIDARITE was dissolved by decision of its members. As a reminder, the EIG was created in 2020 to provide exceptional support to eligible tenants during the mandatory closure of points of sale in the second quarter of 2020 and during the relaunch of commercial activity after reopening.
- On 25 September 2023, the shares in IF PLEIN OUEST held by FREY AMENAGEMENT ET PROMOTION were sold to FREY. On 25 October 2023, the sole shareholder of IF PLEIN OUEST declared the dissolution without liquidation of said company in favour of FREY.
- On 23 November 2023, the simplified merger of PAI 02 into FREY MURS 02 was recorded.
- On 15 December 2023, the five companies holding the assets of Polygone Riviera were dissolved without liquidation by universal transfer of assets to FREY RIVIERA:
 - SAINT JEAN
 - SAINT JEAN II
 - LES TERRASSES DE SAINT JEAN
 - JUIN SAINT HUBERT
 - JUIN SAINT HUBERT II

2.1.2.4. Projects and development

In 2023, La Halle de Saint-Ouen was delivered (12,000 m²), opening to the public on 18 January 2024. FREY and La Banque des Territoires have signed a new long-term partnership under which Banque des Territoires acquired a 45% stake in the company that owns the Docks de Saint-Ouen retail complex (La Halle and Cours des Lavandieres with its 50 stores).

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.

2.1.3. ACCOUNTING PRINCIPLES AND CONSOLIDATION METHODS

The Group's parent company, as presented in the statements below, is FREY, a public limited company with a Board of Directors and a "Société à Mission", whose registered office is located in the TGV Reims-Bezannes business park at 1 rue René Cassin, 51430 Bezannes, France.

Developer, investor and manager, FREY is a real estate company specialising in the development and operation of open-air 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 "Société à Mission", 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. The Group also leads major urban and commercial renewal operations at city entrances. 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 (International Financial Reporting Standards) standards and interpretations as adopted by the European Union and in force on 31 December 2023 and are identical to those used in the presentation of the annual consolidated financial statements for the year ended 31 December 2022.

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 2023, 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:

- 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 in 2019, reduced to €5.9 million in 2021, with no impact on net profit/(loss).

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 IFRS 3, the entry into the scope of consolidation generated goodwill of €11.5 million, fully impaired at 31 December 2023.

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. The financial statements of each Group company are prepared in the functional currency of the company. The functional currency is the currency in which the company's main economic environment operates. All consolidated foreign companies are located in the euro zone, with the exception of two Polish subsidiaries for which the local currency is the Polish zloty.

For the preparation of the consolidated financial statements, the results and financial position of each Group entity whose functional currency differs from the Group's presentation currency are translated into the presentation currency according to the following rules:

- the assets and liabilities of these subsidiaries are translated into euros at the exchange rate in force at the reporting date;
- income and expenses as well as other comprehensive income are translated into euros at the average rates for the year, unless significant exchange rate fluctuations were observed, in which case the exchange rate used is that in force on the transaction dates.
- all foreign exchange differences resulting from these conversions are recognised as a separate item of equity (in the translation reserve) and when a Group company is sold, the foreign exchange differences accumulated in equity are recognised in profit or loss, as income or loss on disposal.

Group companies carry out some transactions in a foreign currency that is not their functional currency. These transactions are initially recorded in the functional currency at the exchange rate prevailing at the balance sheet date.

At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate prevailing at the reporting date. Foreign exchange gains or losses related to the conversion or settlement of foreign currency transactions are recognised in the income statement, with the exception of the following transactions:

- unrealised translation differences on net investments;
- unrealised translation differences on intra-group advances, which by nature form part of the net investment.

Non-monetary assets and liabilities measured at historical cost in foreign currencies are translated using the exchange rate at the transaction date.

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 transfer tax, 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;

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.

- for assets leased under a construction lease, by discounting the forecast net income over the term of the construction lease and determining the residual contractual value at the end of the lease; and
- for completed buildings, by capitalising the net income depending on the yields observed on the market (capitalisation method) and by the discounted cash flow method.

The net income is determined by deducting the actual and potential rents (on vacant premises) and the property charges that cannot be recovered from tenants depending on the leases concerned, as well as the charges relating to vacant premises, determined on the basis of an estimated re-leasing period. In the event that a site has a structural vacancy, these deductions would be accompanied by the loss of the corresponding potential income.

Pursuant to IAS 40 (revised), buildings in the process of construction or development with a view to their subsequent use as investment property are classified as investment property and measured at fair value if the criteria to ensure the reliability of the fair value measurement are fulfilled, namely administrative criteria (permits obtained), marketing criteria (assets more than 25% leased) and technical criteria (filing of the construction launch document).

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, including half-yearly estimates.

Valuations performed by independent experts are reviewed internally by Management and the competent persons within each department on a semi-annual basis in order to assess the consistency of external valuations and underlying assumptions. At 31 December 2023, 98% of the value of the consolidated assets (excluding transfer tax) had been valued by independent experts in accordance with the method described above. Over the past five years, the coverage ratio of external valuations has been between 96% and 98%.

The Group has decided to present the gain or loss on the disposal of investment property on a separate line of the income statement (previously presented in other operating income and expenses). The impact of disposals is explained in Note 5.1.9.

- 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.

Concerning projects at cost, they are reviewed every six months by Management in order to assess in particular their feasibility and projected profitability.

At 31 December 2023, there was no indication of impairment requiring the recognition of an impairment loss.

Financial liabilities

Financial liabilities include loans (including bonds) and other interest-bearing liabilities.

Upon initial recognition, they are measured at fair value, increased by transaction costs that are directly attributable to the issuance of the liability. They are subsequently recognised at amortised cost based on the effective interest rate. The effective interest rate includes the stated interest rate and the actuarial amortisation of issue expenses and issue and redemption premiums.

The portion of financial debt maturing within one year is classified under current financial liabilities.

2.1.3.12. Assets and liabilities available for sale

Assets and liabilities that are immediately available for sale, and for which the sale is highly probable (promise of sale signed), are classified under assets and liabilities available for sale pursuant to IFRS 5. 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.

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.

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 2023, a unit at the Bessoncourt asset (Territoire de Belfort) and a plot of land at the Soissons site (Aisne) were reclassified as "assets held for sale" for €1 million. (see 2.1.5.2.3).

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 2023 had a value of €36.5 million (excluding accrued interest), compared with €76.7 million at 31 December 2022.

The impact of the change in fair value, net of balances and premiums paid, was recognised in the income statement in the amount of -€40.2 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	31/12/2023	31/12/2022
ASSETS			
Goodwill	D	5,912	5,912
Intangible assets	C	871	953
Property, plant and equipment	C	29,852	25,118
Investment property	B/D	2,054,019	1,739,010
Other non-current assets	D	45,469	17,536
Inventories and work-in-progress	D	62,684	51,169
Trade receivables	D	25,287	13,923
Other current assets	D	46,843	36,836
Derivative financial instruments	E	47,815	76,690
Cash and cash equivalents	B	72,985	72,063
Assets held for sale	A	1,000	1,896
LIABILITIES			
Non-current derivative financial instruments (rates)	E	-	-
Non-current derivative financial instruments (borrowings)	B	-	-
Non-current financial liabilities	B/C	1,050,187	826,401
Deferred tax liabilities	D	27,483	22,994
Other non-current liabilities	D	9,310	20,957
Trade payables	D	15,331	10,235
Other current liabilities	D	138,793	64,848
Current derivative financial instruments	E	11,319	-
Current financial liabilities	B/C	27,363	51,360
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: Measurement at cost

E: Fair value through equity or profit or loss according to effectiveness.

There are three levels of fair value, depending on whether the instrument is listed on an active market (Level 1), whether its measurement involves valuation techniques that rely on existing market data at year-end (Level 2) or if reliance is placed on non-observable data (Level 3).

Assets measured at fair value (in €K)	Classification	31/12/2023	31/12/2022
Investment property	Level 3	2,054,019	1,739,010
Current derivative assets (hedging instruments)	Level 2	47,815	76,690
Marketable securities	Level 1	258	263
TOTAL		2,102,092	1,815,963

Financial liabilities measured at fair value (in €K)	Classification	31/12/2023	31/12/2022
Current derivative liabilities (hedging instruments)	Level 2	11,319	-
Current liability derivatives (trading instruments)	Level 2	-	-
TOTAL		11,319	-

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. The acquisition of the Matarnia Park Handlowy asset and its financing were carried out in euros. As Poland is not considered a country with hyper-inflation and 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 2023, the Group's financial debt payable to credit institutions amounted to €997.4 million compared with financial debt of €806.3 million at 31 December 2022 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 various forms (swaps, caps and collars), thus reducing exposure to interest rate risk. The percentage of the Group's total debt not subject to interest-rate fluctuations was 96.5% at 31 December 2023 compared with 97.9% at 31 December 2022.

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 2023

Amount in €K	-100 pts	-50 pts	E3M	+50 pts	+100 pts
Impact	445	177	-	-177	-354

Sensitivity of investment property to the capitalisation rate

The average capitalisation rate used by independent experts in the valuation of investment property was 6.75% compared with 6.25% for the year ended 31 December 2022.

Capitalisation rate

Geographical breakdown	France	International	31/12/2023	31/12/2022
Average capitalisation rate	6.50%	7.26%	6.75%	6.25%

The following table shows the impact on the valuation of investment property of a 50-basis-point and 25-basis-point increase and decrease in the capitalisation rate:

CAPITALISATION RATE AT 31 DECEMBER 2023

Amount in €K	-50 pts	-25 pts	6.75%	+25 pts	+50 pts
Investment property valuation	2,216,590	2,132,041	2,054,019	1,981,573	1,914,318
Valuation differential	162,571	78,022	-	-72,446	-139,701

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 2023.

The ratios requested by banking partners are as follows:

Consolidated ratios	LTV including transfer tax	ICR	Collateralised debt
Debt concerned	€1,160.0m	€1,160.0m	€1,160.0m
Required ratios	<= 60.0%	>= 2	<20.0%
Ratios at 31/12/2023	41.0%	4.0	6.3%

Counterparty risk

The Group carries out financial transactions with top-tier banks, in terms of both loans and amounts invested.

The main tenants of the Group's assets are top-tier companies, for which the Group has not identified any major insolvency risk. In addition, the Group pursues a strategy of diversifying its customer risk by limiting a customer's exposure to a maximum of 3% of the economic rental income.

Furthermore, when signing the leases, the tenants give the Group financial guarantees, either in the form of a security deposit, or in the form of a bank guarantee.

2.1.3.14. 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 recognised at their nominal value, less impairment.

Impairment losses are measured using the simplified method set out in IFRS 9. Expected credit losses are calculated over their lifetime, based on the Group's experience of historical credit losses and forecasts.

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.

Deferred taxes are calculated at the local rates in force at the end of the reporting period. The rates applied are 25% in France, 25% in Spain, 21% in Portugal and 19% in Poland.

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.

At 31 December 2023, FREY held 526,135 shares as part of the liquidity agreement and buyback agreement representing €13.7 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 amount of borrowing costs reclassified for 2023 was €0.3 million in the Group's financial statements.

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 the legal retirement age and the year of birth
- change in salaries 1.50%;
- employer contribution rate 35.00% to 50.00%;
- discount rate 3.94%.

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 stepped rents 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 2023.

The head office lease contract expired in 2023 and a purchase option was exercised. Two contracts, out of the three held by joint ventures, were removed from the consolidation scope.

With regard to operating leases, the main restatement relates to the lease for the Paris offices, which reached the end of its fixed period during the financial year and was re-estimated over the remaining term of the lease.

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."

N.B. 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 rebilled are allocated between stabilised assets (delivered or purchased more than one year before the reporting date) and non-stabilised assets (delivered or purchased less than one year before the reporting date),
- the indicators monitored for each operating segment are as follows:
 - revenue (rental income, sales and fees),
 - expenses that cannot be rebilled 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 2023

At 31 December 2023 (in €K)	Property investment activity	Property development	Other	Total	Of which France	Of which International
Rental income from stabilised assets	112,145			112,145	71,576	40,569
Non-recoverable expenses on stabilised assets	-2,085			-2,085	-1,017	-1,068
NET RENTAL INCOME FROM STABILISED ASSETS	110,060			110,060	70,559	39,501
Rental income from non-stabilised assets	1,316			1,316	1,316	-
Non-recoverable expenses on non-stabilised assets	-133			-133	-133	-
NET RENTAL INCOME FROM NON-STABILISED ASSETS	1,183			1,183	1,183	-
Sales		1,482		1,482	1,482	-
Purchase cost of goods sold		-1,586		-1,586	-1,586	-
DEVELOPER'S MARGIN		-104		-104	-104	-
OTHER REVENUE			2,430	2,430	2,430	-
GROSS PROFIT				113,569	74,068	39,501
External services				-11,843	-9,010	-2,833
Payroll expenses				-11,747	-11,512	-235
Other income and expenses				831	1,022	-191
Taxes and similar payments				-2,525	-1,208	-1,317
Amortisation, depreciation and provisions				-4,062	-3,275	-787
PROFIT FROM RECURRING OPERATIONS				84,223	50,085	34,138
Other operating income and expenses				-3,370	-3,370	-
Income/expense on disposals of investment properties				-2,091	-2,091	-
Adjustment of investment property values				14,664	8,236	6,428
OPERATING PROFIT				93,426	52,860	40,566
Share of net profit/(loss) of associates				1,166	1,166	-
OPERATING PROFIT/(LOSS) AFTER SHARE OF NET PROFIT/(LOSS) OF ASSOCIATES				94,592	54,026	40,566
Cost of net debt				-23,873	-8,479	-15,394
Other financial income and expenses				-40,195	-40,234	39
PROFIT BEFORE TAX				30,524	5,313	25,211
Income tax				-5,734	-83	-5,651
NET PROFIT				24,790	5,230	19,560
Non-controlling interests				-5,931	-1,049	-4,882
NET PROFIT (GROUP SHARE)				18,859	4,181	14,678

The increase in international rental income was mainly due to the acquisitions of Finestrelles (Spain) and Parque Mediterráneo (Spain) in June 2022 and acquisitions made in 2023, namely Matarnia Park Handlowy in Gdańsk (Poland) in July 2023. For France, the increase in rental income was mainly explained by the acquisition in October 2023 of Polygone Riviera in Cagnes-sur-Mer (Alpes-Maritimes).

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 2023 (in €K)	Property investment activity		Total property investment	Property development		Total property development	Other		Total other activities	Total
	France	International		France	International		France	International		
Investment property	1,390,146	663,873	2,054,019	-	-	-	-	-	-	2,054,019
Investments in associates	44,749	-	44,749	720	-	720	-	-	-	45,469
Inventories and work-in-progress	-	-	-	62,684	-	62,684	-	-	-	62,684

LIABILITIES

At 31 December 2023 (in €K)	Property investment activity		Total property investment	Property development		Total property development	Other		Total other activities	Total
	France	International		France	International		France	International		
Investments in associates	-	-	-	-	-	-	53	-	53	53
Non-current financial liabilities	994,409	9,299	1,003,708	351	-	351	228	45,900	46,128	1,050,187
Current financial liabilities	24,486	543	25,029	314	-	314	104	1,916	2,020	27,363

INFORMATION AT 31 DECEMBER 2022

At 31 December 2022 (in €K)	Property investment activity	Property development	Other	Total	Of which France	Of which International
Rental income from stabilised assets	91,036			91,036	62,895	28,141
Non-recoverable expenses on stabilised assets	-4,519			-4,519	-2,545	-1,974
NET RENTAL INCOME FROM STABILISED ASSETS	86,517			86,517	60,350	26,167
Rental income from non-stabilised assets	500			500	500	-
Non-recoverable expenses on non-stabilised assets	-105			-105	-105	-
NET RENTAL INCOME FROM NON-STABILISED 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	63,382	26,167
External services				-9,470	-7,449	-2,021
Payroll expenses				-13,166	-13,007	-159
Other income and expenses				276	1,336	-1,060
Taxes and similar payments				-1,464	-834	-630
Amortisation, depreciation and provisions				-2,918	-2,519	-399
PROFIT FROM RECURRING OPERATIONS				62,807	40,909	21,898
Other operating income and expenses				-8,006	-7,322	-684
Income/expense on disposals of investment properties				2,165	2,165	-
Adjustment of investment property values				38,936	30,062	8,874
OPERATING PROFIT				95,902	65,814	30,088
Share of net profit/(loss) of associates				3,246	3,246	-
OPERATING PROFIT/(LOSS) AFTER SHARE OF NET PROFIT/(LOSS) OF ASSOCIATES				99,148	69,060	30,088
Cost of net debt				-14,734	-7,897	-6,837
Other financial income and expenses				61,086	61,086	-
PROFIT BEFORE TAX				145,500	122,249	23,251
Income tax				-10,125	-114	-10,011
NET PROFIT				135,375	122,135	13,240
Non-controlling interests				-5,997	-5,181	-816
NET PROFIT (GROUP SHARE)				129,378	116,954	12,424

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

ASSETS

At 31 December 2022 (in €K)	Property investment activity		Total property investment	Property development		Total property development	Other		Total other activities	Total
	France	International		France	International		France	International		
Investment property	1,197,330	541,680	1,739,010	-	-	-	-	-	-	1,739,010
Investments in associates	17,509	-	17,509	-	-	-	27	-	27	17,536
Inventories and work-in-progress	-	-	-	51,169	-	51,169	-	-	-	51,169

LIABILITIES

At 31 December 2022 (in €K)	Property investment activity		Total property investment	Property development		Total property development	Other		Total other activities	Total
	France	International		France	International		France	International		
Investments in associates	-	-	-	20	-	20	-	-	-	20
Non-current financial liabilities	769,990	7,153	777,143	124	-	124	234	48,900	49,134	826,401
Current financial liabilities	48,936	-	48,936	310	-	310	1,130	984	2,114	51,360

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	31/12/2023		31/12/2022	
		% interest	% control	% interest	% control
FREY SIRET No. 398 248 591 00065 1 rue René Cassin - 51430 Bezannes, France	FC	100.00%	100.00%	100.00%	100.00%
SNC IF Gestion & Transactions SIRET No. 494 334 477 00028 1 rue René Cassin - 51430 Bezannes, France	FC	100.00%	100.00%	100.00%	100.00%
SAS FREY Aménagement & Promotion SIRET No. 500 202 049 00028 1 rue René Cassin - 51430 Bezannes, France	FC	100.00%	100.00%	100.00%	100.00%
SNC IF Chêne Vert SIRET No. 502 925 084 00043 1 rue René Cassin - 51430 Bezannes, France	FC	100.00%	100.00%	100.00%	100.00%
SNC IF Bezannes SIRET No. 512 278 334 00028 1 rue René Cassin - 51430 Bezannes, France	FC	100.00%	100.00%	100.00%	100.00%
SCI PAI 02⁽²⁾ SIRET No. 522 765 502 00029 1 rue René Cassin - 51430 Bezannes, France	NC	-	-	100.00%	100.00%
SNC IF Saint Parres⁽¹⁾ SIRET No. 520 914 581 00027 1 rue René Cassin - 51430 Bezannes, France	NC	-	-	100.00%	100.00%
SAS IF Clos du Chêne SIRET No. 533 187 316 00013 1 rue René Cassin - 51430 Bezannes, France	FC	100.00%	100.00%	100.00%	100.00%
SNC IF Plein Ouest⁽¹⁾ SIRET No. 533 140 646 00019 1 rue René Cassin - 51430 Bezannes, France	NC	-	-	100.00%	100.00%
SCI IF Allondon SIRET No. 790 403 372 00010 1 rue René Cassin - 51430 Bezannes, France	FC	100.00%	100.00%	100.00%	100.00%
SCI IF Valentine SIRET No. 790 402 242 00016 1 rue René Cassin - 51430 Bezannes, France	FC	100.00%	100.00%	100.00%	100.00%
SAS ZCN Aménagement SIRET No. 800 827 842 00017 1 rue René Cassin - 51430 Bezannes, France	FC	100.00%	100.00%	100.00%	100.00%
SAS F.Events SIRET No. 800 496 374 00011 1 rue René Cassin - 51430 Bezannes, France	FC	100.00%	100.00%	100.00%	100.00%
SCI IF Ecopole SIRET No. 807 934 997 00014 1 rue René Cassin - 51430 Bezannes, France	FC	100.00%	100.00%	100.00%	100.00%
SCI Massonex SIRET No. 508 376 787 00026 1 rue René Cassin - 51430 Bezannes, France	FC	100.00%	100.00%	100.00%	100.00%
SCI IF ZCN Investissement SIRET No. 810 418 889 00012 1 rue René Cassin - 51430 Bezannes, France	FC	100.00%	100.00%	100.00%	100.00%
SAS FREY Murs 02 SIRET No. 813 822 640 00013 1 rue René Cassin - 51430 Bezannes, France	FC	100.00%	100.00%	100.00%	100.00%

Entities included in consolidation scope	Consolidation method	31/12/2023		31/12/2022	
		% interest	% control	% interest	% control
SNC Retail Prodev SIRET No. 820 821 908 00010 1 rue René Cassin - 51430 Bezannes	FC	100.00%	100.00%	100.00%	100.00%
Groupe Forestier FOREY SIRET No. 882 005 598 00017 1 rue René Cassin - 51430 Bezannes	FC	100.00%	100.00%	100.00%	100.00%
GIE FREY SOLIDARITE⁽³⁾ SIRET No. 883 984 106 00012 1 rue René Cassin - 51430 Bezannes	NC	-	-	100.00%	100.00%
SOCIAL MARKET SIRET No. 893 871 541 00015 1 rue René Cassin - 51430 Bezannes	FC	100.00%	100.00%	100.00%	100.00%
SAS BBC PROMOTION SIRET No. 444 115 992 00042 1 rue René Cassin - 51430 Bezannes	FC	100.00%	100.00%	100.00%	100.00%
SAS BBC SOLAR SIRET No. 523 470 912 00123 1 rue René Cassin - 51430 Bezannes	FC	100.00%	100.00%	100.00%	100.00%
FREY RETAIL PARTNERSHIP SIRET No. 950 880 344 00011 1 rue René Cassin - 51430 Bezannes	FC	100.00%	100.00%	-	-
GF DE LA CROIX DE POIX SIRET No. 879 575 652 00026 1 rue René Cassin - 51430 Bezannes	FC	100.00%	100.00%	-	-
LE MUR QUI BOUGE No. W513010094 1 rue René Cassin - 51430 Bezannes	FC	100.00%	100.00%	-	-
FREY RIVIERA SIRET No. 979 434 321 00019 1 rue René Cassin - 51430 Bezannes	FC	100.00%	100.00%	-	-
JUIN SAINT HUBERT⁽¹⁾ SIRET No. 420 118 739 00044 14 rue Auber - 75009 PARIS	NC	-	-	-	-
JUIN SAINT HUBERT II⁽¹⁾ SIRET No. 508 392 628 00030 14 rue Auber - 75009 PARIS	NC	-	-	-	-
LES TERRASSES SAINT JEAN⁽¹⁾ SIRET No. 539 955 500 00035 14 rue Auber - 75009 PARIS	NC	-	-	-	-
SAINT JEAN⁽¹⁾ SIRET No. 451 417 208 00035 14 rue Auber - 75009 PARIS	NC	-	-	-	-
SAINT JEAN II⁽¹⁾ SIRET No. 503 310 260 00032 14 rue Auber - 75009 PARIS	NC	-	-	-	-
SAS FRF1 SIRET No. 538 460 650 00012 1 rue René Cassin - 51430 Bezannes	FC	66.67%	66.67%	66.67%	66.67%
SCI FRF2 SIRET No. 538 486 143 00018 1 rue René Cassin - 51430 Bezannes	FC	62.08%	62.08%	62.08%	62.08%
SCI IF Cormontreuil 01 SIRET No. 508 928 314 00022 1 rue René Cassin - 51430 Bezannes	FC	62.08%	62.08%	62.08%	62.08%
SCI FRF 2 Torcy II SIRET No. 513 302 703 00022 1 rue René Cassin - 51430 Bezannes	FC	62.08%	62.08%	62.08%	62.08%
SCI FRF 2 Torcy SIRET No. 539 682 930 00018 1 rue René Cassin - 51430 Bezannes	FC	62.08%	62.08%	62.08%	62.08%
SCI Zone A SIRET No. 488 512 286 00029 1 rue René Cassin - 51430 Bezannes	FC	62.08%	62.08%	62.08%	62.08%
SC FRF 2 Khépri 1 SIRET No. 800 283 236 00019 1 rue René Cassin - 51430 Bezannes	FC	62.08%	62.08%	62.08%	62.08%

Entities included in consolidation scope	Consolidation method	31/12/2023		31/12/2022	
		% interest	% control	% interest	% control
SC FRF2 Apollo SIRET No. 812 955 680 00010 1 rue René Cassin - 51430 Bezannes	FC	62.08%	62.08%	62.08%	62.08%
SL FREY Invest Spain	FC	100.00%	100.00%	100.00%	100.00%
Parc Vallès Inversiones Inmobiliarias S.L.U. Spain	FC	100.00%	100.00%	100.00%	100.00%
Sociedad Gestora Santa Margarida S.L.U. Spain	FC	100.00%	100.00%	100.00%	100.00%
Finestrelles Shopping Centre S.L.U Spain	FC	100.00%	100.00%	100.00%	100.00%
FREY Mediterraneo S.L Spain	FC	100.00%	100.00%	100.00%	100.00%
Gemmano, Sp. z.o.o Poland	FC	100.00%	100.00%	100.00%	100.00%
Jar, Sp. z.o.o Poland	FC	100.00%	100.00%	100.00%	100.00%
Domestreet Invest S.L.U Spain	FC	100.00%	100.00%	-	-
Eurofund Parc Lleida S.L Spain	FC	70.00%	70.00%	70.00%	70.00%
FREYPROP, UNIPESSOAL Lda Portugal	FC	70.00%	70.00%	70.00%	70.00%
Algarve Shopping – Centro Comercial SA Portugal	FC	70.00%	70.00%	70.00%	70.00%
Albufeira Retail Park, Lda Portugal	FC	70.00%	70.00%	70.00%	70.00%
Immoconti – Sociedade Imobiliária SA Portugal	FC	70.00%	70.00%	70.00%	70.00%
Project Guia SA Portugal	FC	70.00%	70.00%	70.00%	70.00%
SCI LES DOCKS DE SAINT-OUEN ⁽⁴⁾ SIRET No. 979 343 316 00019 1 rue René Cassin - 51430 Bezannes	EA – JV	55.00%	55.00%	-	-
SCI L'Agenaise d'Investissement SIRET No. 750 095 143 00012 1 rue René Cassin - 51430 Bezannes	EA – JV	50.00%	50.00%	50.00%	50.00%
SCI La Patroclienne d'Investissement ⁽⁵⁾ SIRET No. 803 896 661 00011 1 rue René Cassin - 51430 Bezannes	NC	-	-	50.00%	50.00%
SCI Tervilloise d'Investissement ⁽⁵⁾ SIRET No. 818 725 392 00018 1 rue René Cassin - 51430 Bezannes	NC	-	-	50.00%	50.00%
SCCV PORTE DE LOIRE INVEST SIRET No. 898 725 387 00010 1 rue René Cassin - 51430 Bezannes	EA – JV	50.00%	50.00%	50.00%	50.00%
SAS LA LUNE DES DOCKS N° SIRET 911 974 673 00012 6 rue Juliette Dodu 75010 PARIS	EA – JV	39.00%	39.00%	39.00%	39.00%
SC FREY Retail Villebon ⁽⁴⁾ SIRET No. 817 676 240 00010 1 rue René Cassin - 51430 Bezannes	EA – JV	5.00%	5.00%	5.00%	5.00%

FC: Full Consolidation. EA - JV: Equity accounting of joint venture. NC: Non-consolidated

(1) Plein Ouest, Saint Parres, Juin Saint Hubert, Juin Saint Hubert II, Les Terrasses Saint Jean, Saint Jean and Saint Jean II were dissolved without liquidation by a universal transfer of assets and liabilities in 2023 (see Note 2.3).

(2) On 23 November 2023, PAI02 was absorbed through a merger in favour of FREY MURS 02 (see Note 2.3).

(3) GIE FREY Solidarité was dissolved on 31 July 2023 (see Note 2.3).

(4) In view of the governance rules defined by their partners, the entities FREY Retail Villebon and Les Docks de Saint-Ouen were consolidated in the Group's consolidated financial statements using the equity method.

(5) The investment companies SCI La Patroclienne d'Investissement and SCI Tervilloise d'Investissement were sold on 24 February 2023.

2.1.5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2023

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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	31/12/2023 12 months	31/12/2022 12 months
France	98,239	89,663
Spain	27,277	17,602
Portugal	18,064	16,831
Poland	4,940	-
TOTAL	148,520	124,096

Revenue as of 31 December 2023 includes rebilled rental expenses of €31,147K compared to €25,573K as of 31 December 2022. Rebilled rental expenses and underlying rental expenses are recognised under "Revenue" and "Purchases consumed" respectively, Note 5.1.3.

In €K	31/12/2023 12 months	31/12/2022 12 months
Rental income and rebilled taxes	123,578	99,955
Other rebilled rental expenses	21,030	17,153
TOTAL RENTAL INCOME	144,608	117,108
Sales/development activity	1,482	4,884
Other revenue	2,430	2,104
TOTAL REVENUE	148,520	124,096

The change in revenue is explained in Section 3.26 above.

Revenue from variable rent accounts for 3.0% of consolidated revenue at 31 December 2023.

	Consolidated data - IFRS	Pro forma restatement		Pro forma	Pro forma ⁽¹⁾
	31/12/2023	FREY step RIVIERA	Matarnia	31/12/2023	31/12/2022
2022/2023 pro forma revenue in €K					
Revenue	148,520	21,994	3,566	174,080	161,214

(1) Data extracted from the amendment to the 2022 Universal Registration Document filed on 27 November 2023.

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 2023.

2.1.5.1.3. Purchases consumed

Details of purchases consumed in €K	31/12/2023 12 months	31/12/2022 12 months
Cost of development invoiced	1,586	4,350
Recoverable rental expenses (*)	31,147	25,573
Non-recoverable expenses on assets (*)	2,218	4,624
External services	11,843	9,470
PURCHASES CONSUMED	46,794	44,017

* See 2.1.5.1.1 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 2022 and 2023 scope.

2.1.5.1.4. Payroll expenses

In €K	31/12/2023 12 months	31/12/2022 12 months
Salaries and wages	8,984	9,906
Employer contributions	2,763	3,260
TOTAL	11,747	13,166

Headcount -breakdown by category*	31/12/2023 12 months	31/12/2022 12 months	Change
Employees	30	25	5
Managers	71	69	2
TOTAL	101	94	7

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

The decrease in personnel expenses was linked to the allocation of free shares and the restatement of internal fees.

2.1.5.1.5. Other income and expenses

In €K	31/12/2023 12 months	31/12/2022 12 months
Income from disposals (*)	-	154
Expenses related to asset disposals (*)	-201	-256
Entry fees and compensation received	202	15
Other project-related income	860	67
Miscellaneous income from day-to-day operations	291	599
Remuneration of directors	-118	-100
Other project expenses	-60	-2
Miscellaneous expenses for day-to-day operations	-143	-201
OTHER INCOME AND EXPENSES	831	276

* Excluding investment property (see 5.1.9)

2.1.5.1.6. Taxes and similar payments

In €K	31/12/2023 12 months	31/12/2022 12 months
Taxes and duties on salaries and wages	255	135
Other taxes and duties: Regional economic tax (CET), land taxes, housing management duties, etc.	2,270	1,329
TOTAL	2,525	1,464

2.1.5.1.7. Allocations to and write-backs of depreciation, amortisation and impairment

In €K	31/12/2023 12 months	31/12/2022 12 months
Non-current assets	-1,626	-1,641
Inventories	-51	-
Trade receivables	-2,318	-1,227
Provisions for liabilities and charges	-67	-50
TOTAL	-4,062	-2,918

2.1.5.1.8. Other operating income and expenses

In €K	31/12/2023 12 months	31/12/2022 12 months
Expenses on discontinued projects	-	-4,954
Impact related to the consolidation scope*	-3,370	-1,374
Waivers of rent receivables granted	-	-
Other operating income and expenses	-	-1,678
TOTAL	-3,370	-8,006

* In 2023, the impacts were mainly related to the costs relating to the official publication of the universal transfers of assets of the five partnerships holding the Polygone asset.

* In 2022, the impacts were mainly related to the acquisition costs of Finestrelles and the costs related to the official publication of the mergers.

2.1.5.1.9. Income/expense on disposals of investment properties

At 31 December 2023, income from the sale of investment property amounted to -€2.1 million compared with €2.2 million at 31 December 2022. This includes €128.6 million in proceeds from disposals (versus €62.2 million at 31 December 2022) less net book values for €130.7 million (versus €59.9 million at 31 December 2022).

2.1.5.1.10. Cost of net debt and value adjustments of financial assets

In €K	31/12/2023 12 months	31/12/2022 12 months
Interest expense *	-46,433	-13,866
Interest expense on lease obligations -finance leases	-416	-295
Interest expense on lease obligations -leases	-25	-31
Financial instrument expenses and income *	23,486	130
Other financial income and expenses	-485	-672
COST OF NET DEBT	-23,873	-14,734
Value adjustment of financial instruments (see.3.13)	-40,195	61,035
of which interest rate derivatives **	-40,195	61,035
of which Convertible debt derivatives	-	-
Other financial income and expenses	-	51
OTHER FINANCIAL INCOME AND EXPENSES	-40,195	61,086
TOTAL	-64,068	46,352

* In 2023, the change in bank interest expenses and other income and expenses related to financial instruments was due to the increase in interest rates, the effect of which was limited by the good level of coverage of the Group's debt.

** In 2023, the fall in interest rates expected by the market led to a fall in the value of financial instruments. Conversely, in 2022, the upward trend in rates had a positive impact on the fair value of financial instruments.

2.1.5.1.11. Income tax

In €K	31/12/2023 12 months	31/12/2022 12 months
Consolidated pre-tax profit	30,312	145,500
Share of net profit/(loss) of associates	-1,166	-3,246
Reclassification affecting income tax	-199	-376
INCOME BEFORE TAX AND SHARE OF NET INCOME OF COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD	28,947	141,878
Theoretical income tax rate	25%	25%
THEORETICAL INCOME TAX	7,251	35,569
Effect on theoretical income tax of:		
Impact of non-taxable sector	-1,573	-26,420
Permanent differences	-416	-1,068
Non-capitalised losses	376	2,605
Deferred tax rate variance over the financial year	-614	-495
Other	511	-442
Effective income tax rate	19.0%	6.9%
EFFECTIVE INCOME TAX	5,535	9,749
+ Reclassification affecting income tax	199	376
EFFECTIVE INCOME TAX	5,734	10,125

In €K	31/12/2023 12 months	31/12/2022 12 months
Tax payable	1,561	17,926
Deferred tax	4,173	-7,801
TOTAL	5,734	10,125

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 €14.2 million.

2.1.5.1.12. Earnings per share

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

In €K	31/12/2023 12 months	31/12/2022 12 months
Net profit Group share	18,859	129,378
Weighted average number of ordinary shares outstanding	28,494,473	28,366,803
Weighted average number of ordinary shares outstanding*	28,170,527	28,283,725
UNDILUTED NET EARNINGS PER SHARE	€0.67	€4.57
Number of ordinary shares considered for dilutive items**	-56,302	-27,808
Average number of shares taken into account after dilutive impact	28,114,225	28,255,917
DILUTED NET EARNINGS PER SHARE	€0.67	€4.58

* Excluding treasury shares in accordance with IAS 33.19

** The number of shares included in the dilutive items takes into account the allocation of free shares

The free share plans have been restated for the calculation of net earnings per share, with retroactive effect.

NOTE 2 | NOTES TO THE BALANCE SHEET

2.1.5.2.1. Intangible assets

CHANGES AT 31 DECEMBER 2023

Gross values in €K	31/12/2022	Increase	Decrease	Addition of Spain to the consolidation scope	31/12/2023
Other intangible assets	2,204	6	-38	-	2,172
Intangible assets in progress	-	-	-	-	-
Advances and prepayments on intangible assets	-	-	-	-	-
Amortisation	-1,251	-88	38	-	-1,301
TOTAL	953	-82	-	-	871

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

2.1.5.2.2. Property, plant and equipment

CHANGES AT 31 DECEMBER 2023

Gross values in €K	31/12/2022	Increase in consolidation scope	Increase	Decrease	Reclassification	31/12/2023
Land (*)	18,689	2,837	152	-7	-28	21,643
Buildings	8,210		2,799	-	-	11,009
Other property, plant and equipment	6,862		531	-365	-	7,028
Assets under construction	-		15	-	-	15
Advances and prepayments on property, plant and equipment	-		-	-	-	-
Amortisation, depreciation and impairment	-8,643		-1,561	361	-	-9,843
TOTAL	25,118	2,837	1,936	-11	-28	29,852
Of which right-of-use - finance leases (**)	2,836		-59	-	-2,777	-
Of which right-of-use - operating leases	1,321		2,181	-	-	3,502

* Newly consolidated entities and increases for land assets correspond to Groupement Forestier ForEY's investment in the timber sector through the acquisition and sustainable management of French forests.

** The flows relating to the reclassification of the right of use assets - finance leases correspond to the exercise of the option on the real estate lease of the registered office at the end of February 2023.

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 and equipment	6,004	1,234	-416	40	6,862
Assets under construction	40	-	-	-40	-
Advances and prepayments on property, plant and equipment	-	-	-	-	-
Amortisation, depreciation and impairment	-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

2.1.5.2.3. Investment property

CHANGES AT 31 DECEMBER 2023

Values in €K	Operated assets	Current assets (including bare land)	Total investment property
31/12/2022	1,614,734	124,276	1,739,010
Reclassifications			
Inventories	-	-	-
Non-current assets	-	-	-
Discontinued projects	-	4	4
Assets held for sale	-1,000	-	-1,000
Acquisitions	106,704	-	106,704
Works	14,067	30,944	45,011
Disposals*	-30,720	-97,519	-128,239
Increase in consolidation scope	273,779	-	273,779
Reclassification	1,504	-1,508	-4
Value creation	-	-	-
Change in fair value	21,513	-2,759	18,754
Change in exchange rates	-	-	-
31/12/2023	2,000,581	53,438	2,054,019

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

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

The valuation methods used by the independent expert appraisers are set out in Section 3.8 "Investment property". The determining assumption when performing the appraisals is the capitalisation rate. A review of this capitalisation rate and of the impact of any changes to that rate on the valuation of the Company's investment property is set out in Section 3.13 "Financial Risk Management".

The value of the investment property acquired under finance leases amounted to €43.5 million at 31 December 2023, compared with €43.7 million at 31 December 2022.

The assets held in Spain represent 17.1% of investment property, i.e. €350.6 million at 31 December 2023.

The assets held in Portugal represent 10.1% of investment property, i.e. €206.9 million at 31 December 2023.

The assets held in Poland represent 5.2% of investment property, i.e. €106.4 million at 31 December 2023.

The value of investment property in progress measured at cost was €53.4 million at 31 December 2023 compared with €71.9 million at 31 December 2022.

The first-time consolidation concerns the Polygone Riviera asset in Nice (Alpes-Maritimes), and the acquisition concerns the Matarnia Park Handlowy asset near Gdańsk (Poland).

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	
	31/12/2023	31/12/2022
AMOUNT IN THE INCOME STATEMENT	14,578	38,936
Value creation	-	2,308
Delivery of assets	-	-
Change in fair value*	14,664	36,628
TOTAL CHANGES IN THE INCOME STATEMENT	14,664	38,936

* The difference with the change in fair value on the balance sheet corresponds to the adjustment of the earn-out on the Finestrelles asset (Spain).

2.1.5.2.4. Investments in associates

CHANGES AT 31 DECEMBER 2023

Gross values in €K	31/12/2022	Income	Distributions	Change in scope	Other changes	31/12/2023
Equity-accounted companies Assets	17,536	453	-233	26,940	773	45,469
Equity-accounted companies Liabilities	20	-713	-27	-	773	53
TOTAL	17,516	1,166	206	26,940	-	45,416

Changes in the consolidation scope during the year consisted of the deconsolidation of Patroclienne d'Investissement and Tervilloise d'Investissement (-€5.2 million) and the first-time consolidation of SCI Les Docks de Saint-Ouen, 55%-owned in partnership with Caisse des Dépôts et Consignations (€32.1 million).

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".

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.

Condensed balance sheet in €K	31/12/2023	31/12/2022
Investment property	281,278	222,449
Property, plant and equipment	2,674	-
Other non-current assets	-	-
Current assets*	49,454	27,041
TOTAL ASSETS	333,406	249,490
Adjusted equity	122,013	85,981
Financial liabilities	134,008	95,083
Other non-current liabilities	-	-
Current liabilities	77,385	68,426
TOTAL LIABILITIES	333,406	249,490
Condensed income statement in €K	31/12/2023	31/12/2022
Revenue*	25,537	13,157
Profit from recurring operations	13,631	11,562
Adjustment of investment property values	-20,223	2,005
NET PROFIT/(LOSS)	-10,061	11,286

* The change in current assets and revenue was mainly due to the development project led by Porte de Loire Invest.

2.1.5.2.5. Other non-current assets

CHANGES AT 31 DECEMBER 2023

Gross values in €K	31/12/2022	Increase	Decrease	Reclassification	31/12/2023
Guarantees and deposits	8,361	697	-5,902	28	3,184
Other financial investments	52	-	-	-	52
Financial provisions	-63	-	-	-	-63
TOTAL	8,350	697	-5,902	28	3,173

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

2.1.5.2.6. Inventories and work-in-progress

At 31 December 2023

In €K	31/12/2023	31/12/2022
Work-in-progress	63,706	52,184
Goods	-	-
Provisions	-1,022	-1,015
TOTAL	62,684	51,169

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

2.1.5.2.7. Change in net property development inventories

In €K	Opening	Acquisitions	Disposals	Reclassification*	Other*	Closing
2022	36,335	19,290	-4,350	6,727	-6,833	51,169
2023	51,169	13,113	-1,586	-	-12	62,684

* 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. Trade payables and related accounts

In €K	Due			Not due			31/12/2023
	Gross	Impairment	Net	Gross	Impairment	Net	Net
	22,455	-10,065	12,390	12,898	0	12,898	25,287

SCHEDULE OF OUTSTANDING TRADE RECEIVABLES

In €K	Less than 30 days	More than 30 days	More than 60 days	More than 90 days	31/12/2023
Gross carrying amount	600	1,193	5,054	15,608	22,455
Impairment	-43	-144	-357	-9,521	-10,065

2.1.5.2.9. Other current assets

At 31 December 2023

In €K	31/12/2023	31/12/2022
Loans, deposits and other receivables within one year	1,238	3,489
Advances and prepayments paid on orders	560	405
Associates' current accounts	11,417	12,194
Tax receivables	13,690	11,403
Other receivables*	17,714	6,294
Prepaid expenses	2,224	3,051
TOTAL	46,843	36,836

* The change in other receivables was mainly due to the consolidation of the five partnerships acquired during the year.

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

2.1.5.2.10. Cash and cash equivalents

At 31 December 2023

In €K	31/12/2023	31/12/2022
Marketable securities	258	263
Cash	72,727	71,800
TOTAL	72,985	72,063

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

2.1.5.2.11. Non-current financial liabilities

CHANGES AT 31 DECEMBER 2023

	Change in €K	31/12/2022	Increase in consolidation scope	Increase	Decrease	Reclassification (*)	31/12/2023
Cash	Bond issues	-	-	-	-	-	-
	Bank loans	759,760	-	615,000	-385,000	-5,344	984,416
	Right-of-use liabilities - finance leases	7,598	-	-	-	-2,023	5,575
	Right-of-use liabilities - operating leases	405	-	2,271	-	-256	2,420
	Other	52,349	-	486	-	-3,000	49,835
	Guarantees and deposits received	9,525	1,176	2,527	-1,019	1,536	13,745
Non cash	Bond issues	-	-	-	-	-	-
	Bank loans	-3,236	-	-4,261	187	1,506	-5,804
	Right-of-use liabilities - finance leases	-	-	-	-	-	-
	Right-of-use liabilities - operating leases	-	-	-	-	-	-
	Guarantees and deposits received	-	-	-	-	-	-
TOTAL		826,401	1,176	616,023	-385,832	-7,581	1,050,187

* This involves the reclassification of liabilities maturing within one year (see Note 5.2.16).

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 leases	10,563	-	-	-	-2,965	7,598
	Right-of-use liabilities - operating leases	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 leases	-	-	-	-	-	-
	Right-of-use liabilities - operating leases	-	-	-	-	-	-
	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 5.2.16).

Breakdown by maturity in €K	1 to 5 years	> 5 years	Total
Bank loans	859,354	119,258	978,612
Finance lease liabilities	5,575	-	5,575
Right-of-use liabilities	2,406	14	2,420
Guarantees and deposits received	13,745	49,835	63,580
TOTAL	881,080	169,107	1,050,187

2.1.5.2.12. Employee commitments

In €K	31/12/2023	31/12/2022
START OF PERIOD	609	821
Charges	102	62
Reversals	-	-3
Actuarial gains and losses	-17	-271
END OF PERIOD	694	609

2.1.5.2.13. Deferred taxes

In €K	31/12/2023		31/12/2022	
	DT assets	DT liabilities	DT assets	DT liabilities
IFRS - Investment property	-228	28,039	-140	23,685
Provisions for deferred tax carryforwards	56	-56	91	-
Capitalisation of losses carried forward	973	-	973	-
Other	377	-500	289	-691
TOTAL	1,178	27,483	1,213	22,994

In 2022, the additions of Finestrelles to the consolidation scope generated a deferred tax liability of -€8.1 million.

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

In €K	Change in deferred tax	
	31/12/2023	31/12/2022
CHANGE IN BALANCE SHEET	-4,524	5,270
Amount in the income statement	-	-
Increase in consolidation scope	310	2,485
Impact of hedge financial instruments	-	-
Impact of pension commitments	2	46
Impact of translation differences	39	-
Impact of restatements related to rights-of-use assets (IFRS 16)	-	-
TOTAL CHANGE OVER THE PERIOD	-4,173	7,801

2.1.5.2.14. Provisions for liabilities and charges

CHANGES AT 31 DECEMBER 2023

In €K	31/12/2022	Increase	Reversals used	Reversals not used	Other changes	31/12/2023
Provisions for litigation	-	-	-	-	-	-
Other provisions for liabilities	50	120	-53	-	-	117
Provisions for retirement benefits (see 3.21)	609	102	-	-	-17	694
Investments in associates	20	33	-	-	-	53
TOTAL	679	255	-53	-	-17	864

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

2.1.5.2.15. Other current liabilities

In €K	31/12/2023	31/12/2022
Liabilities on acquisitions of fixed assets	101,985	34,603
Customers - Advances and prepayments received	2,689	461
Social security liabilities	4,750	4,991
Tax liabilities	15,206	13,598
Other liabilities	10,127	7,284
Prepaid income	4,036	3,911
TOTAL	138,793	64,848

Liabilities on acquisitions of fixed assets mainly concern the deferred payment relating to the first-time consolidation of the five partnerships acquired during the financial year by FREY Riviera.

2.1.5.2.16. Current financial liabilities

CHANGES AT 31 DECEMBER 2023

	Change in €K	31/12/2022	Increase in consolidation scope	Increase	Decrease	Reclassification (*)	Translation adjustment	31/12/2023
Cash	Bond issues	-	-	-	-	-	-	-
	Bank loans	36,022	-	-	-36,022	5,344	-	5,344
	Right-of-use liabilities - finance leases	2,965	-	-	-2,965	2,023	-	2,023
	Right-of-use liabilities - operating leases	872	-	774	-997	256	-	905
	Guarantees and deposits received	6,375	2,616	1,046	-1,205	-1,067	27	7,792
	Bank overdrafts (liabilities)	-	-	-	-	-	-	-
	Bank overdrafts (cash)	-	-	-	-	-	-	-
	Associates' current accounts	1,852	227,175	-	-227,162	-	-	1,865
Non cash	Bond issues	-	-	-	-	-	-	-
	Bank loans	3,259	-	6,540	1,141	-1,506	-	9,434
	Right-of-use liabilities - finance leases	-	-	-	-	-	-	-
	Right-of-use liabilities - operating leases	-	-	-	-	-	-	-
	Guarantees and deposits received	-	-	-	-	-	-	-
	Bank overdrafts (liabilities)	15	-	-	-15	-	-	-
	Associates' current accounts	-	-	-	-	-	-	-
TOTAL		51,360	229,791	8,360	-267,225	5,050	27	27,363

* This involves the reclassification of liabilities maturing within one year (see Note 5.2.11).

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 leases	2,106	-	-	-2,106	2,965	2,965
	Right-of-use liabilities - operating leases	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 leases	-	-	-	-	-	-
	Right-of-use liabilities - operating leases	-	-	-	-	-	-
	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 5.2.11).

2.1.5.2.17. Additional information on current and non-current financial liabilities

Breakdown of bank loans and finance lease liabilities before hedging

Net financial debt in €K	31/12/2023	31/12/2022
Fixed rate	2,025	2,659
Variable rate	995,333	803,685
TOTAL	997,358	806,344

Unused drawdown rights

At 31 December 2023, the Group had unused drawdown rights of €305 million on corporate lines.

Average interest rate on debt

After taking hedges into account, the average interest rate on the Group's debt based on market conditions at 31 December 2023 (margin included) was 2.37%, compared with 1.82% at 31 December 2022.

This rate of 2.37% breaks down into an average rate of 4.77% on mortgage loans and 1.98% on corporate credit lines

Breakdown of nominal value of hedge instruments by maturity

Breakdown by maturity in €K	Under 1 year	1 to 5 years	More than 5 years	Total
Financial instruments	-19*	860,000	100,000	959,981

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

The percentage of financial debt not subject to interest-rate fluctuations was 96.5% at 31 December 2023 compared with 97.9% at 31 December 2022.

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	31/12/2023	31/12/2022
Cash and cash equivalents (Note 5.2.10)	72,985	72,063
Marketable securities -Other investments	-	-
Bank overdrafts (Note 5.2.16)	-	-15
Reclassification of bank overdrafts consisting of short-term financial debt	-	-
TOTAL	72,985	72,048

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 2023, the Group had ten corporate credit lines for a total nominal amount of €1,160 million, €855 million of which had been drawn.

2.1.5.3.2. Breakdown of "Change in working capital requirements related to operating activities"

In €K	31/12/2023	31/12/2022
Inventories (see Notes 5.2.6 and 5.2.7)	-11,515	-8,107
Trade receivables	-4,664	5,218
Other receivables	-3,589	9,294
Trade payables	3,681	4,512
Other liabilities	-8,662	2,718
TOTAL	-24,749	13,635

2.1.5.3.3. Breakdown of "Acquisition of fixed assets"

In €K	31/12/2023	31/12/2022
Acquisition of intangible assets (see Note 5.2.1)	-6	-399
Acquisition of property, plant and equipment (see Note 5.2.2)	-3,497	-4,723
Acquisition of investment property (see Note 5.2.3)	-151,716	-122,829
Change in liabilities on acquisitions of fixed assets	4,394	-12,672
TOTAL	-150,825	-140,623

2.1.5.3.4. Breakdown of "Changes in consolidation scope"

In €K	31/12/2023	31/12/2022
Cash flows related to equity investments *	-245,124	-129,782
Flows related to changes in ownership percentage	-	-
TOTAL	-245,124	-129,782

* In 2023, this mainly concerned cash flows net of disbursements related to the acquisitions of the companies holding the Polygone Riviera asset, the acquisition of a stake in SCI Les Docks de Saint-Ouen, and the acquisition of the forestry group La Croix de Poix.

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 (Gard).

NOTE 4 | OFF-BALANCE SHEET COMMITMENTS**2.1.5.4.1. Lease commitments – Lessee**

The total amount of the future minimum payments to be made in respect of finance leases was:

In €K	31/12/2023	31/12/2022
Less than one year	2,257	3,277
One to five years	5,701	7,957
More than five years	-	-
AMOUNT OF FINANCE LEASE PAYMENTS	7,958	11,234

In €K	31/12/2023	31/12/2022
Less than one year	2,205	3,233
One to five years	5,217	7,228
More than five years	-	-
PRESENT VALUE OF FINANCE LEASE PAYMENTS	7,422	10,461

The finance lease for the registered office expired in the first 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 €3.9 million.

At 31 December 2023, annual rents on the basis of signed subleases amounted to €2.4 million, compared with €2.2 million at 31 December 2022.

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 €4.3 million, compared with €4.1 million at 31 December 2022.

2.1.5.4.2. Other commitments given

In €K	31/12/2023	31/12/2022
Mortgage guarantees	136,957	58,603
Pledges of mortgaged assets	15,839	2,464
Deposits and earnest payments	6,527	4,408
Other securities and deposits	5,560	4,920

It should be recalled that there are bank covenants linked to the financing subscribed by FREY Group (Note 3.13).

There were no commitments given relating to Group companies' interests in joint ventures at 31 December 2023.

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	31/12/2023	31/12/2022
Less than one year	104,334	84,652
One to five years	163,466	140,039
More than five years	28,419	24,158
AMOUNT OF OPERATING LEASE PAYMENTS	296,219	248,849

2.1.5.4.4. Other commitments received

In €K	31/12/2023	31/12/2022
Bank deposits (leases signed with lessors)	8,129	5,379
Bank deposits (completion of retail units)	1,474	3,752
Residual drawing rights on long-term borrowings	305,000	205,000
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 2023.

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	31/12/2023	31/12/2022
Provision of services ⁽¹⁾	536	652
Marketing fees ⁽²⁾	139	335
Overheads ⁽³⁾	2	6
Net current account interest received ⁽⁴⁾	431	147
TOTAL OTHER ASSOCIATES	1,108	1,140

(1) Invoicing by FREY Group of administrative and other services.

(2) Marketing fees invoiced to the joint ventures by FREY Group.

(3) Rebilling 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	31/12/2023	31/12/2022
Trade receivables	330	203
Current accounts	11,417	12,194
TOTAL OTHER ASSOCIATES	11,747	12,397

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 9 May 2023 and the subscription to the capital increase.
- Foncière AG Real Estate*, with a shareholding of 10.1% (* 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 9 May 2023.
- Predica, with a shareholding of 19.8%: there were no cash flows with the Group over the financial year, except for the dividend approved by the General Meeting of 9 May 2023.
- Cardiff Assurance Vie, with a shareholding of 12.6%: there were no cash flows with the Group over the financial year, except for the dividend approved by the General Meeting of 9 May 2023.
- Sogecap, with a shareholding of 12.3%: there were no cash flows with the Group over the financial year, except for the dividend approved by the General Meeting of 9 May 2023.
- Primonial, with a shareholding of 7.4%: there were no cash flows with the Group over the financial year, except for the dividend approved by the General Meeting of 9 May 2023.
- Free float shareholding amounting to 11.3%: there were no cash flows with the Group over the financial year, except for the dividend approved by the General Meeting of 9 May 2023.

NOTE 6 | SENIOR EXECUTIVE REMUNERATION

The senior executives received remuneration from the Company amounting to €1.8 million for the 12-month period between 1 January 2023 and 31 December 2023; this remuneration amounted to €1.6 million for the same 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:

31/12/2023

Amounts in €K	F.C.N.	Grant Thornton	Other	Total
Parent company	141	139	-	280
Subsidiaries (France and international)	73	145	48	266
Ancillary assignments	11	74	-	85
TOTAL	225	358	48	631

31/12/2022

Amounts in €K	F.C.N.	Grant Thornton	Other	Total
Parent company	134	158	-	292
Subsidiaries (France and international)	61	102	55	218
Ancillary assignments	-	13	-	13
TOTAL	195	273	55	523

2.1.6. EVENTS SUBSEQUENT TO 31 DECEMBER 2023

None.

2.2. STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Financial year ended 31 December 2023

To the General Meeting of FREY shareholders,

OPINION

In accordance with the terms of the assignment entrusted to us by your General Meeting, we have audited the consolidated financial statements of the company FREY for the financial year ended 31 December 2023.

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 2023 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.

OBSERVATION

Without qualifying the opinion expressed above, we draw your attention to the point set out in Note 3.8 to the consolidated financial statements concerning the change in the presentation of the gain or loss on the disposal of investment property in the income statement.

JUSTIFICATION OF ASSESSMENTS - KEY POINTS OF THE AUDIT

In accordance with the requirements of Articles L. 821-53 and R. 821-180 of the French Commercial Code 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 judgement, 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 €2,054 million, representing 85.7% of total assets as at 31 December 2023.

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 accounting treatment of first-time consolidations;
- 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 2023, Grant Thornton was in the 17th consecutive year of its assignment and FCN in its 14th 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. 821-55 of the French Commercial Code, our assignment to certify the financial statements does not consist in guaranteeing the viability or quality of the management of your company.

In the context of an audit conducted in accordance with the professional standards applicable in France, the Statutory Auditor exercises its professional judgement throughout this audit. Moreover, it:

- identifies and assesses the risks that the consolidated financial statements contain material misstatements due to either fraud or error, defines and implements audit procedures to address these risks, and collects the elements that it regards as a sufficient and appropriate basis for its opinion. The risk of failing to detect a material misstatement due to fraud is higher than for a material misstatement due to error, as fraud may involve collusion, forgery, deliberate omissions, misrepresentation or circumvention of internal control;
- duly notes the internal control relevant to the audit in order to define audit procedures appropriate for the circumstances, and not with the aim of expressing an opinion on the effectiveness of the internal control;
- assesses the appropriateness of the accounting methods used and the reasonableness of accounting estimates made by management, as well as the information concerning them provided in the consolidated financial statements;
- assesses the appropriateness of management's application of the going concern accounting principle and, depending on the elements gathered, the existence or otherwise of material uncertainty related to events or circumstances likely to bring into question the Company's ability to continue as a going concern. This assessment is based on the elements gathered up to the date of its report, although it should be remembered that subsequent circumstances or events could jeopardise the continuity of operations. If it concludes that there is material uncertainty, it draws the attention of readers of its report to the information provided in the consolidated financial statements about this uncertainty or, if this information is not provided or is not relevant, formulates a certification with reservations or a refusal to certify;
- assesses the overall presentation of the consolidated financial statements and assesses whether the consolidated financial statements reflect the underlying transactions and events in such a way as to give a true and fair view thereof;
- with regard to financial information relating to the entities included in the consolidation scope, collects elements that it deems sufficient and appropriate to express an opinion on the consolidated financial statements. It is responsible for managing, overseeing and conducting the audit of the consolidated financial statements and the opinion expressed on these financial statements.

Audit Committee's report

We submit a report to the Audit Committee outlining the scope of the audit work and the work programme implemented, as well as the conclusions arising from our work. We also disclose, where appropriate, any material weaknesses of internal control that we have identified with respect to the procedures relating to the preparation and processing of accounting and financial information.

Among the elements disclosed in the report to the Audit Committee are the risks of material misstatement that we consider to have been most important for the audit of the consolidated financial statements for the year and which therefore constitute the key points of the audit, which it is our responsibility to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) no. 537-2014 confirming our independence, within the meaning of the rules applicable in France as set forth in particular by Articles L. 821-27 to L. 821-34 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, 21 March 2024

The Statutory Auditors

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

FCN
Pamela Bonnet

2.3. PARENT COMPANY FINANCIAL STATEMENTS OF FREY SA

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Financial year ended 31 December 2023

2.3.1. BALANCE SHEET AT 31 DECEMBER 2023

Balance sheet - Assets

(in euros)	Gross	Amort./Depr./Prov.	31/12/2023	31/12/2022
Intangible assets	1,649,441	598,385	1,051,057	1,053,612
Property, plant and equipment	284,392,027	47,908,294	236,483,733	307,736,914
Non-controlling	582,216,291	17,692,849	564,523,442	341,067,055
Other financial investments	14,066,153	1,514,148	12,552,005	13,363,446
FIXED ASSETS	882,323,912	67,713,676	814,610,236	663,221,028
Work-in-progress	1,304,176	74,740	1,229,436	1,216,495
Advances and prepayments paid on orders	169,191		169,191	194,244
Trade receivables and related accounts	14,597,321	3,211,595	11,385,726	11,665,942
Other receivables	660,700,381	3,507,505	657,192,876	597,226,359
Marketable securities (treasury shares)	1,919,754		1,919,754	3,372,721
Cash	32,028,528		32,028,528	24,319,520
CURRENT ASSETS	710,719,351	6,793,840	703,925,511	637,995,282
Prepaid expenses	104,043		104,043	91,041
Cap premiums to be amortised	7,039,959		7,039,959	10,630,067
Loan issue costs to be amortised	4,874,171		4,874,171	4,424,832
ACCRUALS	12,018,172		12,018,172	15,145,940
GRAND TOTAL	1,605,061,437	74,507,516	1,530,553,921	1,316,362,249

Balance sheet - Liabilities

(in euros)	31/12/2023	31/12/2022
Share capital	80,625,245	70,917,007
Issue, merger, contribution premiums	463,102,008	424,371,247
Legal reserve	2,814,573	2,814,573
Other reserves	612	612
Retained earnings	-13,783,880	-9,863,710
Net profit/(loss) for the year	16,781,938	-3,920,169
Regulated provisions	1,984,720	1,320,805
EQUITY	551,525,217	485,640,365
Provisions for liabilities	1,701,701	568,401
PROVISIONS FOR LIABILITIES AND CHARGES	1,701,701	568,401
Convertible bonds		
Other borrowings and financial debt	866,702,407	752,335,943
Advances and prepayments received on orders in progress	117,335	210,440
Trade payables and related accounts	2,793,023	2,116,203
Liabilities for non-current assets	13,220,112	9,835,510
Tax and social security liabilities	4,739,843	4,669,207
Other liabilities	89,689,563	60,899,096
DEBT	977,262,283	830,066,399
Prepaid income	64,719	87,084
GRAND TOTAL	1,530,553,921	1,316,362,249

2.3.2. INCOME STATEMENT AT 31/12/2023

(in euros)	France	Export	31/12/2023	31/12/2022
Net revenue	27,478,662		27,478,662	29,713,899
Other income	11,705,155		11,705,155	11,215,652
OPERATING INCOME	39,183,817		39,183,817	40,929,551
Purchase of raw materials and other supplies			-318,790	-4,162,811
External costs			-18,749,584	-18,443,390
Taxes, duties and similar payments			-4,357,818	-3,930,939
Payroll expenses			-6,679,491	-8,184,982
Operating liabilities			-12,947,955	-12,751,450
Other operating expenses			-969,102	-288,500
OPERATING EXPENSES			-44,022,741	-47,762,073
OPERATING RESULTS			-4,838,924	-6,832,522
JOINT OPERATIONS (LOSS)			-12,763	-56,662
Financial income			58,386,034	24,865,103
Financial expenses			-51,052,250	-23,099,236
NET FINANCIAL INCOME/(EXPENSE)			7,333,784	1,765,867
PRE-TAX PROFIT/(LOSS)			2,482,096	-5,123,318
Non-recurring income			114,507,024	28,457,614
Non-recurring expenses			-100,218,552	-27,253,652
NON-RECURRING INCOME/(EXPENSE)			14,288,472	1,203,962
Income tax or tax credit			11,370	814
NET PROFIT/(LOSS)			16,781,938	-3,920,169

2.3.3. SIGNIFICANT EVENTS

Property investment

- In September 2023, FREY sold part of its lot located in ST-QUENTIN for €356K.
- In December 2023, FREY sold its assets in Saint-Ouen for €97.6 million and in Soissons for €11.5 million.
- On 19 December 2023, FREY carried out a capital increase. The gross amount, including the issue premium, was €97.1 million with the issue of 3,883,295 new shares. The share capital was increased to €80,625,245 divided into 32,250,098 shares with a par value of €2.50 each.
- In 2023, FREY completed the Times Square extension work for €489K, delivered the "Base Vie" unit in Arles for €628K, delivered part of its asset in Saint Ouen for €47.9 million and added fixed assets to the Cesson, Claye and Clos du Chêne sites.

Borrowing and corporate credit lines

- In January 2023, the BPI France loan contracted during 2016 ended according to the schedule provided.
- In June 2023, FREY signed a loan of €80 million for a period of five years, then an additional €130 million in July 2023 with three possible extensions to 2028, 2029 and 2030. This loan is subject to ESG performance criteria.
- Loan issue costs were capitalised in the amount of €1,550.8K and renewal costs in the amount of €235K.
- FREY obtained two one-year extensions for its €150 million and €110 million loans until 2028.
- FREY SA signed several contracts with its foreign subsidiaries. A portion of the loans granted to FREY INVEST, its Spanish subsidiary, and FREYPROP, its Portuguese subsidiary, were capitalised in the amount of €75 million and €7 million respectively. FREY granted a €126.3 million loan to its Polish subsidiary, which was partially repaid in the amount of €23.4 million.
- The FREY Group strengthened its interest rate hedging positions by signing:
 - In June 2023, three 2.5% caps (strike price limit), for a premium payable over time, for a period of one year that will begin in 2025.
 - Three 2.5% caps (strike price limit), for a premium payable over time, which will begin in 2026 for a period of two years, and terminated its cap contracted in 2022.
 - Two two-year swaps that will begin in 2026.

Shares, membership and equity investments

- In 2023, FREY purchased the shares of IF PLEIN OUEST and IF SAINT PARRES from FAP in order to carry out the asset transfers. The subsidiary PAI 02 initially owned by IF SAINT PARRES and then by FREY was transferred to FREY MURS 02 (a 100%-owned subsidiary of FREY).
- In February 2023, FREY sold its stakes in TI and PI for €5 million.
- In 2023, FREY set up FR PARTNERSHIP, a subsidiary intended to seek investors for its international projects.
- In July 2023, a capital increase of €6,081.5 million was carried out on its subsidiary DOMESTREET INVEST, which is carrying out the Lleida project in Spain.

- In September 2023, FREY paid €1K for the capital of its new wholly-owned subsidiary FREY RIVIERA, and in October it carried out a capital increase of €1,069K. FREY RIVIERA took out a mortgage loan to finalise the acquisition of the 77,100 m² Polygone Riviera site in Cagnes-sur-Mer for €272.3 million.
- In November 2023, FREY set up SCI LES DOCKS DE ST OUEN and subsequently bought out FAP's stake. When the SCI acquired the Saint-Ouen site, a new shareholder acquired a stake of 45%. FREY participated in the capital increase and invested €32.1 million (including a contribution in kind of €29.8 million and a cash contribution of €2.3 million).

Dividends

At the General Meeting of 9 May 2023, shareholders voted to pay a dividend of €1.70 per share, i.e. a total dividend of €47.7 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 the allocation of earnings was €1,530,553,921, and the accounting net income was a profit of €16,781,938.

The financial year lasts 12 months covering the period from 1 January 2023 to 31 December 2023.

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 transfer tax (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

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.

In 2023, we recognised amortisation of €498,361.

Financial assets/related receivables and/or current accounts

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

The subsidiaries and equity investments table presents the characteristics of the associated securities and receivables held.

The losses of the transparent subsidiaries for which FREY in its capacity as manager will propose allocation to a shareholder's current account and an impairment loss is recorded in the current account at each closing date.

A value-in-use for the securities is estimated by management and determined for each subsidiary on a case-by-case basis.

This value is defined on the basis of a multi-criteria approach taking into account the proportionate share of net assets, prospective income and long-term development. The market value of the assets held by the subsidiaries or sub-subsidiaries is taken into account.

An impairment on investments is established where the value in use is lower than the book value of the securities.

If the securities' value-in-use becomes negative, the receivables held against the subsidiary concerned are also impaired, and a provision for liabilities and charges may also be recorded, if necessary.

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

Treasury shares

The treasury shares held as part of a free share allocation plan are presented in marketable securities and are the subject of a provision for charges, where applicable, when the allocation conditions have been fulfilled. In the absence of a specific allocation or objective, they are recognised as financial assets.

Shares held under the liquidity agreement (delegation to the Board of Directors granted by the General Meeting of 9 May 2023 for a period of 18 months under the conditions provided for in Articles L. 22-10-62 et seq. of the French Commercial Code) are recorded at their acquisition cost in financial investments. Gains and losses on the disposal of these securities are charged to other financial income or expenses.

When the inventory value at 31 December is lower than the purchase price, a provision for impairment is recognised.

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

- maximum purchase price set at €55 per share,
- total shares held by the Company on any given date may not exceed 10% of the total share capital at that date.

Accordingly, the shares may be purchased, held, and exchanged or transferred, where applicable, via any means, and in accordance with the applicable stock market regulations and the market practices accepted and published by the AMF.

Receivables and liabilities

Receivables and liabilities are recorded at their nominal value.

A provision for write-downs is established where this value is higher than the book value. With regard to customer impairments, we distinguish between customers who have been the subject of a major procedure or litigation, whose receivable are provisioned in full, and other trade receivables, which are 50% provisioned for receivables between three and six months past-due and 100% thereafter. The DG is then deducted for 80% of the amount.

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.

Issue premiums

Invoices relating to the capital increase are deducted from the issue premiums.

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-balance sheet 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". Term deposits are valued at the subscription amount. A provision is recorded for any interest receivable.

Revenue

Revenue consists of income from the land business, the sale of land and buildings for development projects, the rebilling of works and the provision of ancillary services. These services correspond to the annual invoices issued to its subsidiaries by FREY SA for services and advice provided in the financial, legal, human resources, strategy and Executive Management fields.

Significant entry fees are recognised in other income and are taken to prepaid income for the portion relating to lease annuities subsequent to the financial year, and to be recovered over the fixed term of the lease. At 31 December 2023, they amounted to €25K.

Lessors' contributions paid by the Company are recognised as invoices to be prepared under balance sheet assets. They are deducted from rental income on a straight-line basis over the fixed term of the leases. At 31 December 2023, the amount was €2.8 million, including €2.2 million 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 rebilled to subsidiaries.

Financial expenses

Foreign exchange differences are recognised in exchange rate differences and can be explained in particular by the repayment of the loan taken out with the Polish subsidiary.

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.

In particular, disposals of fixed assets during the year, which represent significant amounts.

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" account.

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 throughout 2023 by signing three caps maturing in 2026, three caps maturing in 2028 and two swaps maturing in 2028.

Corporate income tax

As a result of opting for REIT tax arrangements, and therefore for the calculation of the tax for the financial years beginning from 1 January 2009, two business segments have been identified, one of which is subject to corporate income tax, and the other of which is exempt.

The exempt segment includes the expense and income inherent to the benefit of operating lease transactions and includes the dividends received from the REIT subsidiaries and the results of the disposal of assets.

The taxable segment includes all other transactions and the dividends received from the non-REIT subsidiaries.

Pension commitments and retirement benefits

Pension commitments estimated as at 31 December 2023 amounted to €247K, compared to €243K at 31 December 2022.

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 December 2023 are as follows:

- Retirement age calculated on the basis of the legal retirement age and the year of birth, 1.5%;
- change in salaries 35% to 50%;
- employer contribution rate 3.94%.
- discount rate

2.3.5. ADDITIONAL INFORMATION

Average workforce

Salaried workforce for the financial year: 35.05 people

Salaried workforce for the previous financial year: 33.55 people

Senior executive remuneration

The senior executives received €1.8 million in remuneration from the Company for the financial year; this remuneration amounted to €1.9 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 December 2023, the company posted current account assets for a total of €646,758K, including €32,188K under the cash pooling agreement and a current account contribution for foreign subsidiaries for €200K, which is not remunerated.

In terms of liabilities, the balance of current accounts for cash pooling amounted to €84,733K.

The interest on these current accounts generated financial income of €15,967K and a financial expense of €453K for FREY.

Financial income on the €107,100K participating loan to the subsidiary FREY PROP amounted to €2,217K, and that on the €102,819K loan to the subsidiary GIAROLE amounted to €2,468K (of which €397K on the loan that was repaid).

Provision of services

In 2023, FREY provided the following services on behalf of its subsidiaries:

Accounting assistance

The corresponding income in the parent company financial statements amounted to €276K for the 2023 financial year;

Management Fees

The corresponding income in the parent company financial statements amounted to €4,169K for the 2023 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 amounted to €931K for FREY, compared with invoiced rents amounting to €21,893K.

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)	31/12/2022	Increases	Reclassifications	Decreases	31/12/2023
INTANGIBLE ASSETS	1,687,769			38,328	1,649,441
Land ⁽¹⁾	38,175,352	1	17,323,344	19,386,764	36,111,932
Including loss	5,976,763				5,976,763
Buildings, fixtures and fittings ⁽¹⁾	246,592,445		31,046,051	40,133,465	237,505,031
Including loss	6,474,036				6,474,036
Other property, plant and equipment	8,339,876	573,863	810,880	447,344	9,277,275
Including loss	23,574				23,574
Assets under construction ⁽²⁾	56,614,746	38,133,280	-49,180,275	44,069,962	1,497,788
Advances and prepayments					
PROPERTY, PLANT AND EQUIPMENT	349,722,418	38,707,144		104,037,535	284,392,026
Equity investments ⁽³⁾	244,659,904	127,067,533	7,000,000	6,430,646	372,296,791
Receivables from equity investments ⁽⁴⁾	114,100,000	126,270,123	-7,000,000	23,450,623	209,919,500
Other financial investments ⁽⁵⁾	13,363,446	13,322,272		12,619,565	14,066,153
Of which liquidity agreement	796,243	119,021		216,590	698,674
o/w treasury shares		13,204,450			13,204,450
FINANCIAL INVESTMENTS	372,123,350	266,659,927		42,500,833	596,282,444
TOTAL	723,533,537	305,367,071		146,576,696	882,323,912

(1+2) In 2023, FREY completed the Times Square extension work for €489K, delivered the "Base Vie" unit in Arles for €628K, delivered part of its asset in Saint Ouen for €47.9 million and added fixed assets to the Cesson, Claye and Clos du Chêne sites. In September 2023, FREY sold part of its land located in Saint-Quentin for €358.5K, and in December 2023 it sold its assets located in Saint Ouen for €91.9 million and in Soissons for €11.7 million.

(3+4) Part of the receivables granted to the subsidiaries FREY PROP and FREY INVEST were recapitalised for €7 million and €75 million. The company SCI les Docks de Saint Ouen was created in partnership with another company to finance the Saint Ouen project. Two transfers of assets and liabilities were carried out in 2023: IF PLEIN OUEST and IF SAINT PARRES were transferred to FREY SA and PAI 02 was merged into FREY's 100%-owned subsidiary, FREY MURS 02.

(5) The change in other financial fixed assets mainly concerns deposits related to the assets in Saint-Ouen.

(in euros)	31/12/2022	Increases	Decreases	31/12/2023
Breakdown of investments (2.3.6 - Note 1)				
FREY PROP	1,400,000	7,000,000		8,400,000
FREY INVEST	82,132,801	75,000,000		157,132,801
DOMESTREET		6,087,485		6,087,485
LES DOCKS DE SAINT OUEN		32,099,100		32,099,100
FREY RIVIERA		1,069,800		1,069,800
PAI 02		6,400,302	6,400,302	
FREY MURS 02	522,390	6,400,302		6,922,692
IF SAINT PARRES	9,900	543	10,443	
IF PLEIN OUEST	9,900	1	9,901	
TI	5,000		5,000	
PI	5,000		5,000	
FR PARTNERSHIP		10,000		10,000
Dormant companies	160,574,913			160,574,913
TOTAL	244,659,904	134,067,533	6,430,646	372,296,791

NOTE 2 | STATEMENT OF DEPRECIATION, AMORTISATION AND PROVISIONS ON NON-CURRENT ASSETS

(in euros)	31/12/2022	Charges	Decreases	31/12/2023
INTANGIBLE ASSETS	634,156	2,556	38,328	598,385
Land				
Buildings, fixtures and fittings	39,128,192	9,001,331	4,430,215	43,699,309
Including loss	1,452,909	495,060		1,947,969
Technical facilities, machinery and tools	64,173	10,054	1,325	72,902
Other property, plant and equipment	2,793,138	827,475	68,472	3,552,141
Including loss	6,603	3,302		9,905
PROPERTY, PLANT AND EQUIPMENT	41,985,503	9,838,861	4,500,012	47,324,352
TOTAL	42,619,660	9,841,416	4,538,340	47,922,737

NOTE 3 | STATEMENT OF OTHER PROVISIONS

(in euros)	31/12/2022	Charges	Reversals not used	Reversals used	31/12/2023
REGULATED PROVISIONS	1,320,805	663,915			1,984,720
Special amortisation ⁽¹⁾	1,320,805	663,915			1,984,720
PROVISIONS FOR LIABILITIES AND CHARGES	568,401	1,133,300			1,701,701
Provisions for foreign exchange losses					
Other provisions for liabilities and charges ⁽²⁾	568,401	1,133,300			1,701,701
PROVISIONS FOR IMPAIRMENT	25,847,254	3,486,083		2,748,558	26,584,778
Provisions for equity investments	17,692,849				17,692,849
Provision for FREY shares		1,514,148			1,514,148
Provisions for fixed assets ⁽³⁾		583,941			583,941
Provisions for inventories and work-in-progress	23,500	51,240			74,740
Provisions for trade receivables	2,600,237	941,952		330,594	3,211,595
Provisions for impairment of current accounts ⁽⁴⁾	5,530,669	394,800		2,417,964	3,507,505
TOTAL	27,736,460	5,283,298		2,748,558	30,271,200

(1) Special amortisation in relation to the acquisition of BBC PROMOTION and FRF1 shares.

(2) Provision for free share allocation plans.

(3) Provision for the Rennes project.

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

NOTE 4 | STATEMENT OF RECEIVABLES AND LIABILITIES

Statement of receivables (in euros)	31/12/2023			31/12/2022
	Gross amount	At 1 year at most	Over 1 year	
Receivables from equity investments	209,919,500		209,919,500	114,100,000
Loans				
Other financial investments	14,066,153	14,066,153		13,363,446
Of which concerning related entities				
Trade receivables	14,597,321	12,936,334	1,660,988	14,266,179
Of which concerning related entities	5,056,557	5,056,557		4,683,926
Personnel and related accounts	24,305	24,305		20,304
Social security and similar bodies	7,203	7,203		4,999
Income tax	11,370	11,370		14,443
State -Value Added Tax	4,371,980	4,371,980		2,869,302
Other taxes and similar payments	56,126	56,126		
Group and associates ⁽¹⁾	653,337,924	653,337,924		597,168,544
Of which concerning related entities	653,337,924	653,337,924		597,168,544
Miscellaneous debtors	2,891,473	2,891,473		2,679,435
Of which concerning related entities				
Prepaid expenses	104,042	104,042		91,041
Cap premiums to be amortised	7,039,959	3,643,308	3,396,652	10,630,067
TOTAL	906,427,357	691,450,217	214,977,139	755,207,760

Statement of liabilities (in euros)	31/12/2023				31/12/2022
	Gross amount	At 1 year at most	At over 1 year and 5 years or less	More than 5 years	
Bond issues					
● Less than 1 year at inception					
With credit institutions					
● More than 1 year at inception ⁽¹⁾	153,061,195	153,061,195			238,377,714
● More than 1 year at inception	710,000,000		710,000,000		510,100,000
Guarantees and deposits received	3,641,211	565,446	2,928,565	147,200	3,858,228
Trade payables and related accounts	2,793,023	2,793,023			2,116,203
Of which concerning related entities	355,707	355,707			315,053
Personnel and related accounts	1,596,295	1,596,295			1,883,537
Social security and similar bodies	767,918	767,918			881,949
State -Income tax					
State -Value Added Tax	1,722,832	1,722,832			1,465,303
State -Other taxes and duties	652,799	652,799			438,418
Liabilities for non-current assets	13,220,112	13,220,112			9,835,510
Of which concerning related entities	835,222	835,222			292,814
Group and associates ⁽¹⁾	85,954,159	85,954,159			58,009,887
Of which concerning related entities	85,954,153	85,954,153			58,009,880
Other liabilities	3,735,404	3,735,404			2,889,210
Prepaid income	64,719	27,681	37,038		87,084
TOTAL	977,209,668	264,096,865	712,965,603	147,200	829,943,043

(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 2023, the outstanding credit drawn by the Company amounted to €855 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 (3.909%) at 31 December 2023, was 1.93%.

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 items (in euros)	31/12/2023	31/12/2022
Loans and financial debt from credit institutions (accrued interest)	8,004,723	3,360,280
Trade payables and related accounts	2,211,839	1,398,138
Debt on non-current assets	13,117,081	9,716,420
Personnel and related accounts	2,196,658	2,600,480
Tax and social security liabilities	1,476,711	1,336,428
Other liabilities	470,340	36,938
TOTAL	27,477,352	18,448,684

NOTE 7 | DEFERRED INCOME

Deferred income included in the following balance sheet items (in euros)	31/12/2023	31/12/2022
Trade receivables and related accounts ⁽¹⁾	8,105,322	9,374,811
State / Value added tax ⁽²⁾	3,297,276	1,917,037
Accrued interest receivable ⁽³⁾	4,078,002	932,667
Partners, accrued interest ⁽⁴⁾	6,580,006	2,282,000
Other deferred income	514,611	524,871
TOTAL	22,575,217	15,031,386

(1) Of which €5,003K relates to the billing of fees.

(2) Increase in VAT on invoices not received related to the Saint-Ouen project.

(3) Increase in interest rates and number of hedges.

(4) Acquisition of an equity stake in the new subsidiary Giarole and interest in FREY PROP.

NOTE 8 | DEFERRED EXPENSES

At 31 December 2023, net borrowing issue costs under the corporate credit lines amounted to €4,874K. These expenses are amortised over the term of the credit.

NOTE 9 | PREPAID EXPENSES AND INCOME

At 31 December 2023, prepaid expenses amounted to €104K compared with €91K at 31 December 2022. They relate exclusively to operating expenses.

At 31 December 2023, deferred income amounted to €65K compared with €87K at 31 December 2022. This income corresponds to operating income, including €62K in entry fees.

NOTE 10 | CAP PREMIUM TO BE AMORTISED

At 31 December 2023, expenses related to the subscription of instruments still to be amortised amounted to €7,040K versus €10,630K at 31 December 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	3,883,295	€2.50
Shares redeemed or cancelled during the year		
SHARES OR SECURITIES COMPRISING THE SHARE CAPITAL AT THE END OF THE FINANCIAL YEAR	32,250,098	€2.50

At 31 December 2023, the company held:

- 16,251 of its own shares with a book value of €419K as part of the liquidity agreement set out in the significant events for the financial year at the beginning of these notes.

This book value is determined on the basis of the share price at 31 December 2023.

- 60,257 shares with a book value of €1,920K purchased as part of the Employee Free Share Allocation Plan approved by the Board of Directors.
- 449,627 shares acquired without a defined purpose for €11,690K (including an unrealised capital loss of €1,514K).

NOTE 12 | CHANGE IN SHAREHOLDERS' EQUITY

(in euros)	31/12/2022	Allocation of earnings	Dividends paid	Increase	31/12/2023
Share capital	70,917,008			9,708,237	80,625,245
Issue premium	424,371,246		-47,683,252	86,414,013	463,102,008
Regulated reserves	612				612
Legal reserve	2,814,574				2,814,574
Other reserves					
Retained earnings	-9,863,711	-3,920,169			-13,783,880
Profit/(loss) 31/12/2022		3,920,169			
Profit/(loss) 31/12/2023	-3,920,169	16,781,938			16,781,938
Regulated provisions	1,320,805			663,915	1,984,720
TOTAL	485,640,365	16,781,938	-47,683,252	96,786,165	551,525,217

NOTE 13 | BREAKDOWN OF INCOME TAX AT 31 DECEMBER 2023

	Profit before tax	Tax	Net profit/(loss)
Profit from recurring operations	2,482,096	11,370	2,493,466
Net non-recurring income/(expense)	14,288,472		14,288,472
TOTAL	16,770,568	11,370	16,781,938

2.3.7. NOTES TO THE INCOME STATEMENT

NOTE 1 | REVENUE

Revenue for the financial year ended 31 December 2023 amounted to €27,478,662 and broke down as follows:

(in euros)	31/12/2023	31/12/2022
Rental income	21,893,121	20,373,394
Provision of intra-group services	4,445,250	4,232,647
Off-plan sales (land and buildings)	304,192	4,275,080
Rebiling of works	194,869	223,849
Entry fees	24,989	45,225
Rental management fees	389,324	377,349
Miscellaneous income	226,917	186,354
TOTAL	27,478,662	29,713,899

The increase in rents is due in particular to the delivery of new units at the Amiens, Times Square and Arles sites and the indexation of rents.

NOTE 2 | FINANCIAL INCOME

(in euros)	31/12/2023	31/12/2022
Financial income from equity investments	5,359,641	6,320,872
Dividends (details 2.3.8)	6,002,448	2,826,352
Interest on current accounts and cash pooling ⁽¹⁾	15,967,062	10,959,529
Interest on participating loans ⁽¹⁾	4,685,066	2,328,410
Reversal of financial impairments		31,111
Reversal of impairment of financial assets	2,361,302	872,528
Financial income on caps ⁽²⁾	23,342,229	1,356,904
Gain on exchange rate differences	916	19,648
Bonuses	197,467	
Other ⁽³⁾	470,025	149,748
TOTAL	58,386,034	24,865,103

(1) Change related to the implementation of cash pooling and increase in interest rates.

(2) Increase in the number of interest rate hedges and interest rates.

(3) Increase mainly related to the recognition of interest related to cash pooling.

NOTE 3 | FINANCIAL EXPENSES

(in euros)	31/12/2023	31/12/2022
Loan interest ⁽¹⁾	-41,776,866	-10,673,101
Other financial expenses – hedges ⁽¹⁾	-3,575,150	-2,636,830
Current account interest	-452,937	-166,756
Share of net profit/(loss) from transparent subsidiaries	-2,361,301	-617,196
Loss on universal transfer of assets/Merger of companies	-51,726	
Impairment of subsidiaries	-394,800	-8,966,058
Impairment of FREY shares	-1,514,148	
Foreign exchange loss	-825,954	
Miscellaneous	-99,368	-39,295
TOTAL	-51,052,250	-23,099,236

(1) Change related to the increase in interest rates and bank debt, to be put in perspective with the proceeds of the caps.

NOTE 4 | NET NON-RECURRING INCOME/(EXPENSE)

Net non-recurring income/(expense) for the financial year ended 31 December 2023 was €14,288K, broken down as follows:

(in euros)	Expenses	Income
Value of property, plant and equipment and intangible assets sold ⁽¹⁾	-99,537,523	109,525,525
Disposals of securities ⁽²⁾	-10,000	4,967,499
Allocation of shares to employees		
Penalties / Tax adjustments / Disputes / Bonuses	-7,113	14,000
Special amortisation for acquisition of securities	-663,915	
TOTAL	-100,218,552	114,507,024

(1) Disposal of assets in Soissons (Aisne) and Saint Ouen (Seine-Saint-Denis).

(2) Disposal of PI and TI shares

2.3.8. OTHER INFORMATION**Off-balance sheet****Commitments given**

	31/12/2023	31/12/2022
Mortgage guarantees ⁽¹⁾	€2,464K	€2,464K
Deposits and earnest payments	€6,527K	€4,408K

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

Commitments received

	31/12/2023	31/12/2022
Bank deposits (leases signed with lessors)	€2,642K	€2,377K
Bank deposits (completion of retail units)	€1,474K	€548K

At 31 December 2023, the Company also had a residual draw-down right of €305 million on its financing signed with its financial partners.

Covenants

At 31 December 2023, all loan covenants signed by FREY SA were respected.

Consolidated ratios	LTV ratio incl. transfer tax	ICR	Collateralised debt
Debt concerned	€1,160.0m	€1,160.0m	€1,160.0m
Required ratios	<=60.0%	>= 2	<20.0%
Ratios at 31/12/2023	41.0%	4.0	6.3%

Financial instruments

Type of hedge	Start date	Initial amount	Mark-to-Market valuation	Balance sheet provision	Maturity date
BNP CAP	30/06/2021	€16,852K	€5,668K	No	30/06/2026
BNP CAP	30/06/2022	€66,666K	€1,935K	No	30/06/2025
BNP CAP	01/03/2023	€25,000K	€731K	No	01/03/2026
BNP CAP	30/06/2026	€139,645K	-€1,546K	No	30/06/2028
BNP CAP	30/06/2026	€150,000K	-€1,275K	No	30/06/2028
CACIB CAP	01/07/2020	€34,067K	€4,072K	No	01/01/2025
CACIB CAP	30/06/2021	€16,852K	€5,694K	No	30/06/2026
CACIB CAP	30/06/2022	€66,667K	€1,938K	No	30/06/2025
CACIB CAP	24/10/2022	€25,000K	€718K	No	01/11/2025
CACIB CAP	30/06/2026	€279,290K	-€1,056K	No	30/06/2028
CACIB CAP	30/06/2026	€150,000K	-€1,337K	No	30/06/2028
CIC CAP	01/07/2020	€34,067K	€4,071K	No	01/01/2025
CIC CAP	30/06/2025	€46,667K	-€288K	No	30/06/2026
SG CAP	01/07/2020	€34,067K	€4,238K	No	02/01/2025
SG CAP	30/06/2021	€16,852K	€5,705K	No	30/06/2026
SG CAP	30/06/2022	€66,667K	€1,950K	No	30/06/2025
SG CAP	01/03/2023	€25,000K	€734K	No	02/03/2026
SG CAP	30/06/2026	€139,645K	-€1,632K	No	30/06/2028
LCL CAP	01/07/2020	€34,067K	€4,069K	No	02/01/2025
LCL SWAP (LA PLAINE)	17/12/2018	€14,628K	€600K	No	16/12/2026
LCL CAP	14/09/2021	€16,852K	€5,694K	No	30/06/2026
LCL CAP	30/06/2025	€86,667K	-€540K	No	30/06/2026
NATIXIS CAP	30/06/2025	€66,000K	-€422K	No	30/06/2026

Free share allocation plans in effect within the Company at 31 December 2023

The table below shows the free share allocation plans in effect within the Company at 31 December 2023:

	Plan No. 9	Plan No. 10	Plan No. 11	Plan No. 12	Plan No. 13	Plan No. 14	Plan No. 15
	20/06/2018	20/06/2018	20/06/2018	20/06/2018	20/06/2018	11/05/2021	11/05/2021
Date of Board meeting:	20/06/2018	07/03/2019	10/07/2019	02/04/2020	31/03/2021	24/02/2022	23/02/2023
Total number of shares allocated free of charge of which:	1,301	35,502	4,567	36,197	47,015	32,742	29,994
<i>Corporate officers</i>							
● François Vuillet-Petite ⁽¹⁾	146	4,348	-	4,348	6,522	3,925	0
● Pascal Barboni ⁽¹⁾	73	4,831	-	4,831	7,247	5,371	0
● Sébastien Eymard	73	4,831	-	4,831	7,247	5,681	5,361
● François Anglade ⁽¹⁾	45	3,382		3,382	5,073	3,925	0
● Date shares vested:	20/06/2020	07/03/2021	10/07/2021	02/04/2022	11/05/2022	24/02/2024	23/02/2025
Retention period ends:	20/06/2022	07/03/2023	10/07/2023	02/04/2024	11/05/2023	24/02/2026	23/02/2027
Number of shares vested at 31 December 2023:	1,049	16,253	3,567	14,642	43,711	0	0
Cumulative number of shares cancelled or lapsed:	252	19,249	1,000	21,555	3,304	2,479	0
Free shares allocated and outstanding at 31 December 2023:	0	0	0	0	0	30,263	29,994

(1) Officers whose term of office ended on 25 July 2022

Subsidiaries and equity investments

	Share capital	Equity	Percentage of share capital held	Gross book value of securities	Net book value of securities	Revenue excl. of last financial year	Net profit/ (loss) of last financial year
1. Subsidiaries (more than 50% owned)							
GF FOREY	€10,000	-€7,452	99.90%	€9,990	€9,990	€217,184	-€2,548
SASU FAP	€3,757,500	-€7,007,093	100.00%	€17,630,060	€0	€1,343,383	-€4,525,921
SNC IF GT	€10,000	€416,090	99.00%	€9,900	€9,900	€7,621,781	€406,090
SL FREY Invest	€100,000	€149,887,366	100.00%	€157,132,801	€157,132,801	€608,000	-€1,726,260
SNC IF Bezannes	€10,000	€234,594	99.00%	€9,900	€9,900	€442,527	€224,594
SAS IF Clos du Chêne	€10,000,000	€9,132,429	100.00%	€16,252,450	€16,252,450	€3,746,349	€1,823,462
SCI IF VALENTINE	€10,000	€15,624	99.90%	€9,990	€9,990	€0	€5,624
SCI IF ALLONDON	€10,000	-€11,316	99.90%	€9,990	€9,990	€0	-€21,316
SCI IF ECOPOLE	€500,000	€460,535	99.00%	€495,000	€495,000	€0	-€39,465
SCI IF ZCN INVESTISSEMENT	€10,000	€5,388,583	99.00%	€9,900	€9,900	€9,808,490	€5,378,583
SASU FREY MURS 02	€10,000	-€3,296,239	100.00%	€6,922,692	€6,922,692	€8,620,006	€1,369,376
SA FREYPROP	€2,000,000	€17,939,435	70.00%	€8,400,000	€8,400,000	€0	€7,924,549
SAS BBC PROMOTION	€420,000	-€1,054,976	100.00%	€61,396,341	€61,396,341	€5,341,119	€4,118,912
SAS FREY Retail Fund 1	€1,736,904	€1,912,526	66.67%	€1,583,961	€1,583,961	€150,998	€57,835
SNC FREY Retail Fund 2	€80,127,244	€105,058,553	62.08%	€60,936,145	€60,936,145	€0	€7,930,756
SCI MASSONEX	€1,000	-€67,303	100.00%	€267,195	€267,195	€12,650	€235
SCI Les Docks de Saint-Ouen	€5,836,199	€58,148,709	55.00%	€32,099,100	€32,099,100	€26,656	-€213,290
SAS FR PARTNERSHIP	€1,000	-€6,702	100.00%	€10,000	€10,000	€0	-€16,702
SAS FREY RIVIERA*	€1,069,800	€1,069,800	100.00%	€1,069,800	€1,069,800	N/A	N/A
GEMMANO SP. Z.O.O	PLN 5,000	-PLN 68,506	100.00%	€1,649	€1,649	PLN 0	-PLN 62,283
GIAROLE SP. Z.O.O	PLN 5,000	PLN 1,779,181	100.00%	€1,649	€1,649	PLN 14,788,064	PLN 1,785,404
DOMESTREET	€3,000	€5,928,423	100.00%	€6,087,485	€6,087,485	€0	-€155,389
2. Equity investments (holding between 0% and 50%)							
SCI Agenaise d'Investissement	€6,000	-€6,841,953	50.00%	€3,000	€3,000	€3,094,225	-€537,535
SC FREY RETAIL VILLEBON	€6,161,684	€39,834,218	5.00%	€1,846,005	€1,846,005	€9,456,458	€2,914,113
LA LUNE DES DOCKS	€100,000	-€136,376	39.00%	€39,000	€39,000	€0	-€163,334
3. Membership							
Association SOCIAL MARKET	€0	€0	100.00%		€0	€50,853	€0
Association LE MUR QUI BOUGE	€0	€0	100.00%		€0	€0	€9,966

* First closing on 31 December 2024

Dividends received

SAS FREY Retail Fund 1 (subject to corporation tax)	€962,710
SAS FREY Murs 02 (subject to corporate tax)	€5,039,738

FREY's strategy is to centralise the FREY Group's debt via corporate credit lines.

Advances are granted to subsidiaries and are transferred back to FREY, in particular thanks to the implementation of the cash pooling arrangement in 2022.

Statement of loans and advances granted to subsidiaries

	Loans
1. Subsidiaries (more than 50% owned)	
FREYprop SLU	€107,100,000
Giarole SP. Z.O.O	€102,819,500
	Current accounts and cash pooling
2. Subsidiaries (more than 50% owned)	
SASU FAP	€55,785,376
SL FREY Invest	€150,018,946
SNC IF Bezannes	€1,591,683
SAS IF Clos du Chêne	€37,740,233
SCI IF Allondon	€12,493,966
SCI IF Ecopole	€11,116,561
SCI IF ZCN Investissement	€111,666,249
SASU FREY Murs 02	€59,991,501
SCI Massonex	€143,338
SAS BBC Promotion	€11,219,892
GF Forey	€20,776,257
SAS FR Partnership	€6,348
SCI Les Docks de Saint-Ouen	€214
SAS FREY Riviera	€111,535,320
Domestreet SLU	6,234,613
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	€6,020,065
SC FREY Retail Villebon	€1,923,035
SAS La Lune Des Docks	€332,242
4. Memberships	
Social Market	€1,078,331

2.4. STATUTORY AUDITORS' REPORT ON THE PARENT COMPANY FINANCIAL STATEMENTS

Financial year ended 31 December 2023

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 2023, 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 2023 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. 821-53 and R. 821-180 of the French Commercial Code 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 judgement, were of most significance in our audit of the annual 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 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 2023, equity investments were recorded in the balance sheet at a net value of €355 million, while related receivables and current accounts amounted to €856.7 million, representing a total of 79.4% 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 balance sheet, 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 transfer tax) 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.

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 2023, Grant Thornton was in the 17th consecutive year of its assignment, and FCN in its 14th 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. 821-55 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. 821-27 to L. 821-34 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, 21 March 2024

The Statutory Auditors

Grant Thornton

French member of Grant Thornton International

Amandine Huot-Chailleux

FCN

Pamela Bonnet

2.5. PRO FORMA FINANCIAL INFORMATION

2.5.1.1. Basis of presentation

The pro forma financial information is defined as FREY's unaudited pro forma consolidated financial information after taking into account the effects of the mergers with:

- FREY RIVIERA, a French company created to acquire the shares of five partnerships: JUIN SAINT HUBERT, LES TERRASSES SAINT JEAN and SAINT JEAN I on 17 October 2023 and JUIN SAINT HUBERT II and SAINT JEAN II on 18 October 2023 ("FREY RIVIERA")
- GIAROLE, a Polish company created in 2022 for the acquisition of the Matarnia Park Handlowy retail park in Gdańsk, Poland ("MATARNIA") on 1 August 2023.

In view of the merger with FREY RIVIERA and GIAROLE, FREY published pro forma consolidated financial information for the year ended 31 December 2022 in Chapter 3 of the amendment to the Universal Registration Document filed on 27 November 2023.

Pro forma financial information is intended to present the effects of the mergers on FREY's historical financial statements and financial information for the year ended 31 December 2023. It is not necessarily representative of the financial position and performance that would have been observed if the combination had been completed on 1 January 2023.

The pro forma financial information was prepared as if the mergers and their direct consequences on the financing had taken effect on 1 January 2022, it being specified that:

- The FREY RIVIERA transaction was treated as a separate asset under IAS 40 as the Group took over the management of the asset without taking over a set of activities.

- The MATARNIA transaction was treated as a separate asset under IAS 40.

The unaudited condensed pro forma consolidated financial information consists of an unaudited pro forma consolidated income statement as at 31 December 2023 and explanatory notes.

FREY's unaudited pro forma financial information is derived from (i) FREY's consolidated financial statements for the year ended 31 December 2023 prepared in accordance with IFRS and jointly audited by Grant Thornton and FCN, FREY's statutory auditors, as indicated in the statutory auditors' report on FREY's consolidated financial statements published on 21 March 2024, (ii) the unaudited financial statements as at 31 December 2023 of the five entities acquired, and (iii) data relating to the retail park. As the two transactions were carried out in 2023, they are already reflected in the audited consolidated balance sheet in the consolidated financial statements at 31 December 2023.

The pro forma financial information does not include any consequences of the expected synergies and does not provide an indication of the results and future position of the business.

The pro forma restatements presented below are based on the information available to date and on certain assumptions and estimates that FREY considers reasonable.

The direct consequences of these transactions, reflected as "pro forma restatements", are detailed in the notes to the pro forma financial information.

The Group has not identified any significant differences between the accounting principles and methods of the acquired companies and those of the FREY Group.

2.5.1.2. Pro forma income statement at 31 December 2023

	Note	Consolidated data - IFRS ⁽¹⁾	Pro forma restatement		Pro forma
		31/12/2023	FREY RIVIERA step	Matarnia	31/12/2023
Income statement (in €m)					
Revenue		148.5	22.0	3.5	174.0
Purchases consumed		-46.8	-5.0	-1.2	-53.0
Payroll expenses		-11.7	-	-	-11.7
Other income and expenses		0.8	-	-	0.8
Taxes and similar payments		-2.5	-	-	-2.5
Depreciation and amortisation of fixed assets		-1.6	-	-	-1.6
Depreciation and amortisation of current assets		-2.5	-	-	-2.5
CURRENT OPERATING INCOME		84.2	17.0	2.3	103.5
Other operating income and expenses		-3.4	-	-	-3.4
Income/expense on disposals of investment properties		-2.1	-	-	-2.1
Fair value adjustments of investment property		14.7	-	-	14.7
OPERATING PROFIT		93.4	17.0	2.3	112.7
Share of net profit/(loss) of associates		1.2	-	-	1.2
OPERATING PROFIT/(LOSS) AFTER SHARE OF NET PROFIT/(LOSS) OF ASSOCIATES		94.6	17.0	2.3	113.9
Cost of net financial debt	Note 1	-23.9	-5.8	-1.9	-31.6
<i>o/w financial income</i>		24.7	0.9	-	25.6
<i>o/w financial expenses</i>		-48.6	-6.7	-1.9	-57.2
Fair value adjustments of financial assets		-40.2	-	-	-40.2
Income tax	Note 2	-5.7	-	-0.1	-5.8
NET PROFIT/(LOSS)		24.8	11.2	0.3	36.3
Group Share		18.8	11.2	0.3	30.4
Net earnings per share (in €) – Group share		0.67	-	-	1.08
Diluted earnings per share (in €) – Group share		0.67	-	-	1.08

(1) Data from the statement of financial position presented in 2.1.1.3 of the consolidated financial statements at 31 December 2023.

2.5.1.3. Notes to the pro forma financial information

**NOTE 1 | FINANCIAL INCOME AND EXPENSES
RELATED TO FINANCING****FREY RIVIERA**

The transaction was financed:

- by a new mortgage loan for €120 million with a term of seven years at an interest rate based on the 3-month Euribor plus a margin of 1.8%;
- an existing corporate debt of €60 million with an interest rate calculated according to the average corporate rate;
- the balance was drawn from available cash.

Two interest rate hedging contracts, in the form of collars, were taken out for a total nominal amount of €100 million and for a term equivalent to the debt. The floor rate is set at 2% and the maximum rate at 3%.

The costs of €2.9 million in arrangement fees and sureties related to the mortgage loan were recognised as a reduction in the debt of €120 million and spread over the term of the loan.

The cost of debt was calculated as if the transaction had taken place on 1 January 2023, i.e. an additional impact of €5.8 million in 2023.

MATARNIA

The transaction was financed:

- by an already existing corporate credit line of €100 million, with an interest rate calculated according to the average corporate rate;
- the balance was drawn from available cash.

The cost of debt was calculated as if the transaction had taken place on 1 January 2023, i.e. an additional impact of €1.9 million in 2023.

NOTE 2 | TAX**FREY RIVIERA**

The entities acquired benefit from the REIT tax regime.

MATARNIA

The MATARNIA asset is owned by a company incorporated under Polish law. As Poland does not have a regime equivalent to the REIT tax regime, tax was recorded at the local rate of 19%.

2.6. STATUTORY AUDITORS' REPORT ON THE PRO FORMA FINANCIAL INFORMATION

To the Chairman of the Board of Directors and Chief Executive Officer,

In our capacity as Statutory Auditors and pursuant to Regulation (EU) No. 2017/1129 supplemented by Delegated Regulation (EU) No. 2019/980, we have prepared this report on the Pro Forma Financial Information of FREY (the "Company") for the financial year ended 31 December 2023 included in section 2.5 of the Universal Registration Document (the "Pro Forma Financial Information").

This Pro Forma Financial Information has been prepared for the sole purpose of illustrating the effect that the acquisition of the securities of the companies carrying the Polygone asset, the Matarnia asset and their financing would have had on the Company's consolidated income statement for the financial year ended on 31 December 2023 if the transactions had taken effect on 1 January 2023. By their very nature, they describe a hypothetical situation and are not necessarily representative of the financial situation or performance that could have been observed if the transaction or event had occurred on a date prior to its actual or planned occurrence.

This Pro Forma Financial Information has been prepared under your responsibility in accordance with the provisions of Regulation (EU) No. 2017/1129 and ESMA recommendations relating to pro forma financial information.

It is our responsibility, on the basis of our work, to express a conclusion, in the terms required by Section 3 of Appendix 20 of Delegated Regulation (EU) No. 2019/980, on the correctness of the preparation of the Pro Forma Financial Information on the basis indicated.

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, which do not include an audit or limited review of the financial information underlying the preparation of the Pro Forma Financial Information, mainly consisted of verifying that the basis on which this Pro Forma Financial Information was prepared is consistent with the source documents as described in the explanatory notes to the Pro Forma Financial Information, examining the audit evidence justifying the pro forma restatements and discussing with the Company's management to collect the information and explanations we deemed necessary.

In our opinion:

- the Pro Forma Financial Information has been properly prepared on the basis indicated;
- this basis complies with the accounting policies applied by the issuer.

This report is issued for the sole purpose of filing the Universal Registration Document with the AMF and may not be used in any other context.

Neuilly-sur-Seine and Reims, 21 March 2024

The Statutory Auditors

Grant Thornton

French member of Grant Thornton International

Amandine Huot-Chailleux

FCN

Pamela Bonnet



◀ Shopping Promenade®
Cœur Alsace
Vendenheim (Bas-Rhin)

3

FREY: A COMMITTED COMPANY

3.1	MISSION REPORT	171	3.4	LIMITED ASSURANCE REPORT BY ONE OF THE STATUTORY AUDITORS BASED ON SELECTED CONSOLIDATED NON-FINANCIAL INFORMATION PRESENTED IN THE 2023 UNIVERSAL REGISTRATION DOCUMENT	220
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● Confirmation of FREY's leadership in terms of its ESG roadmap:

A pioneer in sustainability since 2008 and a B Corp™ Certified "Société à Mission" since 2021, FREY remains at the forefront of innovation and standard-setting. The year 2024 will mark the fourth year in which FREY has "Société à Mission" status. After obtaining discharge from the Mission Committee and following the second audit by an Independent Third Party (KPMG), FREY is publishing its third Mission Report on the company's mission and the achievement of its objectives. This report and the report of the independent third party are reproduced in full in paragraphs 3.1 Mission Report and 3.2 Report of the independent third party on the achievement of the social and environmental objectives in this document.

● Pursuing an ambitious climate strategy:

In 2023, FREY once again measured its carbon footprint using the GHG Protocol methodology⁽¹⁾. This will enable the Group to adapt its climate strategy to the new requirements⁽²⁾ for the real estate sector and align with the latest international standards.

● Production of renewable solar energy:

In line with its climate strategy, FREY is becoming a renewable energy producer by fitting solar panels on its existing assets and projects. The Group is currently prioritising the installation of solar panels on its roofs to limit the carbon footprint of the installations, as opposed to solar shading on car parks. The Group's ambition is to produce solar energy to improve the environmental performance of its sites and to enable the brands to benefit from it. To achieve this, 50% of the current portfolio⁽³⁾ will be fitted with solar panels by 2026 and 100% by 2028. In addition, all of the Group's projects under development are systematically designed to include solar panels.

To develop short energy circuits and limit losses on the network, FREY favours local consumption of the energy produced.

As such, in 2023, 4,300 solar panel modules were installed, covering a total of nearly 17,300 m² of roof space, thus generating approximately 1,800 kWp of electricity.

In 2024, FREY will continue to implement this strategy at two pilot projects, Clos du Chêne (Seine-et-Marne) and Polygone Riviera (Alpes-Maritimes).

● Certification of strategic assets:

FREY is committed to developing and managing low-carbon assets. The environmental engagement policy for its assets of more than 15,000m² involves the systematic attainment of internationally recognised HQE™ and BREEAM® certifications. Six assets have HQE™ certification and 11 have BREEAM® certification.

● Creation of the BBBCA Commerce label:

As a founding member of the French Association for the Development of Low-Carbon Buildings (BBBCA), FREY is participating in the working group for the development of the first "BBBCA Commerce" low-carbon label for commercial real estate.

(1) 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).

(2) New requirements are being set by the Science Based Target (SBT) initiative and are expected in 2024.

(3) Portfolio including assets more than 50% owned by FREY (excluding Finestrelles Shopping Centre) and assets with more than 3 units.

3.1. MISSION REPORT



3

01 EDITORIAL

by the Managers' Club

We didn't wait to be a "Société à Mission" to acknowledge the impact our company has on communities and local areas... or to act accordingly. FREY has always centred its activity on its social and environmental commitment.

There is so much to be done!

We decided to step up our efforts and since January 2021 we have officially been mission-led, committed along with our teams to a responsible growth path driven by our mission statement and our ambitious societal goals.

There are many challenges to be met:

- moving from having a simple legal status to achieving efficient operational momentum
- involving our teams and sharing our Mission and our ambition with all our stakeholders
- making decisions with the Mission in mind and finding the right balance between the legitimate aim for financial performance and meeting our commitments to society.

Our status means we now have a real duty to be consistent and credible in all our actions!

Wanting to do things well is no longer enough. In setting high standards for our stakeholders, suppliers and tenants, we have to set even higher ones for ourselves.

After three years with a Mission, we can already see the positive effects in our company.

Our sense of togetherness has grown.

Our social and environmental goals are an inherent part of our business.

Our Mission is a "safety net", a compass to keep us on course, get our teams involved and share with them our vision of a committed company that takes responsibility and makes a real contribution at its own level.

Our greatest challenge as a "Société à Mission" is to keep up the momentum and not become complacent by thinking we have reached our destination. Even in tougher business conditions, our Mission clearly sets out our guiding principles and the roadmap is known to us all.

The road ahead is long, but our shared journey is extremely exciting!

The Managers' Club



Nos managers :

Le club des managers de FREY est composé de l'ensemble des managers de l'entreprise. Ils ont chacune et chacun la responsabilité de l'un des quinze objectifs de la Mission. Tous les trimestres, le club se réunit et partage les sujets relatifs à la Mission.



Rapport de Mission 2023_03

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01 Editorial

by the Managers' Club page 02

02 FREY

a committed property company

page 06

03 Our Mission

The path to transformation

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Message from Antoine Frey

page 09

04 2021 / 2023

The Mission Committee

page 10

05 On track for 2025

What have we achieved?

page 14

06 The 4 main pillars

of the Mission pages 16 to 33

Pillar 1 - Retail as a driver of urban diversity

• The challenge of transforming city entrances

Pillar 2 - Retail as a catalyst for social cohesion & local economic resilience

• Our shopping centres create local jobs

Pillar 3 - Retail as an accelerator of the green transition

• FREY's responsible leases

Pillar 4 - FREY, a company serving the common good

• Employees are key to the Mission

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OUR MISSION STATEMENT:

*Restoring retail
as a service for the common good*

Polygone Riviera - Cagnes-sur-Mer (Alpes-Maritimes)

o7 Appendices

Additional information pages 34 to 43

- To find out more
- Mission governance
- The Mission Committee
- Detailed dashboard

2023 Mission Report_05

02 FREY

— *A committed property company*

Algarve Shopping - Guia - Portugal

OUR MISSION STATEMENT:
Restoring retail as a service
for the common good

- Pillar 1 -

Retail as a driver of urban
diversity

- Pillar 2 -

Retail as a driver for social link
and local economic resilience

- Pillar 3 -

Retail as a driver of the
environmental transition

- Pillar 4 -

FREY, a company that serves
the common good

WHO ARE WE?


**WE ARE FREY, A RESPONSIBLE PROPERTY COMPANY,
DEVELOPER, INVESTOR AND MANAGER**

Founded by Antoine Frey in 2008, FREY is a listed property investment company specialised in the development and operation of outdoor shopping centres in Europe. The Group also leads major urban and commercial renewal operations at city entrances.

We won't save the world but... Through our concepts, construction methods and

the way we operate our sites, FREY works every day to be ever more responsible, more respectful of the environment and socially beneficial to our ecosystem and our stakeholders. To take things even further, the company has adopted a Mission Statement with four objectives⁽¹⁾.

⁽¹⁾ The Mission and its four pillars are enshrined in the company's articles of association.



FREY
in figures

€2.1bn
Economic portfolio

761,087 m²
GLA area of the portfolio

1,270
Leases

€574m
Project investments

101
employees who are

100%
committed to the Mission

FREY head office - Bezannes (Marne)

2024: B CORP™ CERTIFICATION RENEWAL!

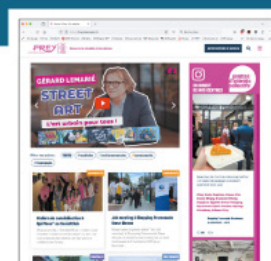
In 2021, FREY was both the first property company and the first French listed company to receive B Corp™ (Benefit Corporation) certification

Issued by the independent organisation B Lab, this international certification is one of the most demanding and attests to the company's responsible environmental and social practices. With a score of 102.2 points¹⁾, FREY demon-

strates its commitment to its stakeholders (shareholders, investors, suppliers, retailers and brands, local authorities, employees and visitors to its retail sites).

This certification is the fruit of years of commitment and marks the beginning of a new journey towards making an even more positive impact.

FREY's certification is up for renewal in 2024. It's time!



➔ Find out more

Read about all of our commitments on our Mission website: frey-lamission.fr

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

03 OUR MISSION

the path to transformation

Creation of FREY
Initial public offering (Euronext)
Creation of Greencenter,
the 1st eco-responsible
retail park concept



1st French regeneration
of a retail zone
at the entrance to a city (Troyes)
1st property company to be awarded
HQE Aménagement certification



**Création of
the FoREY
forestry group**



**20
08**

**20
13**

**20
20**

Certified

Corporation

**20
10**

Soissons
1st French retail park
to receive HQE certification
HQE

**20
17**

**Creation of
the Shopping Promenade concept,**
Shopping Promenade
a new generation of
experience-driven responsible outdoor
shopping centres
Opening of the 1st complex in Amiens

**20
21**

**FREY becomes
Société à Mission**
and amends its articles of association.
Its mission statement:
*"Restoring retail as a service
for the common good"*
•
**1st Mission Committee
meeting**
on 1 July
•
B Corp certification
in June with **102,2 points**

1st Mission Report
published in February

E+C- Label (Level E3C1)
obtained

in March for the Open
shopping centre project
1st E+C- Label awarded
to a retail project
(design phase)

In July, FREY
named

« **Best for the World 2022** »
by B LAB,
among the 5% top B Corp companies
in the environment category

1st review
of the Mission

2022

2025



2024

Opening of Communale,

COMMUNALE

a large-scale hall dedicated to food,
culture and events at the heart of
the Docks de Saint-Ouen
(Seine-Saint-Denis) neighbourhood

Publication
of the 3rd Mission Report

Pursuing our roadmap

It's already been three years since we adopted Société à Mission status! Three years in which we have identified all our societal challenges and undertaken to address them one by one. To succeed, we can count on our employees' boundless energy, our Mission Committee's support and diligence and the backing of all our stakeholders.

While it is still too soon to draw real conclusions, we can already see the first positive effects of this commitment. Our sense of togetherness has grown. We have included social and environmental objectives in all our activities and have consolidated our progress towards sustainable urban planning. Our commitment to the common good is embodied in our daily action, from the design of our projects to the impact of our assets on the environment.

Our biggest challenge now is to remain active, committed and determined to continue to advance together, with resilience and courage, proudly bearing our values and our commitment.

Antoine Frey, Chairman and Chief Executive Officer

04_ 2021 / 2023

3 years with a Mission

Let's hear from the Committee!



Nathalie Palladitcheff

President of the Mission Committee

FREY's courageous approach does not follow a straight line.

There are many obstacles along the way and our teams must constantly adapt and act as one. Our main conclusion from these first years as a mission-led company - besides our ambition to make sustainable investments - is clearly the effect this project has had in bringing our employees together. The road ahead is still long, but it is important to acknowledge and appreciate the many milestones we pass along the way. The final destination is fluid and we will never actually get there.



Clémence Bechu

It's great to see how FREY's teams have taken our mission to heart.

It's inspiring to see how cross-disciplinary topics with a societal impact have broken down silos in the company. This is particularly important in challenging economic and social times. Knowing how to step back and appraise, manage conflicts and bring ideas together, and capitalise on our collective strength: these are the three pre-requisites to making progress towards a more desirable future.



Luc Blanchet

Despite a changing and tough business environment, FREY remains true to its commitments, which is commendable!

As president of another mission-led company, I can see the positive effects on all stakeholders, especially suppliers and employees. The main challenge is to constantly adapt to changing issues while being pragmatic and maintaining a certain rhythm. Speed and execution capacity are major differentiating strengths.



Elisabeth Laville

Since 2021, FREY has set up many key components of its approach, which have paid off.

The time has now come to look at our dilemmas, limitations and sticking points. Staying on course to achieve the initial objectives and standards project after project is challenging but motivating.

It's important to see social and environmental constraints as sources of innovation.

We must not lose faith or rest on our laurels after our considerable achievements of the past few years.



Carine Stoeffler

This shared adventure clearly shows how a company can rise above competitive or sector divides and hold open and constructive discussions with others, regardless of their size or sector of activity.

Our status as a Société à Mission requires greater responsibility with respect to our stakeholders but it also gives meaning and additional depth to the notions of business and enterprise.



Christophe Garot

After these three years with a Mission, as members of the Committee, we can see FREY's medium and long-term business challenges fairly clearly.

This allows us to legitimately question the Mission's objectives but also to ensure consistency between the mission statement and the strategic and operating decisions made by the company to deliver growth.

➔ **Find out more:** see the presentation of the members of the Mission Committee on pages 40 & 41



Communale - Saint-Ouen (Seine-Saint-Denis)

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Polygone Riviera - Cagnes-sur-Mer (Alpes-Maritimes)



05 ON TRACK FOR 2025: *what*

PILLAR 1

Retail as a driver of urban diversity



Objective 1

Develop the diversity and density of our sites and projects



Objective 2

Optimise low-carbon access to our sites



Objective 3

Better integrate local issues into the design of our projects and the management of our assets

PILLAR 2

Retail as a driver of social link and local economic resilience



Objective 4

Be a key player in promoting local jobs



Objective 5

Make our sites places that bring together local people and local social and community organisations



Objective 6

Make our sites places where consumers and local producer can meet

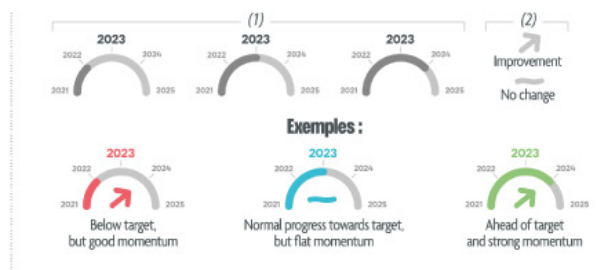


Objective 7

Use our sites to promote urban art

On track for 2025

These gauges show progress towards the goals of the first stage of our Mission in 2025⁽¹⁾ for each target and the trend for the current year (improvement or no change)⁽²⁾



have we achieved?

PILLAR 3

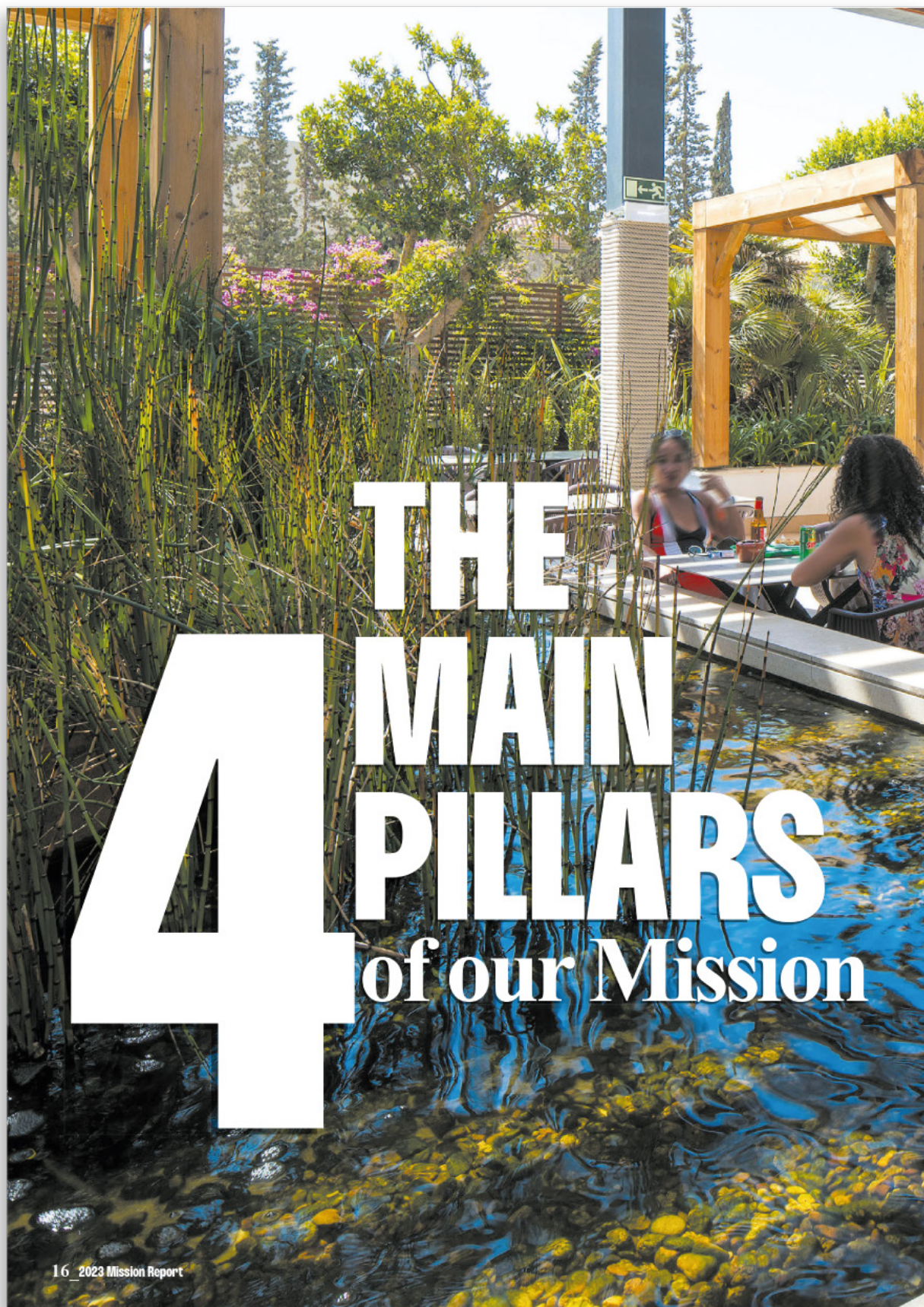
Retail as a driver
of the environmental
transition



PILLAR 4

FREY, a company
that serves
the common good





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2023 Mission Report_17

06 Pillar 1: *retail as a driver of urban diversity*

OUR CHALLENGES:

REBUILD, INCREASE DENSITY, CONNECT

As it becomes necessary to increase the density and sharing of urban spaces in order to reduce land take, we need mixed-use spaces that can offer various experiences – new combinations that contribute to the dynamism of urban life, places that are adaptable and can anticipate future needs.

FREY is committed to redesigning shopping centres to make them mixed spaces with a variety of uses – retail, entertainment, services, offices, housing, productive spaces, etc. These spaces must integrate with their environment and meet local needs.

OBJECTIVE 1

Increase the diversity and density of our sites and projects

2023 ACHIEVEMENTS

36%

diversity in ongoing projects
(vs. 30% target)

Analysis of potential for
increasing density at

2

target sites

OBJECTIVE 2

Optimise low-carbon access to our sites

2023 ACHIEVEMENTS

Improvement in soft mobility
at

4

new sites

Roll-out of standards
in Spain and Portugal
(audit and action plan)

OBJECTIVE 3

Better integrate local issues into the design of our projects and the management of our assets

ACHIEVEMENT IN 2023

Roll-out and monitoring of standards
for eligible projects



Urban Culture Festival
Shopping Promenade Cœur Alsace - Strasbourg (Bas-Rhin)

2023 Mission Report 19

06 Focus on Objective 1

the challenge of transforming city



All major urban areas in France are currently facing the same challenge of remodelling their entrances. The environmental, urban, social and economic issues involved are colossal.

With its proven expertise in regenerating these areas and a clear commitment to meeting these challenges set out in its Mission objectives, FREY is an obvious partner for local authorities in tackling these issues.

TRANSFORMING CITY ENTRANCES WITH THE CHALLENGES OF THE NO NET LAND-TAKE LAW AND CLIMATE CHANGE

- **Maintaining existing economic momentum**

72% of French retail spending takes place at these city gateways*.

- **Finding new land resources to meet the need for local development**

4,000 ha of land rapidly available from the 55,000 ha already developed in France's 21 biggest urban areas**.

- **Integrating a better mix (housing, amenities, mobility, etc.) and responding to the structural housing crisis**

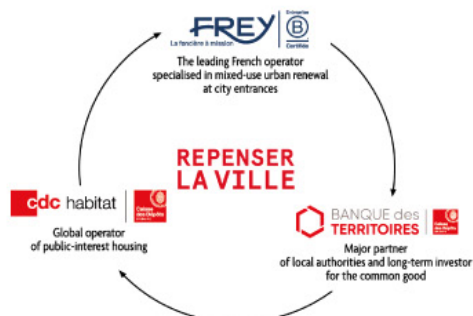
Theoretical potential of approximately 70 million m² in increased density mixed-use development, or nearly 1 million homes.

- **Stepping up the green transition of each urban complex**

Developing nature in urban areas, addressing heat islands and constructing low-carbon buildings.

* Source: OpinionWay survey for the Federation of Regional Trade Actors (FACI) - ** Source: survey by FREY

REPENSER LA VILLE: A NEW SOLUTION TO TRANSFORM CITY ENTRANCES



Key figures:

Creation of a financing vehicle with an initial capacity of

€200m*

A partnership** over

20 years

* Total investment after applying 50% leverage.

** Partnership subject to approval by the competition authorities.

Thierry Laget
Deputy CEO
CDC Habitat



“ To change impressions of peripheral retail zones and transform them into living neighbourhoods, housing will need to be built in these areas in real mixed-use development projects. In other words we can “better plan retail areas with housing”.

CDC Habitat and FREY share the same objective of building urban programmes that foster well-being and neighbourliness among residents.

There are many challenges. The real estate crisis will make it more difficult to launch new projects. The housing shortage that could result from this will require projects that offer affordable homes and amenities in “15-minute cities”.

The transformation of retail districts with good public transport links near city centres is an opportunity to offer urban solutions that meet the needs of those who live there.

The partnership between Banque des Territoires, FREY and CDC Habitat brings a novel approach to these challenges. The partnership's investment company SAS Repenser la Ville will be a major partner of local areas, helping them to achieve the objectives of the green transition and apply the new French law requiring no net land-take (ZAN law), while developing projects that can make areas more attractive by transforming city entrances into mixed-use neighbourhoods. **”**

entrances

Example in Montigny-lès-Cormeilles: The first concrete example of Repenser la Ville

BEFORE



5 km
of shops

205,000 m²
of retail space

€750m
in revenue

55 million
visitors per year

Create a town centre

- Calm through-traffic flows on the RD14
- Develop a mix of shops, services and homes
- Promote and connect the town's green spaces and woodland areas
- Develop public amenities: primary and nursery schools, etc.

The project: a walkway connected to the surrounding public spaces

- Small and medium-sized shops
- Restaurants, services
- A park, leisure facilities
- 900 homes by 2030

AFTER





FREY's Development team

“ IN Montigny-lès-Cormeilles, we have joined forces with our partners to build a town in a town! ”

To do this, we set up a complex but unavoidable step-by-step process (acquisition of land, demolition, land redistribution, development and creation of new mixed-use areas) while keeping existing stores open so there was no loss of revenue.

FREY's Development team: left to right:

Guillaume Sagot, Cyrille Demarque, Marc Lecocq and Aurélie Bouillard-Gentils



Carre-Sud - Nîmes (Gard)

22 2023 Mission Report

06 Pillar 2:

Retail as a driver of social link and local economic resilience

3

OUR CHALLENGES:

BECOME PART OF AN AREA AND CREATE VALUE

In response to the loss of social ties in urban areas, we are committed to recreating living spaces that are conducive to sharing and exchange. We also want our sites to contribute to the economic development of their local areas.

Through its local presence, FREY wants to be a genuine economic and social partner for local communities. Our ambition is to support local entrepreneurs and retailers, to welcome associations, to promote local production and to open our centres to art and culture.

OBJECTIVE 4

Be a key player in promoting local jobs

2023 ACHIEVEMENTS

10

employment events held at 4 sites across France

OBJECTIVE 6

Make our sites places where consumers and local producers can meet

2023 ACHIEVEMENTS

11

local farmers and crafts markets held at 6 sites in France and Portugal

OBJECTIVE 5

Make our sites places that bring together local people and local social and community organisations

2023 ACHIEVEMENTS

14

events for local associations held at 8 sites in France and Spain

OBJECTIVE 7

Use our sites to promote urban art

2023 ACHIEVEMENTS

15

new monumental street art murals at 5 sites in France, Spain and Portugal

Organisation of the

5TH

Clos du Chêne street art festival with 18 new works

06 Focus on Objective 4

our shopping centres create local jobs

In response to recruitment difficulties, especially for hard-to-fill positions in sectors such as hospitality, FREY decided to do more for local communities by organising initiatives to facilitate employment.



Shopping Promenade Cœur Alsace
- Strasbourg (Bas-Rhin)

As key economic and social players in their local areas, FREY's sites naturally create jobs through their retailers and brands and the sites' operating requirements (maintenance, security, etc.).

➔ Note

* FREY always signs an employment agreement with local employment partners when developing its projects.

It acts as a facilitator by liaising between Pôle Emploi and the future retailers and brands. A single point of contact is set up to bring brands and job-seekers together.



pôle emploi

“ FREY AND PÔLE EMPLOI: LONGSTANDING PARTNERS

FREY's partnership with Pôle Emploi dates back many years. We worked closely together before the opening of Shopping Promenade Cœur Alsace* to help retailers and brands recruit staff and ensure that positions were first offered to local job-seekers.



Farah Fekih-Slimane,
Shopping Promenade Business Advisor
and Frédérique Mangold,
Head of Business Services
Pôle Emploi Strasbourg-Hautepierre

ATTRACTING INTEREST THROUGH INNOVATION

A shopping centre positioned as an "employment facilitator" in the local ecosystem is an innovative approach. Shopping Promenade Cœur Alsace and its management team did something different by getting their shops and restaurants involved in a special employment day. Retailers and brands were able to meet job-seekers, explain more about the jobs available in retail and promote their activity.

FOCUS ON HARD-TO-FILL POSITIONS

Our biggest challenge is to focus our efforts on hard-to-fill positions, especially in hospitality. These jobs have become less attractive in recent years. With Shopping Promenade, as employment partners we need to innovate more to showcase these jobs and renew their appeal among job-seekers.

In 2023, two major initiatives at Shopping Promenade Cœur Alsace

"Job Meeting" Days

ALL RETAILERS, BRANDS AND SERVICE PROVIDERS WORKING AT THE SITE TOOK PART

An event organised in partnership with local employment partners
(Pôle Emploi - Maison de l'Emploi - MLRE - CCI - CMA and EPIDE)

Objectives:

- For the brands: promoting jobs in retail, entertainment and hospitality
- For job-seekers: finding out about jobs on site and meeting employers



Jonas Schodel,
*Director of Shopping
Promenade Cœur Alsace*



“These two “test” days affirmed Shopping Promenade’s role as a catalyst for local jobs and established it as a solid partner for retailers and brands, Pôle Emploi, local employment organisations and local job-seekers.”

"Learn About" Day

AN EVENT THAT ALLOWED 42 YOUNG PEOPLE ENROLLED IN PROFESSIONAL INTEGRATION SCHEMES TO LEARN ABOUT RETAIL JOBS, ORGANISED IN PARTNERSHIP WITH THE MISSION LOCALE EMPLOYMENT GUIDANCE CENTRE (PLRE SCHILTIGHEIM)

Objectives:

From theory to practice – helping young people find work experience

- Training and preparing for interviews at the Social Club
- Approaching retailers and brands: making a speculative job application





FREY staff at "Forestry Jobs Day" held in one of the Group's forests in Messigny-les-Ventoux (Côte-d'Or)

06 Pillar 3: *Retail as a driver of environmental transition*

OUR CHALLENGES:

MINIMISE AND SUPPORT

Commercial real estate faces many challenges: reducing net land-take, construction and operational efficiency, increasing the use of wood for construction while respecting biodiversity, and promoting the circular economy.

Faced with these environmental challenges, FREY is making genuine commitments to support the ecological transition of its activity.

In its property activities, FREY is working on low-carbon construction methods, efficient energy management, the development of renewable energies, etc.

Beyond this scope under our direct responsibility, we must also guide our visitors and tenants towards more responsible practices.

**OBJECTIVE 8**

Acquire and sustainably manage forests in France

2023 ACHIEVEMENTS

Additional investments to restore biodiversity

€75

ha/2023

OBJECTIVE 9

Develop low-carbon projects

2023 ACHIEVEMENTS

Application of the Low Carbon OMS* for eligible projects

Participation in the working group developing the first BBKA Commerce label

* OMS: Operations Management System

OBJECTIVE 10

Promote low-carbon mobility

2023 ACHIEVEMENTS

2.7%

of FREY's parking spaces fitted with EV charging stations (goal: 5% in 2025)

OBJECTIVE 11

Improve monitoring and reduce the consumption of our assets and optimise the management of our waste

2023 ACHIEVEMENTS

Implementation of the

1ST

actions to reduce water and electricity use by French assets and audits of Spanish assets

Drafting of an action plan to reduce the impact of waste from our assets by 2025

OBJECTIVE 12

Support and encourage tenants with a responsible lease

2023 ACHIEVEMENTS

Implementation of the Responsible Lease at 3 test sites

Creation of a social responsibility charter appended to leases

(roll-out initially scheduled for 2023 postponed to 2024 in agreement with the Mission Committee)

06 Focus on Objective 12

The responsible lease is central to relations between the lessor and tenants

EVER SINCE ITS CREATION IN 2008, FREY HAS FOLLOWED A RESPONSIBLE PATH, MAKING SUSTAINABILITY AND ITS COMMITMENT TO SOCIETY KEY PARTS OF ITS PROJECTS, FOR BOTH THE DEVELOPMENT AND THE MANAGEMENT OF ITS LEASED ASSETS.

The main aims of this strategy include cutting greenhouse gas emissions and reducing the environmental impact of all the assets FREY manages as lessor.

To encourage the transition to responsible retail, all stakeholders must be involved (local authorities, tenants, service providers and visitors). FREY introduced its responsible lease with this in mind.



FREY's responsible lease includes:

- A clear, assumed commitment to societal goals by both the lessor and the tenant from the start of the lease.
- Since 2021, an engaging and binding **environmental appendix** setting out requirements for the fitting-out and operation of the point of sale.
- Since 2024, a **social responsibility charter** setting out guidelines for responsible human resources management (see Focus opposite).

FOCUS ON:

THE SOCIAL RESPONSIBILITY CHARTER ANNEXED TO FREY'S LEASES

In addition to the environmental appendix, since the start of 2024, FREY has included a social responsibility charter in its responsible leases.

As a B Corp™-certified "société à mission", FREY places respect and the well-being of all its employees and stakeholders at the heart of its CSR strategy.

This charter, signed by FREY as lessor and by the retailer or brand as tenant, aims to identify and share best practices and guiding principles for responsible human resources management, covering ethics, respect for human rights, justice and fairness, non-discrimination, quality, safety and employee well-being, for example.

Note

This charter is not binding. It was drafted in a spirit of partnership and co-construction between FREY and all its tenants.

FREY'S RESPONSIBLE LEASE: A PRIME EXAMPLE

GENTLEMAN DU BICYCLE IS THE FIRST STORE OPENED BY ITS FOUNDER MAXIME GOUA DE BAIX.

It's a bike repair shop... and a café! The store is in the Docks de Saint-Ouen complex in Saint-Ouen (Seine-Saint-Denis) inaugurated by FREY in early 2024. FREY's legal team signed a responsible lease with the tenant and provided support for the store's opening.



THE RESPONSIBLE LEASE from a tenant's viewpoint

by Maxime Goua de Baix, retailer in the Docks complex at Saint-Ouen-sur-Seine (Seine-Saint-Denis)

A sincere, binding commitment for both parties

It's encouraging to see a lessor putting societal matters at the heart of its relationships with tenants. By setting out its commitment and its expectations right at the start of the lease, FREY sends out a positive message.

A coherent approach

As an independent retailer, we received invaluable support on our environmental impact. It helped us understand what solutions we could implement, especially when opening our first store.

As a "Committed retailer", this Responsible Lease had particular meaning for us. By repairing instead of replacing, I try

to make my customers' bikes last longer. These are all positive steps!

The approach needs to go further

This green and responsible lease is a solid foundation for a committed relationship between the lessor and its tenants. But it's only a start. We will surely need to go further in the future. For example, why not provide support by recommending builders committed to reducing their environmental impact, or help us better manage our waste by providing innovative recycling solutions?

This would make this lease even more meaningful.

THE RESPONSIBLE LEASE from the lessor's viewpoint



by Céline Viard-Aubriet,
Leasing Legal Director &
Grégory Samocki, Sales Director

In the past, at FREY, relations between the lessor and the future tenant mainly involved legal and financial discussions. The sustainable design and responsible use of the point of sale were not primary concerns. As climate issues become ever more important, the interests of both parties have naturally aligned to include these new challenges. The responsible lease has profoundly changed our relationship with our tenants – essential stakeholders – by allowing for constructive contractual discussions where societal matters take centre stage.

In the past, our Lessor-Tenant relationship addressed only legal and financial matters. Neither party was particularly interested in the carbon footprint of the fixtures and fittings and daily operation of the point of sale.

The responsible lease has removed us from our traditional positions and provided the opportunity for constructive contractual discussions. The lessor undertakes to build low-carbon centres of collective interest and tenants commit to operating responsible points of sale. The overall objective is to take action in the general interest in response to the growing demands of end users and the climate emergency.



*Team FREY in action at the
Épicerie Sociale et Solidaire
in Reims (Marne)*

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06 Pillar 4: FREY

A company that serves the common good

3

OUR CHALLENGES:

INCLUDE, INVOLVE, PROMOTE

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 includes employees, but it goes further by integrating brands, suppliers and even the visitors to our sites.

OBJECTIVE 13

Include our employees in our Mission

ACHIEVEMENT IN 2023

100%
of staff committed to achieving the objectives of our Mission*

* Involvement in one of the 15 teams working to achieve the Mission's objectives and/or annual bonus partially dependent on individual mission-related objectives

OBJECTIVE 14

Involve our suppliers in the Mission

2023 ACHIEVEMENTS

Responsible Service Providers and Suppliers Charter signed by

94%
of eligible suppliers*
(target 90%)

Creation and roll-out of the

Guide to B Good

a digital toolbox for suppliers

* Eligible suppliers are those whose annual revenue with the Group amounts to more than €10k including tax.

OBJECTIVE 15

Promote and share the Mission with users of our sites

2023 ACHIEVEMENTS

Follow up on customer surveys carried out at our sites

Communications for customers to raise awareness of the "Centre of collective interest" approach

06 Focus on Objective 13

Employee engagement

FREY HAS ALWAYS BEEN COMMITTED TO SOCIAL AND ENVIRONMENTAL CAUSES

HOWEVER, ITS INDIVIDUAL ACTIONS WERE NOT SUFFICIENTLY VALUED. THE "SOCIÉTÉ À MISSION" APPROACH ENABLES FREY TO STRUCTURE ITS COMMITMENT FOR ITS EMPLOYEES IN ORDER TO INCLUDE, UNITE, ENGAGE AND SHARE WITH THEM.

Toy and clothing collections, a waste reduction and recycling policy, direct sales by local producers, etc.



The example of the Épicerie Sociale et Solidaire in Reims

FREY has been a sponsor of the Épicerie Sociale et Solidaire in Reims since June 2021. This association provides food aid in exchange for a small financial contribution. It also provides personalised support and a friendly welcome with the aim of restoring social ties and going beyond the grocery aspect to provide a place of support and re-integration.

As part of this sponsorship, FREY invites its employees to participate in volunteer days throughout the year. Every week, two employees spend a day at the Épicerie Sociale et Solidaire (preparing the shop in the morning by unpacking, tidying, shelf stacking, etc., and helping with the checkout and serving customers in the afternoon), working alongside the volunteers who are present throughout the year.



Isabelle Hatat,
Head of the Épicerie Sociale et Solidaire

“For the past two years, FREY employees have been helping our volunteers at the Épicerie Sociale et Solidaire social grocery store every week.

This invaluable helping hand for our store is beneficial for all involved. FREY's teams bring their energy and new ideas and our volunteers pass on their knowledge and experience gained from years of working with vulnerable people, which gives them a sense of accomplishment and pride!

This pooling of a wide range of skills boosts participants' confidence and is a plus for our store.”





FREY's teams at volunteer days at the Épicerie Sociale et Solidaire



A cheque for €5,000 was awarded to employees who won the charity fundraising competition organised by FREY for the first time in 2023



"Forest Day" in Massign-Lez-Molix in November



FREY's "Objective 3" team alongside Restos du Cœur volunteers at the Green 7 centre in Salaise-sur-Sanne (Isère)



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Polygone Riviera - Cagnes-sur-Mer (Alpes-Maritimes)

APPENDICES

3

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2023, was also when...



- 1: The Social Club at Shopping Promenade Cœur Alsace supported Pink October to raise funds for breast cancer research. Awareness-raising sessions were organised in partnership with retailers from the site and local charities.
- 2: Shopping Promenade Cœur Alsace organised its first Urban Fest in May, bringing together thousands of young people and local artists to celebrate urban culture.
- 3: FREY sponsored the inclusive restaurant L'Extra in Reims. Opened in May 2023, the restaurant employs persons with mental or cognitive disabilities.



FREY is a partner of the Dauphine Durable programme (here Antoine Frey speaking to students at a conference on transforming city entrances)

To find out more

Presentation of the Mission's scope of engagement

The Mission's scope of engagement is based on various criteria, such as surface area or FREY's share of ownership of the assets.

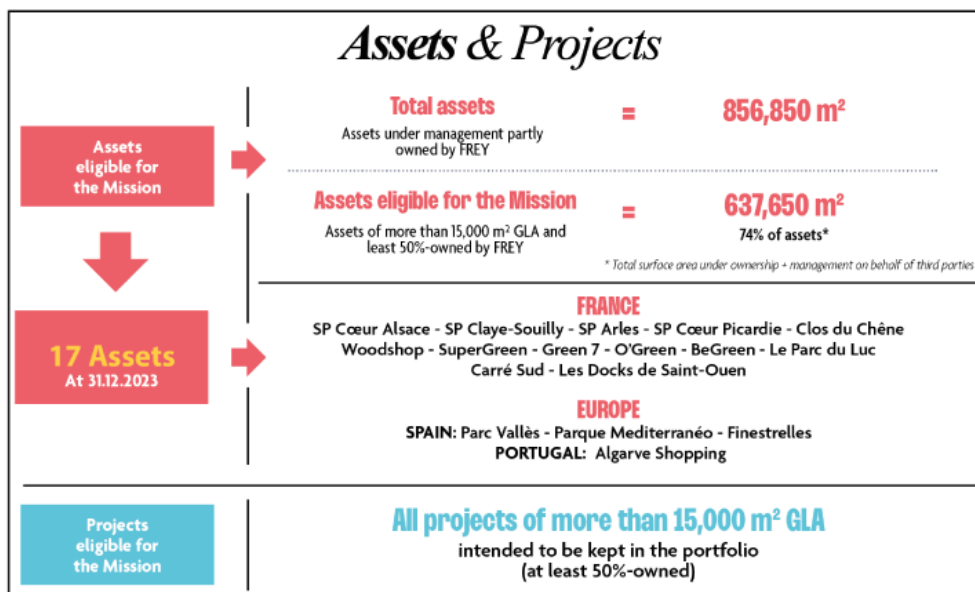
It was decided to include existing sites and projects of more than 15,000m² GLA and more than 50%-owned by FREY (which are intended to be kept in the company's portfolio over the medium and long term) in the scope of the Mission.

Initially, sites over which FREY has little control (small sites, low ownership percentage) are excluded from the scope

to target efforts where they will have the greatest impact, i.e. the biggest sites (representing 74% of the Group's total assets).

However, in the long term, FREY's ambition is to play an influential role with its partners, enabling the remaining sites to be included in the Mission's scope with relevant objectives.

Assets acquired by FREY during the year will be fully incorporated into the Mission and subject to its objectives after one full year in the portfolio.



New assets not included because they were acquired in 2023: Polygone Riviera (Cagnes-sur-Mer) and Matarnia (Gdansk - Pologne) - SP: Shopping Promenade

07 Governance *All committed to the Mission*



TO ENSURE ITS STRATEGIC AND OPERATIONAL IMPLEMENTATION, THE MISSION IS INCORPORATED IN THE COMPANY'S GOVERNANCE AND DECISION-MAKING AT ALL LEVELS:

- The Mission Committee

On 29 January 2021, FREY's shareholders unanimously approved a resolution allowing the company to become a "Société à Mission" (Mission-led company) pursuant to French Law No. 2019-486 of 22 May 2019, known as the PACTE law. FREY then established the Mission Committee, a separate corporate body to monitor the performance of the Mission.

The Mission Committee meets twice a year with members of the Executive Committee in attendance. These meetings are key moments for presenting progress and raising questions on the implementation of the Mission. Regular discussions and interim reporting between FREY and the Committee were set up in 2023 to enhance interaction.

- The Executive Committee

Meets after each Mission Committee meeting to share recommendations and make decisions on the implementation of the Mission.

- The Board of Directors

Receives regular feedback on Mission Committee meetings.

At the suggestion of the members of the Committee and as requested by the Board of Directors, more frequent interactions can be put in place, for example with the introduction of an annual report by the Committee Chair, which is essential for the consistency of the company's strategy and reporting.

- The Managers' Club

Receives a report on each Mission Committee meeting. The Managers' Club is made up of all of FREY's managers. Each manager is responsible for one of the fifteen objectives of our Mission.

The Club meets quarterly to discuss matters related to the Mission.



07 Presentation of the *Mission Committee*



Clémence Bechu

Development Director at the urban planning and architecture firm **Bechu & Associés**.

A graduate of Université Paris Dauphine with an MSG degree in management science and a Master's degree in international project management from ESCP, Clémence is responsible for the firm's business development and the management of its operational teams.

bechu + associés



Elisabeth Laville

Founder of the **Utopies** consulting agency, Elisabeth graduated from HEC in 1988 and spent several years on the strategic planning team of two advertising agencies before creating Utopies in 1993. She has since been recognised as one of Europe's leading sustainability experts.

UTOPIES®



Nathalie Palladitcheff
Chair 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 company's growth and development.

Ivanhoe Cambridge

**The Mission Committee has six members,
the majority of whom represent external
stakeholders**

FOR FREY, THE MISSION COMMITTEE IS AN ESSENTIAL BODY FOR LISTENING,
DIALOGUE AND CRITICAL OVERSIGHT.
BEING PART OF THE MISSION COMMITTEE ALLOWS EACH MEMBER TO BE A
CHALLENGER, A "CRITICAL FRIEND" FOCUSED ON THE COMPANY AND THE
IMPLEMENTATION OF ITS MISSION



Carine Stoeffler

Director of ESG Engagement and Risk Manager at FREY. Carine joined the Group in 2009, first as Accounting Director, then as Head of Reporting and Consolidation and Risk Manager. Drawing on her knowledge of the Group and its operations, Carine took up her current position in early 2023.



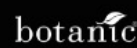
Christophe Garot

Chief Executive Officer of Bopro, a sustainable development consulting agency. With a university and technical background, Christophe has over 20 years' experience in the tertiary real estate sector.



Luc Blanchet

President of Botanic. For the past twenty years he has followed in the footsteps of the founders of the gardening and pet supplies brand Botanic, focusing ever more on preserving the environment.



THE MISSION COMMITTEE'S ROLE IS TO:

- Monitor the achievement of the Mission and the resources deployed by FREY to meet its objectives (operational commitments, levers for action, performance indicators)
- Publish a Mission Report to be attached to the company's management report
- Ensure compliance with the Mission and report any shortcomings or obstacles to its achievement
- Carry out any work necessary to fulfil its role and prepare its report

07 The Mission dashboard

The members of the Mission Committee approved the 2023 achievements and the roadmap for 2024 of FREY's Mission at their meeting on 22 January 2024

PILLAR 1

2025 vision

2023 targets

2023 achievement

o1_Develop the diversity and density of our sites and projects

- **Diversity:** Maintain a mixed-use share of 30% of the GLA of retail projects⁽¹⁾
Promote mixed-use developments besides shops/homes in city entrance remodelling projects⁽¹⁾
- **Density:** Increase density and accommodate new regulated uses at existing sites⁽²⁾

- Achieve a mixed-use share of 30% of the GLA of current projects
- Continue discussions with local authorities on increasing density and accommodating new types of regulated uses at two sites

Percentage of mixed-use development in current projects between 34% and 39%
Discussions under way on the two sites identified



o2_Optimise low-carbon access to our sites

- **Create a focus group with the various stakeholders at each site⁽³⁾** to improve external access (public transport, cycle paths, pedestrian routes)
- **Improve** soft mobility infrastructure at our sites⁽⁴⁾

- Begin discussions with the local authority for one site, based on the defined methodology
- France: Continue to improve soft mobility infrastructure and services at 4 further sites
- Spain & Portugal: Site audits based on the standards set and definition of action plans

Discussions under way for the chosen site
France: improvement achieved at 4 sites
Spain & Portugal: site audit completed and action plan produced



o3_Better integrate local issues into the design of our projects

- **100% of projects⁽⁵⁾ and assets⁽⁶⁾** applying a methodology and standards:
- to analyse regional issues
- to ensure compatibility with the Mission's objectives

- Monitoring of implementation of standards for eligible projects

Standards applied for the newly eligible project in 2023



PILLAR 2

2025 vision

2023 targets

2023 achievement

o4_Be a key player in promoting local jobs

- **100% of sites⁽⁷⁾** involved in promoting local jobs

- Organise job dating and other events at our sites
- Establish partnerships with local employment organisations (associations, local missions, Pôle Emploi, etc.)

Job dating events held at the 4 chosen sites
Partnerships set up at the selected sites



o5_Make our sites places that bring together local people and local social and community organisations

- **100% of sites⁽⁸⁾** involved in promoting local social and community activities

- Repeat events so they become regular occurrences for local people
- Implement the strategy to roll out this type of initiative at our sites

Events repeated at 2 sites
Initiatives rolled out at 6 new sites



o6_Make our sites places where consumers and local producers can meet

- **100% of sites⁽⁹⁾** involved in promoting local producers and craft workers

- Repeat events so they become regular occurrences for local people
- Implement the strategy to roll out this type of initiative at our sites

Events repeated at 3 sites
Initiatives rolled out at 3 new sites



o7_Use our sites to promote urban art

- **100% of sites⁽¹⁰⁾** offer visitors a unique artistic experience

- Implement the strategy to roll out this type of initiative at our sites
- Organise the 5th street art festival at Clos du Chêne
- Organise free guided tours of Clos du Chêne

Creation of 14 artworks at 5 sites, including 4 new sites
5th street art festival held at Clos du Chêne in June 2023
Organisation of free guided tours of Clos du Chêne



PILLAR 3

2025 vision

2023 targets

2023 achievement



o8_Acquire and sustainably manage forests in France

- Continue acquisitions with the aim of owning 3,500 ha in 2030
- Be innovative and exemplary in the management of forest assets

Invest at least €30/ha/year in:

- biodiversity restoration
- responsible forest management
- promoting the French timber industry

€75/ha invested in 2023



o9_Develop low-carbon projects

- 100% of projects⁽¹⁾ covered by a low-carbon operations management system (OMS) in line with the Group's climate strategy

Apply the OMS at ongoing projects

Take part in the working group developing the BBCA Commerce label (construction and operations)

Monitor developments in low-carbon construction

OMS applied at ongoing projects

Participation in the working group developing the BBCA Commerce label (construction and operations)

Monitoring of low-carbon construction developments implemented



1o_Promote low-carbon mobility

- 5% of parking spaces⁽²⁾ fitted with EV charging stations

Continue to roll out EV charging stations

2.7% of parking spaces fitted with EV charging stations



11_Improve monitoring and reduce the consumption of our assets and optimise the management of our waste

- 100% of sites⁽³⁾ powered by green energy and committed to reducing consumption (in communal areas)
- 100% of sites⁽³⁾ committed to a waste management optimisation strategy

Electricity + water:
Define a strategy to reduce consumption based on audits and implement the first tangible actions

Waste:
Map site waste management and draft a global action plan

Electricity + water:
Action plan drafted and 1st action taken

Waste:
Mapping completed and action plan drafted



12 - Support and encourage tenants with the responsible lease

- 100% of leases signed for projects⁽¹⁾ and assets⁽³⁾ are responsible leases
- Establish a bonus system for brands that go beyond the required environmental standards
- Support brands in their commitment to society

Use responsible leases at all ongoing projects (80% of leases signed)

Roll out the "carbon calculator" with carbon limits per project

Draft a social responsibility appendix and test at a pilot project (80% of leases signed with this appendix)

100% of leases signed (new leases and renewals) at the 3 test sites are responsible leases

Carbon calculator rolled out

Social responsibility appendix drafted (roll-out postponed to 2024 in agreement with the Mission Committee)



PILLAR 4

2025 vision

2023 targets

2023 achievement

13_Include our employees in the Mission

- 100% of employees committed to achieving the Mission's objectives (involvement in one of the 15 teams working to achieve the Mission's objectives and/or annual bonus partially dependent on individual mission-related objectives)
- Organise actions that engage employees in working towards the Mission

Organise at least 2 events for employees

Organise a charity fundraising competition for employees: €5,000 donation to the charity chosen

Hold a climate fresk workshop

- 55 volunteer days at the Epicerie Solidaire grocery store
- 21 employees took part in "Forey Day"

9 charities represented for the 1st charity fundraising competition: 1 donation of €5,000, 2 donations of €1,000 and 6 donations of €500 were made

Climate fresk workshop held with all employees



14_our suppliers in the Mission

- 100% of suppliers signatories to the Responsible Service Providers and Suppliers Charter in France and abroad
- Support our suppliers and service providers in their CSR approach

90% of eligible French suppliers* signatory to the Charter

Support suppliers with the "Tool box: become a Committed Company"

94% of eligible French suppliers* signed the Charter

Creation of the Guide to B Good: a tool box covering topics related to Société à Mission status, B Corp certification and the carbon footprint



15_Promote and share the Mission with the users of our sites

- 100% of sites⁽³⁾ committed to sharing the Mission with their users

Analyse the impact of the installation of "Centre of collective interest" signs at the test site Shopping Promenade Cœur Alsace

Organise events and promote the Mission

Adapt the approach for Spain and Portugal by analysing a test site

Impact analysis at the Shopping Promenade Cœur Alsace test site non-conclusive. Additional brainstorming in 2024 to apply a different format

Organisation of events and promotion of the Mission

Adaptation for a site in Spain or Portugal not completed pending analysis of how to achieve the objective in 2024



⁽¹⁾ Projects eligible for the Mission: surface area greater than 15,000 m² GLA in which FREY intends to keep at least a 50% interest - ⁽²⁾ Sites eligible for the Mission: surface area greater than 15,000 m² GLA and more than 50%-owned by FREY



3.2. REPORT OF THE INDEPENDENT THIRD PARTY ON THE VERIFICATION OF THE ACHIEVEMENT OF THE SOCIAL AND ENVIRONMENTAL OBJECTIVES

To the General Meeting,

In our capacity as an independent third-party body ("third party") of your company (hereinafter "entity"), accredited by COFRAC under number 3-1884⁽¹⁾, we have carried out work aimed at formulating a reasoned opinion expressing a conclusion of limited assurance on the historical information relating to the achievement of the social and environmental objectives that your entity has set for the scope concerned by the status as "Société à Mission", as presented in the reports of the Mission Committee and relating to the period from 1 January 2022 to 31 December 2023, attached to the management reports pursuant to the provisions of Article L. 210-10 of the French Commercial Code.

3

Conclusion

Based on the procedures that we have implemented, as described in the section entitled "Nature and scope of work", and the information that we have collected, we have not identified any material misstatements likely to call into question, within the scope concerned by the "Société à Mission" status and at the end of the period covered by our audit:

- the fact that the entity has achieved the operational objectives that it has set, for each social or environmental objective selected pursuant to paragraph 2 of Article L. 210-10 and included in its articles of association, and that
- consequently, FREY complies with each of the social and environmental objectives that it has set under its mission, in line with its mission statement and its activity with regard to its social and environmental challenges.

Preparation of information related to the achievement of social and environmental objectives

The absence of a generally accepted and commonly used reference framework or of established practices on which to assess and measure information related to the achievement of social and environmental objectives allows for the use of different but acceptable measurement techniques, which may affect comparability between entities and over time.

Consequently, the information related to the achievement of the social and environmental objectives must be read and understood with reference to the entity's procedures (hereinafter the "Guidelines"), the significant elements of which are presented in the Mission Committee's report (and are available on the website or on request from the entity's head office).

Limitations inherent in the preparation of information related to the achievement of social and environmental objectives

Information may be subject to inherent uncertainty in the state of scientific or economic knowledge and the quality of the external data used. Some of the information presented is sensitive to the methodological choices, assumptions and/or estimates used to prepare it.

Responsibility of the entity

The entity is responsible for:

- setting up a Mission Committee responsible for preparing an annual report in accordance with the provisions of Article L. 210-10 of the French Commercial Code;
- selecting or establishing appropriate criteria and procedures to prepare the entity's Guidelines;
- designing, implementing and maintaining internal control over the relevant information for the preparation of the Mission Committee report, as well as for establishing the internal control mechanism that it deems necessary for the preparation of information related to the achievement of the social and environmental objectives which is free from material misstatements, whether due to fraud or error;
- preparing information related to the achievement of the social and environmental objectives in accordance with the Guidelines and made available to the Mission Committee.

The Mission Committee is responsible for preparing its reports on the basis of the information related to the achievement of the social and environmental objectives stipulated by the entity and for carrying out any verification it deems appropriate.

These reports are attached to the Board of Directors' management report.

(1) Cofrac Inspection accreditation, no. 3-1884, scope available at www.cofrac.fr

Responsibilities of the independent third party

Pursuant to the provisions of Article R. 210-21 of the French Commercial Code, it is our responsibility to issue a reasoned opinion expressing a conclusion of limited assurance on the entity's compliance with the social and environmental objectives that it set for itself as a "Société à Mission".

As it is our responsibility to reach an independent conclusion on the information related to the achievement of the social and environmental objectives, we are not authorised to be involved in the preparation of said information, as this could compromise our independence.

Regulatory provisions and applicable professional standards

Our work described below was performed in accordance with the provisions of Articles R. 210-21 of the French Commercial Code and the professional standards of the Compagnie Nationale des Commissaires aux Comptes (CNCC) relating to this type of audit, in particular the technical opinion of the CNCC on the work of the Statutory Auditor, the Independent Third Party, for mission-led companies, which serves as an audit program, and the international standard ISAE 3000 (revised)⁽¹⁾.

Independence and quality control

Our independence is determined by the provisions of Article L. 822-11 of the French Commercial Code and the Code of Ethics of statutory auditors. In addition, we have put in place a quality control system that includes documented policies and procedures to ensure compliance with applicable legal and regulatory texts, ethical rules and the professional standards of the CNCC relating to this assignment.

Means and resources

Our work involved four experts and took place in between January and February 2024 over a total period of approximately two weeks.

We called on Sustainable Development and corporate social responsibility experts to assist us with our work. Notably, we conducted around ten interviews with the people responsible for preparing the historical information related to the achievement of the social and environmental objectives.

Nature and scope of work

We planned and conducted our work taking into account the risk of material misstatement of the information relating to the achievement of the social and environmental objectives that the entity set itself in pursuing its mission per its status as a "Société à Mission".

We believe that the procedures we conducted, exercising our professional judgement, enabled us to duly reach a conclusion of limited assurance.

We obtained an understanding of the entity's activities in the scope concerned by the status of a "Société à Mission", of the formulation of its mission statement, as well as of its social and environmental issues.

Our work focused on:

- on the one hand, the consistency of the social and environmental objectives adopted pursuant to paragraph 2 of Article L. 210-10 and listed in its Articles of Association, the entity's mission statement as stipulated in its Articles of Association (hereinafter: "mission statement") and its activities with regard to its social and environmental issues;
- on the other hand, the achievement of these objectives.

Concerning the consistency of the entity's objectives, mission statement and activities with regard to its social and environmental issues:

- We conducted interviews to assess the commitment of the members of the management and governance bodies with regard to the expectations of the main internal or external stakeholders affected by the entity's activities.
- We assessed the processes put in place to structure and formalise this approach by relying on:
 - the information available at the entity (for example, minutes of Board meetings, discussions with the Social and Economic Committee, minutes of or materials for meetings with internal or external stakeholders, risk analyses);
 - the roadmap of the "Société à Mission" and the last reports of the Mission Committee drawn up since the last audit;
 - where applicable, its publications (for example, sales brochure, management report, its website).
- We thus assessed, in view of the entity's activities with regard to its social and environmental issues, the consistency between:
 - the information collected;
 - the mission statement, and
 - the social and environmental objectives set out in the Articles of Association.

With regard to the achievement of the social and environmental objectives, we looked into the existence of operational targets and key indicators to allow the entity to monitor and measure the achievement of each social and environmental objective at the end of the period covered by the audit, and we verified whether the operational targets were achieved with regard to the trajectories defined by the entity in the scope covered by the status of "Société à Mission".

(1) ISAE 3000 (revised) - Assurance engagements other than audits or reviews of historical financial information

To this end, we carried out the following due diligence:

- we took note of the documents prepared by the entity to report on the exercise of its mission, notably the provisions specifying the operational targets and the associated monitoring methods, as well as the reports of the Mission Committee;
- we discussed the assessment of the achievement of the social and environmental objectives with the Mission Committee and we corroborated the information collected with stakeholder perception of the entity's effects and impacts. Moreover, we reviewed the analysis presented in the Mission Committee's reports, and the results achieved vis-à-vis the operational targets and their defined trajectories, to enable us to assess compliance with the social and environmental objectives;
- We discussed the financial and non-financial resources used to meet the social and environmental objectives with the entity's senior management;
- We verified that the Mission Committee's reports include indicators consistent with the operational targets and suitable to demonstrate the positioning of the operational targets on their defined trajectories;
- We assessed the appropriateness of the resources used to meet the operational targets in relation to their trajectories, in view of changes in business over the period;
- We verified the accuracy of all these indicators, and notably we:
 - assessed the appropriateness of the entity's Guidelines in terms of their relevance, comprehensiveness, reliability, neutrality and readability;
 - verified that the indicators cover the entire scope concerned by the status of a "Société à Mission";
 - took note of the internal control procedures implemented by the entity and assessed the collection process aimed at ensuring the accuracy of these indicators;
 - implementation of analytical procedures to verify the proper consolidation of any data collected as well as the consistency of any changes over time;
 - implementation of detailed tests on the basis of sampling or other selection methods, aimed at verifying the proper use of definitions and procedures and reconciling the data from documentary sources. This work was carried out by on-site audits at the entity's head office and covers all the data used to calculate the indicators;
- Assessed the overall consistency of the Mission Committee's reports in view of our knowledge of the entity and the scope concerned by the status of "Société à Mission".

The procedures implemented in the context of a moderate assurance are less stringent than those required for a reasonable assurance carried out pursuant to the professional standards of the Compagnie Nationale des Commissaires aux Comptes; a higher level of assurance would have required more extensive verification work.

Paris-La Défense, 28 February 2024

KPMG S.A.
Bertrand Roussel
Partner

Fanny Houlliot
ESG Expert

3.3. NON-FINANCIAL INFORMATION

3.3.1. NET PROFIT GROUP SHARE (CARBON-WEIGHTED)

For the first time in its 2019 results, FREY published its carbon-weighted net income Group share.

This indicator amounts to quantifying the theoretical financial impact of the Group's carbon footprint on its profitability.

In 2023, as in 2022, the Group calculated its complete carbon footprint using the internationally recognised GHG Protocol methodology.

FREY's 2023 carbon-weighted net income thus came to -€16 million, after deducting the Group's 2023 carbon charge of €34.9 million.

	On 2023 results GHG Protocol	On 2022 results GHG Protocol
Corporate emissions (T. CO2 eq.)	1,793	1,324
Wholly-owned asset portfolio m ²	662,259	605,994
Emissions by assets held (T. CO2 eq.)	309,658	401,122
Ratio (kg CO2/m ² of assets)	468	662
Financial flows - development	€40.2m	€14.3m
Development emissions (T. CO2 eq.)	37,369	15,147
Ratio (kg CO2/ development flows)	0.93	1.06
TOTAL ANNUAL EMISSIONS (T. CO2 eq.)	348,827	417,593
Carbon price - €/tonne	€100	€80
Carbon impact	€34.9m	€33.4m
Net income Group share (before impact)	€18.9m	€129.3m
CARBON-WEIGHTED NET INCOME GROUP SHARE	-€16.0M	€95.9M

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 a life cycle analysis (LCA) of one of the shopping centres built in 2019, then extrapolation to
- all projects under construction, distinguishing between the different construction types (roads and utilities, green spaces, structural work and roofing, finishing work and technical lots). These extrapolated monetary ratios were adjusted for inflation (+20%) between 2019 and 2023.
- Consideration of all construction projects
 - 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 30% of sites, then extrapolation to the entire portfolio. These field surveys were carried out in 2022 by a specialised service provider to obtain the means of travel for visitors to seven sites representing the Group's assets.
 - The assumptions used to calculate input data and emission factors result in high levels of uncertainty commonly observed in the methodology used, at around 60%, linked in large part to visitor travel.
 - The price per tonne of carbon is, by nature, not fixed. To align with market best practice, we adjusted the price used in our calculation of carbon-weighted net income Group share based on the CRREM (Carbon Risk Real Estate Monitor⁽¹⁾) projection, which set a price per tonne of carbon of €100 for 2023 versus €80 in 2022. This change led to a €7 million increase in the Group's financial carbon impact.

(1) The Carbon Risk Real Estate Monitor is a tool developed and financed by the European Union (EU) that makes it possible to make projections of a real estate portfolio on a trajectory compatible with the EU's climate ambitions.

3.3.2. OTHER NON-FINANCIAL INFORMATION

Since November 2021, and as part of its responsible financial strategy, FREY has only taken out whose financial conditions are linked to its compliance with major CSR commitments.

The criteria applicable at 31 December 2023 are as follows:

1. Continued investment in and exploitation of 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 large-scale development projects kept by the property company;
- BREEAM® In-Use for large-scale assets (in number of assets);
- BREEAM® In-Use Very Good level for large-scale assets (surface area);

3. The development of low-carbon mobility aimed at reducing the greenhouse gas emissions (Scope 3) of assets in the portfolio, by setting up charging stations for electric and hybrid vehicles.

This 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 2023, two indicators were not complied with:

- The indicator relating to the installation of charging stations for electric and hybrid vehicles could not be reached due to delivery delays during 2022, which were not made up in 2023.
- The BREEAM® In-Use Very Good certification indicator for significant assets could also not be reached due to human constraints within the Group.

The level of these indicators at 31 December 2023 is presented in the following table:

Indicators	Level requested	Level 31/12/2023
Forests acquired as part of FoREY investment	1,273 ha	1,845 ha
Environmental certifications:		
● BREEAM® Very Good certified large-scale development projects kept by the property company	100%	100%
● BREEAM® In-Use certified large-scale assets (in number of assets)	50%	56%
● BREEAM® In-Use Very Good certified large-scale assets (surface area)	60%	51%
Percentage of parking spaces fitted with charging stations for electric and hybrid vehicles	3.0%	2.7%

3.4. LIMITED ASSURANCE REPORT BY ONE OF THE STATUTORY AUDITORS BASED ON SELECTED CONSOLIDATED NON-FINANCIAL INFORMATION PRESENTED IN THE 2023 UNIVERSAL REGISTRATION DOCUMENT

Financial year ended 31 December 2023

To the General Meeting of FREY shareholders,

In our capacity as FREY's Statutory Auditors, we hereby present our limited assurance report on a selection of consolidated non-financial information (hereinafter the "Information") for the financial year ended 31 December 2023 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 carbon-weighted net income Group share – and presented in Section 3.2.1 "Carbon-weighted net income Group share" of the 2023 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 2023 Universal Registration Document is as follows:

- Share of eligible assets certified at least BREEAM Very Good;
- Share of eligible assets certified at least BREEAM-in-Use Very Good level Part II;
- Percentage of parking spaces equipped with EV charging stations in the eligible portfolio;
- Hectares of forests located in France acquired per year and cumulatively between 2020 and 2030 (FoREY programme).

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 2023 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 2023 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, 21 March 2024

One of the Statutory Auditors

Grant Thornton

French member of Grant Thornton International

Amandine Huot-Chailleux

Bertille Crichton

3.5. 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 (deterioration, 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 Climate 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 is therefore more in terms of transition risks.

In 2023, FREY collected maximum consumption data on these assets in order to inform the MSCI Real Estate Climate Value-at-Risk® portal as accurately as possible, and not to base its analysis on the statistical data existing in the tool. This work will continue in 2024.

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.



◀ Carré Sud
Nîmes (Gard)

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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 2023 can be found in this section of the 2023 Universal Registration Document;
- the special report for the financial year ended 31 December 2022 can be found in the "Related-party transactions" 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.

On this matter we also refer you to Section 2.1.5 of Note 5 to the consolidated financial statements as at 31 December 2023, 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 2023

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 BNP PARIBAS REIM, which itself manages the OPCI BNP PARIBAS DIVERSIPIERRE.

On 6 November 2019, OPCI BNP PARIBAS DIVERSIPIERRE (through its subsidiary, DVP EUROPEAN CHANNEL) and FREY signed a partnership agreement with a view to OPCI BNP PARIBAS DIVERSIPIERRE obtaining a stake in the share capital of the Company holding the ALGARVE SHOPPING and ALBUFEIRA commercial complex located in the south of Portugal. This OPCI is managed indirectly by Cardif Assurance Vie, which is itself a director of FREY.

The agreement concerned the sale by FREY to the OPCI BNP PARIBAS DIVERSIPIERRE of 30% of the shares of its Portuguese subsidiary, FREYPROP, UNPESSOAL, LDA, which owns the aforementioned ALGARVE SHOPPING and ALBUFEIRA assets.

This partnership was 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, observer represented by David Ferreira, both with capital holdings in 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, 21 March 2024

The Statutory Auditors

Grant Thornton

French member of Grant Thornton International

Amandine Huot-Chailleux

FCN

Pamela Bonnet

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◀ Communale
Saint-Ouen-sur-Seine
(Seine-Saint-Denis)

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 fixed-term replacements, interns and temporary workers, present between 1 January and 31 December 2023.

Reference period

It begins on 1 January 2023 and ends on 31 December 2023.

Key indicators

Gender parity: 57 women and 44 men

96% permanent contracts - 4% work-study contracts

Absenteeism rate: 1.96%

5.1. EMPLOYMENT

TOTAL WORKFORCE AND BREAKDOWN OF EMPLOYEES BY CATEGORY, GENDER AND AGE AS AT 31 DECEMBER 2023

At the end of 2023, FREY had 101 employees.

"Support" functions include financial, legal and human resources staff, as well as assistants and technical personnel (maintenance, reception, etc.).

Workforce at year-end	2018	2019	2020	2021	2022	2023
Managers	61	68	66	63	69	71
Non-managers	24	23	21	21	25	30
TOTAL	85	91	87	84	94	101

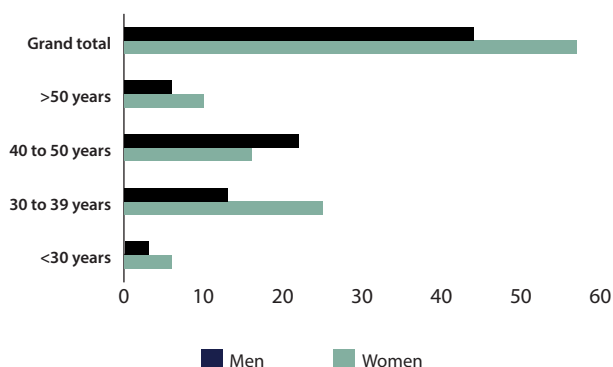
Workforce at year-end	2018	2019	2020	2021	2022	2023
Senior management	8	10	10	6	10	9
Operational staff	46	46	38	42	46	52
Support staff	31	35	39	36	38	40
TOTAL WORKFORCE	85	91	87	84	94	94

Workforce at year-end	2018	2019	2020	2021	2022	2023
Fixed-term contracts	0	0	0	1	0	0
Permanent contracts	84	90	86	82	92	97
Work-study contracts	1	1	1	1	2	4
TOTAL WORKFORCE	85	91	87	84	94	101

Average age	Sum of ages of total workforce
	Total workforce

The average age at 31 December 2023 was 41.

Age pyramid - FREY Group - December 2023



Age category	Female	Male	Total
< 30	6	3	9
30-39	25	13	38
40-50	16	22	38
> 50	10	6	16
GRAND TOTAL	57	44	101

RECRUITMENT AND REDUNDANCIES

In 2023, FREY recruited 18 new employees and 11 employees left the Company. Of these 18 hires, 11 were for positions created or resulting from site acquisitions made during 2023, with a turnover rate excluding job creation of 9.57%.

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	9	6	15
Fixed-term contracts	0	0	0
Work-study contracts	2	1	3
GRAND TOTAL	11	7	18

Departures	Contracts ending	Resignations	Contracts terminated	Trial period terminated	Retirement	Total
Permanent contracts	-	6	1	3	-	10
Fixed-term contracts	-	-	-	-	-	-
Work-study contracts	1	-	-	-	-	1
GRAND TOTAL	1	6	1	3	0	11

5.2. CHANGE IN AVERAGE SALARY

Workforce on a like-for-like basis	This is the number of people employed throughout 2023 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 2023 workforce 2023 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 (2023-2022) Average salary excluding bonuses on a like-for-like basis in 2023

The average salary excluding bonuses on a like-for-like basis changed as follows:

Change in average salary	2018	2019	2020	2021	2022	2023
	6.93%	3.44%	6.40%	0.12%	6.88%	0.25%

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.

7% of the workforce, i.e. 7 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
-------------------------	---

Absenteeism includes absences due to illness, whether occupational or not, and any work-or commute-related accidents.

Absenteeism is calculated over full-year 2023.

Absences are counted in business days.

Table of changes in absenteeism

Absenteeism trend	2018	2019	2020	2021	2022	2023
	2.13%	1.56%	0.70%	1.33%	1.68%	1.96%

WORKPLACE ACCIDENTS, PARTICULARLY THEIR FREQUENCY AND SEVERITY, AND OCCUPATIONAL ILLNESSES

There were no workplace accidents in 2023.

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 and in 2023 for FREY.

No collective bargaining agreement or agreement with unions was signed in the 2023 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 MANAGEMENT AND REMUNERATION

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 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 2023
Training rate	Number of people trained
	Average 2023 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 2023, 809 hours of training were completed. Almost 45% of staff have benefited from training, receiving an average of 18 hours per employee, on topics relating not only to the continuous adaptation to workstations but also skills development or personal development. The cost of this training represents 0.64% of the Group's total payroll.

In 2023, training hours for employees on work-study contracts (apprenticeships and professional training contracts) came to 1,550 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 was relatively stable in 2023, at 56%, compared to 57% in 2022.

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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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.: +33 (0)3 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 is a "Société à Mission".

The Company's shares are admitted to trading on the regulated Euronext Paris market, Compartment B (ISIN: FR0010588079).

6.1.2. ARTICLES OF ASSOCIATION

1. Corporate object - Mission Statement - 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

FREY's mission is 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 the Company commits to pursuing in its business activities, within the meaning of point 2 of Article L. 210-10 of the French Commercial Code, are as follows:

- make retail a driver of urban diversity;
- make retail a catalyst for local economic resilience;
- make retail an accelerator of the green transition;
- make FREY a company serving the common good.

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 *ter* 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 *ter* 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 *ter* 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 *ter* 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).

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.

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.

Attendance sheet - Committee - Minutes

General Meetings are chaired by the Chairman of the Board of Directors or, in his absence, by a Board member duly authorised for that purpose by the Board. Failing this, the meeting elects its own Chairman. Where the meeting is called by the Statutory Auditors or a court officer, the meeting is chaired by the person or persons responsible for calling it.

The duty of tellers shall be performed by the two shareholders with the largest number of shares, attending and accepting the duty in their own name or acting as proxies.

Together the Chairman of the meeting and the tellers form the Meeting Committee. The Meeting Committee then designates a Secretary who may be chosen from outside the shareholders.

An attendance sheet is drawn up in accordance with legal provisions.

The minutes are drafted and copies or extracts of proceedings are issued and certified by the Chairman of the Board of Directors, by a member of the Board of Directors or the Secretary of the meeting.

Ordinary General Meeting

It meets at least once a year, within the applicable legal and regulatory time periods, to approve the financial statements for the previous financial year.

Its deliberations are only valid if the shareholders present, represented or voting by post own, on first call, at least a fifth of shares with voting rights. No quorum is required on second call.

It requires a majority of votes of present or represented shareholders, including shareholders who voted by post.

Extraordinary General Meeting

The deliberations of the Extraordinary General Meeting are only valid if the shareholders present or represented own or having cast a postal vote, on first call, at least a quarter, and on second call a fifth of shares with voting rights. Failing this latter quorum, the second meeting can be deferred to a date up to two months after the one on which it had been scheduled; for this second deferred meeting, the same quorum of one fifth of shares is required.

It requires a two-thirds majority of votes of present or represented shareholders, including shareholders who voted by post.

Special meetings

If there are several classes of shares, no changes can be made to the rights of the shares of one of these categories, without a requisite vote of an Extraordinary General Meeting open to all shareholders and, in addition, without the requisite vote of a Special Meeting open only to owners of shares of the relevant class.

The deliberations of the Special Meetings are only valid if the shareholders present or represented own, on first call, at least a third, and on second call a fifth of shares of the relevant class.

Failing this latter quorum, the second meeting can be deferred to a date up to two months after the one on which it had been scheduled, with the same quorum of one fifth of shares.

Otherwise they are called and held under the same conditions as Extraordinary General Meetings subject to specific provisions applicable at meetings of holders of non-voting preference shares.

6. Provisions of the Company's Articles of Association, charter or 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	1,631,971
	SG	18/05/2022			1,228,571
	ARKEA	20/11/2019			342,857
	BNP	26/11/2021			857,142
	CIC-EST	09/06/2023			1,040,000
	LCL	20/11/2023			1,142,857
					748,572
TOTAL					6,991,970

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 2.1.2.4 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 Appraisals MRICS (Jones Lang LaSalle Expertise);
- Jean-Claude Dubois, Chairman of MRICS (BNP Real Estate Valuation);
- Ivan Lopez, Director of RICS Registered Valuer (Savills);

Patrick Colomer, Maxime Wasselin, Christopher Adam, Jean-Claude Dubois and Ivan Lopez 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, Jean-Claude Dubois nor Ivan Lopez 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, Jean-Claude Dubois and Ivan Lopez.

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, AI, 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, FREY Mediterraneo SL, Finestrelles shopping center sl, FREY Riviera and Giarole.

II. Appraisal conditions and criteria

We confirm that our appraisals were conducted independently and declare we are free from any conflict of interests with FREY.

The usage methods retained by the Appraisal Department of our company are the methods most frequently used by the profession.

The professional ethics and appraisal methods applied by the Appraiser are those set out in:

- The charter of Property Appraisal, published by the French Institute of Property Appraisal (IFEI) in partnership with the leading recognised professional organisations. This charter implies respect for the rules of ethics, methodology and privacy of the profession of Appraiser. As is the rule for an Appraiser, the latter formally undertakes to respect, under all circumstances, the confidentiality of information collected or provided during the assignment. All employees are bound by professional secrecy and the obligation of absolute discretion in all aspects relating to the facts, data, surveys and decisions that they have gained knowledge of in conducting their business. They are prohibited from any written or oral disclosure on these topics and from issuing any documents to third parties without written consent from the Principal.
- The seventh edition of the Red Book of the Royal Institution of Chartered Surveyors (RICS) effective on 2 May 2011, in particular pursuant to the requirements of Section PS6 "Practice statement" titled "Valuation reports" and Section UK PS3 titled "Valuation of loan facilities".
- The Blue Book listing all European Standards approved by TEGoVA (the European Group of Valuers' Associations).

As a property valuer, 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 paragraph 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.

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.

III. Methodology used for the appraisals

The appraisal methods used were selected independently by the Appraiser (see below), according to the type of property estimated, the market in which the property is registered and the type of prospective purchaser.

The Appraiser used one or two appraisal methods (capitalisation and/or DCF). They considered that a direct comparison method was not relevant in the case of rented property assets and was therefore less appropriate.

COMPARISON METHODS

This method involves starting directly from transaction references made on the property market for properties with characteristics and location comparable to that of the appraised property.

In some cases, these methods can be used to appraise a property or interest by assigning it a value derived from the analysis of sales of similar or related properties. Depending on the type of property, the measures chosen may be the unit or surface area (car park, bedroom, bed, chair, etc.).

However, in the present case of leased properties this method appeared less significant, as it is more often used for unoccupied buildings which are mostly new and generally put up for sale on the users' market rather than that of investors.

INCOME CAPITALISATION METHODS

Income capitalisation methods can be used to apply an ad hoc rate of return to an actual or potential rental income (if vacant premises exist the rate of return is applied on the market rental value, net of costs).

Several capitalisation methods can be used by the Appraiser depending on whether the building is leased at market terms (capitalisation of net income in perpetuity), below (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 steps.

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

MRICS

Chairman

On behalf of BNP Real Estate Valuation

Ivan Lopez

RICS Registered Valuer

Director

On behalf of Savills

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:

- 28 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 one hundred and four (104) 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.

Since 2021, FREY has been B Corp™ certified by B Lab™, as a B Certified™ company. FREY is authorized to use the "B Certified®" seal on its websites, advertisements and marketing objects for the purpose of informing the public that the company is a member of the B Corp™ community.

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® Construction Very Good and In-Use Excellent Part 1 and Very Good Part 2).

- **Shopping Promenade® Cœur Alsace** in Strasbourg (BREEAM® Construction Very Good and In-Use Excellent Part 1 and Very Good Part 2).
- **Finestrelles Shopping Centre** in Barcelona, Spain (BREEAM® Construction Very Good and In Use Excellent Part 2).
- **Algarve Shopping** in Albufeira, Portugal (BREEAM® In Use Very Good).
- **Polygone Riviera** in Cagnes-sur-Mer (BREEAM® Construction Very Good and In Use Outstanding Part 1 and Excellent Part 2).
- **Vallès Park** in Terrassa, Spain (BREEAM® In Use Good).

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 (Aube);
- **Clos du Chêne** in Montévrain (Seine-et-Marne);
- **Green 7** in Salaise-sur-Sanne (Isère);
- **O'Green** in Agen-Boé (Lot-et-Garonne).
- **Shopping Promenade® Cœur Picardie** in Amiens (Somme);
- **SuperGreen** in Thionville - Terville (Moselle).

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.

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 Ordinary Annual 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, 22 March 2024

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: Ordinary Annual 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: Ordinary Annual 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 2023	Financial year ended 31 December 2022	Financial year ended 31 December 2023	Financial year ended 31 December 2022	Financial year ended 31 December 2023	Financial year ended 31 December 2022	Financial year ended 31 December 2023	Financial year ended 31 December 2022
Audit								
● Audit of financial statements								
<i>Issuer</i>	€141,092	€134,336	€139,000	€158,286	-	-	-	-
<i>Subsidiaries</i>	€73,362	€61,175	€144,528	€75,823	€48,012	€49,982	€40	€4,560
● Ancillary assignments	€11,025	-	€74,178	€12,766	-	-	-	-
SUB-TOTAL	€225,479	€195,511	€357,706	€273,453	€49,982	€49,982	€4,560	€4,560
Other services								
● Legal, fiscal, labour	-	-	-	-	-	-	-	-
● Information Technology	-	-	-	-	-	-	-	-
● Internal audit	-	-	-	-	-	-	-	-
● Other (if >10% of audit fees)	-	-	-	-	-	-	-	-
SUB-TOTAL	-	-	-	-	-	-	-	-
TOTAL	€225,479	€195,511	€357,706	€273,453	€48,012	€49,982	€40	€4,560

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.

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1 rue René Cassin - 51430 Bezannes - France
398 248 591 Reims Trade and Companies Registry
ISIN: FR0010588079